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STATEMENT FOR THE PRESS

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Federal Reserve Board,
December 27, 1923.

FEDERAL RESERVE BANKING DURING 1923.

The condition of the Federal Reserve Banks at the end of the year 1923 shows relatively little change from that prevailing at the end of the preceding year. Loan liquidation and the reduction in Federal reserve note circulation, both of which began at the end of 1920, had practically ceased by the middle of 1922, and since then changes in condition of Federal reserve banks have not been very wide, in fact the past two years have been characterized by a condition of relative stability in Federal reserve banking. Demand for credit accommodation during 1923, represented by the total of bills discounted, bills bought, and Government securities, averaged about \$1,150,000,000, though there has been considerable change in the composition of the total; Federal reserve note circulation, except for the seasonal reduction in January, has fluctuated around \$2,250,000,000 throughout the year; cash reserves at the end of 1923 were \$3,138,000,000, differing little from the total reported a year earlier; while the reserve ratio during the greater part of the year stood at around 76 per cent, though on the last report date of the year it dropped to 73.3 per cent, mainly because of the increased demand for currency that manifests itself at the holiday season.

Considerable change has taken place in the composition of the earning assets of the Federal reserve banks. On December 27 of last year the banks held \$630,000,000 of bills discounted, \$246,000,000 of bills bought in open market, and \$458,000,000 of U. S. Government securities. At the end of the present year U. S. security holdings stood at \$104,000,000, the Federal reserve banks having permitted their security holdings to run off at maturity, or when called for redemption by the Treasury Department, without replacing them by additional purchases in the open market. The failure of the Federal reserve banks to replace their holdings of maturing securities made it necessary for member banks to increase their borrowings on discounted paper in order to retain the amount of reserve bank credit required to meet the demands of commerce and business. Holdings of bills bought in open market declined during the early part of the year, reaching \$182,000,000 on February 21. This was followed by a steady rise to \$282,000,000 on May 16, after which there was again a gradual reduction to \$171,000,000 on September 19. Additional purchases since then have brought the total holdings up to \$336,000,000 on December 26, the largest amount held during the year.

Holdings of bills discounted increased from \$630,000,000 on December 27 of last year to \$857,000,000 at the end of the present year. The increase in discounts was almost continuous up to October. Since then, increased open market purchases of acceptances by the Federal reserve banks have been accompanied with a decline in discount accommodation. The largest relative increases in discount accommodation for the year are shown by those reserve banks that serve districts in which agriculture, particularly cotton-growing, is of major importance. Discount holdings of the Atlanta bank, for example, increased from \$30,000,000 to \$69,000,000 between December 27, 1922 and December 26, 1923, those of St. Louis - from \$30,000,000 to \$62,000,000, and of Kansas City - from \$30,000,000 to \$50,000,000. Net imports of gold during the eleven months ending November 30, amounting to approximately \$262,000,000, enabled the banks of the country as a whole to finance the larger loan requirements of their customers without an increase in the total volume of reserve bank credit in use.

Federal reserve note circulation, after the seasonal decline in January amounting to about \$200,000,000, remained at a fairly stable level the balance of the year until December, when the usual holiday demands brought the total up to \$2,340,000,000. The low point in Federal reserve note circulation was reached this year on August 1, a week later than the low point of total earning assets, the circulation of Federal reserve notes on the date mentioned being \$2,188,000,000. An increase of over \$300,000,000 in the amount of gold and silver certificates in circulation between January 1 and December 1 was more than sufficient to meet the additional currency requirements of the country, with the result that the amount of Federal reserve notes in circulation is now somewhat less than it was a year ago. Some of the Federal reserve banks, however, show relatively large changes in their note circulation during the year, notably Atlanta and Dallas with increases of \$19,000,000 and \$16,000,000, respectively, and New York with a reduction of \$170,000,000.

While there has been little change in cash reserves of the System as a whole, considerable interdistrict shifting of reserves has taken place, the largest relative reductions being shown for Atlanta, whose total reserves at the end of this year were \$121,000,000 as compared with \$141,000,000 a year earlier, and New York with a decline from \$1,056,000,000 to \$885,000,000.

RESOURCES AND LIABILITIES
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED

(In thousands of dollars)

Dec. 26, 1923 Dec. 19, 1923 Dec. 27, 1922

R E S O U R C E S

Gold and gold certificates	341,401	348,584	273,825
Gold settlement fund - F. R. Board	553,604	541,011	509,580
<u>Total gold held by banks</u>	<u>895,005</u>	<u>889,595</u>	<u>783,405</u>
Gold with Federal Reserve Agents	2,109,814	2,140,445	2,198,846
Gold redemption fund	66,108 ²⁷⁸	61,095	58,188
<u>Total gold reserves</u>	<u>3,070,927¹⁰⁹⁷</u>	<u>3,091,135</u>	<u>3,040,439</u>
Reserves other than gold	66,589 ⁴¹⁹	72,303	108,398
<u>Total reserves</u>	<u>3,137,516</u>	<u>3,163,438</u>	<u>3,148,837</u>
Non-reserve cash	69,661	64,548	*
Bills discounted:			
Sec. by U. S. Government obligations	441,842	385,425	316,495
Other bills discounted	415,309	354,771	313,390
Bills bought in open market	335,415	322,379	246,293
<u>Total bills on hand</u>	<u>1,193,566</u>	<u>1,072,575</u>	<u>876,178</u>
U. S. bonds and notes	88,835	72,957	179,192
U. S. Certificates of indebtedness	15,323	8,292	278,691
Municipal warrants	51	51	40
<u>Total earning assets</u>	<u>1,297,775</u>	<u>1,153,875</u>	<u>1,334,101</u>
Bank premises	57,105	56,951	47,227
5% Redemption fund against			
F. R. Bank notes	28	28	2,520
Uncollected items	591,608	734,270	757,500
All other resources	15,684	15,515	15,226
<u>TOTAL RESOURCES</u>	<u>5,169,377</u>	<u>5,188,625</u>	<u>5,305,411</u>

L I A B I L I T I E S

Capital paid in	110,103	110,156	107,256
Surplus	218,369	218,369	215,398
Deposits:			
Government	42,811	11,334	7,809
Member bank - reserve account	1,874,486	1,849,596	1,861,281
Other deposits	20,572	21,922	31,165
<u>Total deposits</u>	<u>1,937,869</u>	<u>1,882,852</u>	<u>1,900,255</u>
F. R. notes in actual circulation	2,340,375	2,296,436	2,464,121
F. R. Bank notes in circulation -			
net liability	470	477	10,632
Deferred availability items	535,490	654,456	578,502
All other liabilities	26,701	25,879	29,247
<u>TOTAL LIABILITIES</u>	<u>5,169,377</u>	<u>5,188,625</u>	<u>5,305,411</u>

Ratio of total reserves to deposit and

F. R. note liabilities combined

73.3%

75.7%

72.1%

Contingent liability on bills purchased

for foreign correspondents

17,808

17,886

34,014

*Not shown separately prior to January, 1923.

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RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AS AT CLOSE OF BUSINESS, DECEMBER 28, 1923.

(In thousands of dollars)

	RESOURCES												
	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	Total
Federal Reserve Bank of													
Gold and gold certificates	19,237	168,220	32,177	11,906	5,366	6,546	47,590	4,609	8,789	3,172	11,879	21,910	341,401
Gold settlement fund - F.R. Board	39,010	76,886	23,454	80,867	34,622	18,786	121,441	33,454	23,242	45,919	15,137	40,180	553,604
Total gold held by banks	58,247	245,106	55,631	92,773	39,988	25,332	169,031	38,063	32,637	49,091	27,016	62,090	895,005
Gold with F. R. Agents	170,969	608,674	182,749	224,381	71,164	86,465	384,973	48,789	52,314	34,565	26,419	218,352	2,109,814
Gold redemption fund	11,234	10,195	11,481	2,748	2,424	4,734	4,862	3,348	1,517	6,081	2,050	4,934	66,188
Total gold reserves	240,450	863,975	249,861	319,902	113,576	116,531	558,866	90,700	86,468	89,737	55,485	285,376	3,070,927
Reserves other than gold	3,220	21,247	9,241	2,918	2,599	4,280	6,034	6,153	643	3,021	5,733	1,500	66,589
Total reserves	243,670	885,222	259,102	322,820	116,175	120,811	564,900	96,853	87,111	92,758	61,218	286,876	3,137,516
Non-reserve cash	15,351	9,937	2,996	4,829	1,817	8,336	5,347	6,976	1,464	3,209	2,555	6,844	69,661
Bills discounted:													
Secured by U.S. Govt. obligations	27,180	158,190	45,453	39,947	26,740	20,301	53,292	19,785	6,413	18,599	2,808	23,134	441,842
Other bills discounted	52,082	46,766	16,697	28,893	28,763	49,034	51,875	42,424	16,418	31,052	9,485	41,820	415,309
Bills bought in open market	33,973	90,052	32,951	39,809	2,321	12,493	40,602	43	182	670	47,976	35,343	336,415
Total bills on hand	113,235	295,008	95,101	108,649	57,824	81,828	145,769	62,252	23,013	50,321	60,269	100,297	1,193,566
U. S. bonds and notes	5,202	12,349	12,805	9,943	1,341	284	10,229	-	8,638	12,504	6,355	9,185	88,835
U. S. Certificates of indebtedness	2,272	10,050	147	1,247	-	7	722	-	14	514	350	-	15,323
Municipal warrants	-	-	-	-	-	51	-	-	-	-	-	-	51
Total earning assets	120,709	317,407	108,053	119,839	59,165	82,170	156,720	62,252	31,665	63,339	66,974	109,482	1,297,775
Bank premises	4,434	14,528	755	9,580	2,617	2,955	8,715	1,348	2,143	4,989	1,953	3,088	57,105
5% Redemption fund against F. R. Bank notes	-	-	-	-	-	-	-	-	-	-	28	-	28
Uncollected items	53,281	121,206	60,382	58,153	57,209	25,008	70,194	29,269	14,878	37,366	26,035	38,627	591,608
All other resources	241	1,360	176	215	580	677	496	100	3,596	803	3,248	4,192	15,684
TOTAL	437,686	1,349,660	431,464	515,436	237,563	239,957	806,372	196,798	140,857	202,464	162,011	449,109	5,169,377

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS DECEMBER 26, 1923.

L I A B I L I T I E S													
(In thousands of dollars)													
Federal Reserve Bank of	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	Total
Capital	7,890	29,439	9,941	12,338	5,756	4,430	15,179	5,020	3,498	4,556	4,194	7,862	110,103
Surplus	16,312	59,800	18,749	23,495	11,288	8,942	30,398	9,665	7,473	9,488	7,496	15,263	218,369
Deposits:													
Government	4,105	9,203	1,990	2,339	2,342	4,685	4,186	2,213	2,353	1,356	3,751	4,288	42,811
Member bank - reserve account	121,784	705,485	115,177	156,678	58,139	53,691	271,265	68,027	47,118	75,240	58,082	143,800	1,874,486
Other deposits	126	10,792	317	1,116	204	161	1,090	438	466	773	432	4,651	20,572
Total deposits	126,015	725,480	117,484	160,133	60,685	58,537	276,541	70,678	49,937	77,375	62,265	152,739	1,937,869
F. R. notes in actual circulation	234,830	428,579	233,016	263,478	109,265	148,367	420,296	78,896	66,749	68,994	55,508	232,397	2,340,375
F. R. Bank notes in circulation - net liability	-	-	-	-	-	-	-	-	-	-	470	-	470
Deferred availability items	51,210	100,864	50,020	53,833	48,920	17,805	61,349	30,938	11,843	40,654	29,540	38,514	535,490
All other liabilities	1,429	5,498	2,254	2,159	1,649	1,876	2,609	1,601	1,357	1,397	2,538	2,334	26,701
TOTAL LIABILITIES	437,686	1,349,660	431,464	515,436	237,563	239,957	806,372	196,798	140,857	202,464	162,011	449,109	5,169,377
Ratio of total reserves to deposit and F. R. note liabilities combined, per cent	67.5	76.7	73.9	76.2	68.4	58.4	81.1	64.8	74.7	63.4	52.0	74.5	73.3
Contingent liability on bills purchased for foreign correspondents	-	6,111	1,538	1,932	930	733	2,486	787	608	769	644	1,270	17,808
FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION													
F. R. notes outstanding	257,806	714,279	255,717	284,674	118,692	162,568	464,457	93,173	70,604	81,189	59,263	275,976	2,838,398
F. R. notes held by banks	22,976	285,700	22,701	21,196	9,427	14,201	44,161	14,277	3,855	12,195	3,755	43,579	498,023
F. R. notes in actual circulation	234,830	428,579	233,016	263,478	109,265	148,367	420,296	78,896	66,749	68,994	55,508	232,397	2,340,375
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	From 91 days to 6 months	Over 6 months	Total						
Bills discounted	612,660		64,310		84,069		66,514		28,269		1,329		857,151
Bills bought in open market	117,289		65,124		94,220		55,119		4,663		-		336,415
U. S. Certificates of indebtedness	5,123		-		-		.783		8,893		524		15,323
Municipal warrants	31		10		10		-		-		-		51

FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS, DECEMBER 26, 1923.

(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	81,050	286,460	40,200	43,320	25,830	68,317	116,040	23,190	8,880	28,153	25,009	61,800	808,249
Federal Reserve notes outstanding	257,806	714,279	255,717	284,674	118,692	162,568	464,457	93,173	70,604	81,189	59,263	275,976	2,838,398
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates	35,300	235,531	14,000	8,780	-	2,400	-	10,130	13,052	-	7,391	-	326,584
Gold redemption fund	17,669	27,143	14,860	14,601	1,869	5,065	8,329	2,659	1,262	2,205	3,528	15,290	114,480
Gold fund - F. R. Board	118,000	346,000	153,889	201,000	69,295	79,000	376,644	36,000	38,000	32,360	15,500	203,062	1,668,750
Eligible paper -													
Amount required	86,837	105,605	72,968	60,293	47,528	76,103	79,484	44,384	18,290	46,624	32,844	57,624	728,584
Excess amount held	26,398	159,940	1,894	47,214	8,577	5,628	66,042	17,713	3,002	3,487	26,038	42,191	408,124
TOTAL	623,060	1,874,958	553,528	659,882	271,791	399,081	1,110,996	227,249	153,090	194,018	169,573	655,943	6,893,169

L I A B I L I T I E S

Net amount of Federal Reserve notes
received from Comp-
troller of the Currency

338,856 1,000,739 295,917 327,994 144,522 230,885 580,497 116,363 79,484 109,342 84,272 337,770 3,646,647

Collateral received from
Federal Reserve Bank:

Gold 170,969 608,674 182,749 224,381 71,164 86,465 384,973 48,789 52,314 34,565 26,419 218,352 2,109,814
Eligible paper 113,235 265,545 74,862 107,507 56,105 81,731 145,526 62,097 21,292 50,111 58,882 99,815 1,136,708

TOTAL 623,060 1,874,958 553,528 659,882 271,791 399,081 1,110,996 227,249 153,090 194,018 169,573 655,943 6,893,169

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