

# STATEMENT FOR THE PRESS

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Saturday morning, Jan. 3;  
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St. 4385  
Federal Reserve Board,  
January 2, 1925.

## CHANGES IN CONDITION OF FEDERAL RESERVE BANKS DURING 1924.

During 1924 the principal changes in condition of the Federal reserve banks were an increase in reserve balances of member banks which carried them to the highest point in the history of the system; a decrease in the volume of Federal reserve notes in circulation, as a consequence of the replacement of these notes by gold; and a change in the composition of earning assets, consisting of a considerable increase in holdings of United States securities and an approximately corresponding decline in discounts for member banks. Net imports of gold, which were large during the first half of the year, resulted in a decreased demand for accommodation at the Federal reserve banks and total earning assets of these banks declined from \$1,272,000,000 at the beginning of the year to about \$800,000,000 near the end of May. During the second half of the year, the decline in the volume of gold imports together with an increased demand for currency for crop-moving purposes and later for holiday trade, increased the demand for reserve bank credit, with the result that at the end of the year total earning assets were about \$500,000,000 above their low point in May and at about the same level as a year earlier.

Among the different classes of earning assets discounted bills declined from \$797,900,000 on January 2, 1924 to a low point of \$221,400,000 on November 26 and stood at \$314,100,000 at the end of the year. Holdings of United States securities rose from slightly over \$100,000,000 to about \$540,200,000 on December 31, this increase being nearly as large as the decline in discounts. Holdings of bills bought in open market fluctuated widely during the year, declining from \$347,200,000 on January 2 to only \$18,000,000 on August 13, and then increasing to \$387,100,000 at the end of the year.

Federal reserve note circulation, after the seasonal decline in the early weeks of 1924, amounting to about \$200,000,000, continued to decline until the end of September. During the last quarter of the year, however, seasonal demands for currency, particularly during the holiday period, resulted in an increase in note circulation to \$1,941,700,000 on December 24, an increase of about \$200,000,000 from the low point of the year. The aggregate circulation of Federal reserve notes on December 31, \$1,862,000,000, represents a reduction of \$380,000,000 from the amount in circulation at the beginning of the year. Changes in the demand for currency during the year were reflected both in changes in the volume of Federal reserve notes in circulation and in total cash reserves. Cash reserves, which were at their high point of \$3,274,000,000 on July 23, declined to \$2,997,500,000 on December 24. During the week following Christmas the return flow of currency was reflected in a decrease of \$79,700,000 in Federal reserve notes and increases of \$49,500,000 in cash reserves and \$24,900,000 in non-reserve cash.

Member bank reserve balances, which were fairly stable at about \$1,900,000,000 to the end of May, increased rapidly to \$2,261,000,000 on September 17, and at the end of the year were about \$300,000,000 above the low point. This growth in reserve balances of member banks accompanied the rapid growth in their demand and time deposits during the latter part of the year.

C.

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RESOURCES AND LIABILITIES  
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED

(In thousands of dollars)

	Dec. 31, 1924	Dec. 24, 1924	Jan. 2, 1924
<b>R E S O U R C E S</b>			
Gold with Federal reserve agents . . . . .	1,702,306	1,747,218	2,109,715
Gold redemption fund with U.S. Treasury . . . . .	41,245	45,756	57,327
<u>Gold held exclusively against F.R. notes</u> . . . . .	1,743,551	1,792,974	2,167,042
Gold settlement fund with F. R. Board . . . . .	679,464	637,240	568,954
Gold and gold certificates held by banks . . . . .	513,518	482,605	347,890
<u>Total gold reserves</u> . . . . .	2,936,533	2,912,819	3,083,886
Reserves other than gold . . . . .	110,521	84,694	87,934
<u>Total reserves</u> . . . . .	3,047,054	2,997,513	3,171,870
Non-reserve cash . . . . .	62,567	37,668	67,573
Bills discounted:			
Sec. by U. S. Government obligations . . . . .	186,840	239,230	422,764
Other bills discounted . . . . .	127,288	157,199	375,119
<u>Total bills discounted</u> . . . . .	314,128	396,429	797,883
Bills bought in open market . . . . .	387,100	389,574	347,185
U. S. Government securities:			
Bonds . . . . .	75,265	74,756	29,429
Treasury notes . . . . .	349,354	342,552	79,859
Certificates of indebtedness . . . . .	115,541	120,571	17,355
<u>Total U. S. Government securities</u> . . . . .	540,160	537,879	126,643
Foreign loans on gold . . . . .	6,000	6,000	-
All other earning assets . . . . .	2,050	2,050	51
<u>Total earning assets</u> . . . . .	1,249,438	1,331,932	1,271,762
5% Redemption fund - F. R. Bank notes . . . . .	-	-	28
Uncollected items . . . . .	656,197	674,514	679,216
Bank premises . . . . .	57,595	61,819	53,998
All other resources . . . . .	23,529	23,827	15,835
<b>TOTAL RESOURCES</b> . . . . .	5,096,380	5,127,273	5,260,282
<b>L I A B I L I T I E S</b>			
F. R. notes in actual circulation . . . . .	1,862,062	1,941,747	2,245,230
F. R. Bank notes in circulation - net . . . . .	-	-	470
Deposits:			
Member bank - reserve account . . . . .	2,220,436	2,222,870	1,963,874
Government . . . . .	51,197	*58,071	56,695
Other deposits . . . . .	39,035	*30,243	30,266
<u>Total deposits</u> . . . . .	2,310,668	2,311,184	2,050,835
Deferred availability items . . . . .	584,716	526,992	620,178
Capital paid in. . . . .	112,038	112,026	110,483
Surplus . . . . .	217,837	220,915	220,915
All other liabilities . . . . .	9,059	14,409	12,171
<b>TOTAL LIABILITIES</b> . . . . .	5,096,380	5,127,273	5,260,282
Ratio of total reserves to deposit and F. R. notes liabilities combined . . . . .	73.0%	70.5%	73.8%
Contingent liability on bills purchased for foreign correspondents . . . . .	42,683	41,754	19,010

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\*Revised figures.

## RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS, DECEMBER 31, 1924.

## R E S O U R C 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
Gold with Federal Reserve Agents	164,365	384,307	168,237	165,466	79,184	143,306	165,909	56,590	73,528	63,475	37,186	200,753	1,702,306
Gold redemption fund with U.S.Treas.	5,038	11,557	4,480	1,849	2,107	2,492	2,498	3,274	908	2,626	1,978	2,438	41,245
<u>Gold held exclusively against</u>													
<u>F. R. notes</u>	169,403	395,864	172,717	167,315	81,291	145,798	168,407	59,864	74,436	66,101	39,164	203,191	1,743,551
Gold settlement fund with F.R.Board	32,275	286,475	31,137	40,158	18,724	12,963	110,989	23,834	19,569	40,920	18,033	44,387	679,464
Gold and gold certif. held by banks	18,422	277,263	27,713	21,407	19,662	8,390	87,980	8,165	5,867	2,898	9,065	26,686	513,518
<u>Total gold reserves</u>	220,100	959,602	231,567	228,880	119,677	167,151	367,376	91,863	99,872	109,919	66,262	274,264	2,936,533
Reserves other than gold	13,740	21,868	4,994	9,365	5,809	9,167	15,576	11,700	1,608	3,964	8,948	3,782	110,521
<u>Total reserves</u>	233,840	981,470	236,561	238,245	125,486	176,318	382,952	103,563	101,480	113,883	75,210	278,046	3,047,054
Non-reserve cash	5,543	18,517	1,731	5,934	3,498	4,701	9,266	3,387	1,027	2,722	2,508	3,733	62,567
Bills discounted:													
Secured by U.S.Govt. obligations	15,217	68,745	27,411	29,248	11,948	1,329	19,379	5,303	229	727	246	7,058	186,840
Other bills discounted	13,777	12,577	8,873	12,825	21,600	14,741	18,445	4,827	4,223	4,249	2,467	8,684	127,288
<u>Total bills discounted</u>	28,994	81,322	36,284	42,073	33,548	16,070	37,824	10,130	4,452	4,976	2,713	15,742	314,128
Bills bought in open market	63,889	101,823	18,276	41,217	1,486	9,202	33,882	21,391	8	15,661	26,197	54,068	387,100
U. S. Government securities:													
Bonds	2,472	12,440	1,345	11,126	1,340	1,564	19,494	1,264	8,856	8,911	3,273	3,180	75,265
Treasury notes	23,727	120,495	24,127	33,858	2,464	1,349	46,556	11,171	13,145	18,182	16,998	37,282	349,354
Certificates of indebtedness	10,461	36,963	4,417	15,066	807	872	14,320	2,653	3,787	6,288	5,226	14,681	115,541
<u>Total U. S. Govt. securities</u>	36,660	169,898	29,889	60,050	4,611	3,785	80,370	15,088	25,788	33,381	25,497	55,143	540,160
Foreign loans on gold	-	1,746	582	702	342	264	894	294	216	276	228	456	6,000
All other earning assets	-	-	1,550	-	-	-	-	-	-	500	-	-	2,050
<u>Total earning assets</u>	129,543	354,789	86,581	144,042	39,987	29,321	152,970	46,903	30,464	54,794	54,635	125,409	1,249,438
Uncollected items	60,635	156,377	59,473	56,127	54,296	27,950	81,588	35,994	13,942	42,975	30,999	35,841	656,197
Bank premises	4,190	16,243	1,114	7,573	2,446	2,780	8,099	3,176	2,901	3,965	1,833	3,275	57,595
All other resources	180	8,657	203	333	353	1,775	1,556	306	3,495	736	1,793	4,142	23,529
<u>TOTAL RESOURCES</u>	433,931	1,536,053	385,663	452,254	226,066	242,845	636,431	193,329	153,309	219,075	166,978	450,446	5,096,380

## RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS, DECEMBER 31, 1924.

## 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
F. R. notes in actual circulation	207,389	387,353	168,737	198,515	87,579	142,879	196,529	57,813	71,761	72,836	55,641	215,030	1,862,062
Deposits:													
Member bank - reserve account	140,102	883,861	129,577	163,019	66,295	62,897	312,395	80,511	55,967	92,692	65,828	167,192	2,220,436
Government	3,856	16,904	2,152	4,203	2,455	3,757	6,173	2,468	1,636	2,291	1,665	3,637	51,197
Other deposits	84	28,195	806	1,123	340	124	1,615	671	422	614	224	4,817	39,035
<u>Total deposits</u>	<u>144,042</u>	<u>928,960</u>	<u>132,635</u>	<u>168,345</u>	<u>69,090</u>	<u>66,778</u>	<u>320,183</u>	<u>83,650</u>	<u>58,025</u>	<u>95,597</u>	<u>67,717</u>	<u>175,646</u>	<u>2,310,668</u>
Deferred availability items	57,905	129,055	53,591	49,460	51,205	19,023	72,786	36,377	11,883	36,916	31,219	35,296	584,716
Capital paid in	7,980	30,167	10,518	12,756	5,900	4,564	15,172	5,129	3,270	4,338	4,131	8,113	112,038
Surplus	16,382	58,749	20,059	22,462	11,701	8,950	30,426	9,971	7,497	8,977	7,592	15,071	217,837
All other liabilities	233	1,769	123	716	591	651	1,335	389	873	411	678	1,290	9,059
<u>TOTAL LIABILITIES</u>	<u>433,931</u>	<u>1,536,053</u>	<u>385,663</u>	<u>452,254</u>	<u>226,066</u>	<u>242,845</u>	<u>636,431</u>	<u>193,329</u>	<u>153,309</u>	<u>219,075</u>	<u>166,978</u>	<u>450,446</u>	<u>5,096,380</u>
Ratio of total reserves to deposit and F. R. note liabilities combined, per cent	66.5	74.6	78.5	64.9	80.1	84.1	74.1	73.2	78.2	67.6	61.0	71.2	73.0
Contingent liability on bills purchased for foreign correspondents	-	12,421	4,140	4,994	2,433	1,878	6,360	2,091	1,537	1,963	1,622	3,244	42,683

## FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION

F. R. notes outstanding	241,102	528,118	215,664	230,609	101,218	166,830	213,687	64,600	74,836	81,639	63,722	262,936	2,244,961
F. R. notes held by banks	33,713	140,765	46,927	32,094	13,639	23,951	17,158	6,787	3,075	8,803	8,081	47,906	382,899
F. R. notes in actual circulation	207,389	387,353	168,737	198,515	87,579	142,879	196,529	57,813	71,761	72,836	55,641	215,030	1,862,062

## 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	From 91 days to 6 months	Over 6 months	Total
Bills discounted	241,603	18,335	26,413	17,343	9,541	893	314,128
Bills bought in open market	117,576	75,392	111,099	71,576	11,657	-	387,100
Certificates of indebtedness	240	-	-	13,012	3,022	99,267	115,541

## FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS, DECEMBER 31, 1924.

(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
<b>R E S O U R C E S</b>													
Federal Reserve notes on hand	45,150	331,940	32,000	49,170	25,884	56,595	253,020	25,660	14,993	26,753	15,152	60,200	936,517
Federal Reserve notes outstanding	241,102	528,118	215,664	230,609	101,218	166,330	213,687	64,600	74,836	81,639	63,722	262,936	2,244,961
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates	35,300	188,531	6,000	8,780	-	3,500	-	9,775	13,052	-	14,556	-	279,494
Gold redemption fund	11,065	29,776	14,848	11,686	4,389	8,306	5,265	2,815	976	5,115	4,130	16,547	114,918
Gold fund - F. R. Board	118,000	166,000	147,389	145,000	74,795	131,500	160,644	44,000	59,500	58,360	18,500	184,206	1,307,894
Eligible paper -													
Amount required	76,737	143,811	47,427	65,143	22,034	23,524	47,778	8,010	1,308	18,164	26,536	62,183	542,655
Excess amount held	16,146	16,040	5,471	15,763	9,688	1,581	23,657	23,484	2,342	2,412	2,182	7,372	126,138
<b>TOTAL</b>	<b>543,500</b>	<b>1,404,216</b>	<b>468,799</b>	<b>526,151</b>	<b>238,008</b>	<b>391,836</b>	<b>704,051</b>	<b>178,344</b>	<b>167,007</b>	<b>192,443</b>	<b>144,778</b>	<b>593,444</b>	<b>5,552,577</b>
<b>L I A B I L I T I E S</b>													
Net amount of Federal Reserve notes received from Comptroller of the Currency	286,252	860,058	247,664	279,779	127,102	223,425	466,707	90,260	89,829	108,392	78,874	323,136	3,181,478
Collateral received from Federal reserve bank:													
Gold	164,365	384,307	168,237	165,466	79,184	143,306	165,909	56,590	73,528	63,475	37,186	200,753	1,702,306
Eligible paper	92,883	159,851	52,898	80,906	31,722	25,105	71,435	31,494	3,650	20,576	28,718	69,555	668,793
<b>TOTAL</b>	<b>543,500</b>	<b>1,404,216</b>	<b>468,799</b>	<b>526,151</b>	<b>238,008</b>	<b>391,836</b>	<b>704,051</b>	<b>178,344</b>	<b>167,007</b>	<b>192,443</b>	<b>144,778</b>	<b>593,444</b>	<b>5,552,577</b>