

STATEMENT FOR THE PRESS

Released for publication
Friday morning, Jan. 1;
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St. 4783
Federal Reserve Board,
December 31, 1925.

CHANGES IN CONDITION OF FEDERAL RESERVE BANKS DURING 1925.

During 1925 the principal changes in the condition of the Federal reserve banks, as reflected in the statement just issued by the Federal Reserve Board, were an increase of \$250,000,000 in holdings of bills and securities, and a decrease of \$225,000,000 in cash reserves due chiefly to gold exports and to the continued increase in the amount of gold certificates in circulation. At the beginning of the year there was a sharp falling off in holdings of bills and securities, accompanying the seasonal return flow of currency, bringing bills and securities down to \$950,000,000 on January 21. In the following month bills and securities went up to about \$1,050,000,000, where they remained with some fluctuations until the end of July. During the remainder of the year increased demand for Federal reserve bank credit, principally to meet currency requirements, gradually brought holdings of bills and securities up to \$1,500,000,000 at the end of the year, as compared with \$1,250,000,000 at the end of 1924.

Holdings of discounted bills reached a low point of \$200,000,000 in January, followed by a sharp increase to over \$400,000,000 the following month, and fluctuated around this level until June. A practically steady increase since then brought discount holdings up to \$750,000,000 on December 30. This increase in discounts was, however, partly offset by the reduction in holdings of United States securities, which declined \$230,000,000 during the first half of the year to \$310,000,000, and since then have been somewhat above this level, amounting to \$380,000,000 at the end of the year. Open-market acceptance holdings went down gradually from \$390,000,000 at the beginning of the year to a low point of \$200,000,000 in August, but increased purchases thereafter, usual at that time of the year, brought them up to \$360,000,000 on December 30, or slightly under the amount held at the end of last year.

Federal reserve note circulation went down \$180,000,000 in January to \$1,680,000,000. The following month it increased to \$1,730,000,000, but gradual reductions during the five months following brought it down to a low point of \$1,600,000,000 at the end of July. Between that time and December 23, the report date immediately preceding Christmas, the circulation of Federal reserve notes went up \$300,000,000, declining the following week, however, to \$1,835,000,000, this amount representing a reduction of \$30,000,000 from the amount in circulation at the beginning of the year. Changes in currency demand during the year are also partly reflected in the decline in cash reserves of the Federal reserve banks. During the early part of the year the decline in reserves was due to the withdrawal of gold for export, but beginning with June the payment of additional gold certificates into circulation brought about a substantial reduction in the cash reserves of the Federal reserve banks, with the result that the amount reported on December 30, \$2,820,000,000, is \$225,000,000 less than the amount held at the beginning of the year.

Member bank reserve balances, which reached a high level of \$2,260,000,000 in 1924, declined over \$100,000,000 during the first three months of 1925 as a consequence of the falling off in net demand deposits of member banks, and averaged about \$2,130,000,000 the next two months. Since June, demand deposits of member banks have been increasing and reserve balances have gone up as a consequence, reaching a high figure of \$2,310,000,000 on December 30.

C.

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RESOURCES AND LIABILITIES
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED
(In thousands of dollars)

	Dec. 30, 1925	Dec. 23, 1925	Dec. 31, 1924
RESOURCES			
Gold with Federal reserve agents	1,356,607	1,327,438	1,702,306
Gold redemption fund with U.S. Treasury	52,699	49,343	41,245
Gold held exclusively against F.R. notes	1,409,306	1,370,781	1,743,551
Gold settlement fund with F. R. Board	701,455	729,256	679,464
Gold and gold certificates held by banks	593,520	559,259	513,518
<u>Total gold reserves</u>	<u>2,704,281</u>	<u>2,665,296</u>	<u>2,936,533</u>
Reserves other than gold	117,852	91,983	110,521
<u>Total reserves</u>	<u>2,822,133</u>	<u>2,757,279</u>	<u>3,047,054</u>
Non-reserve cash	62,053	42,783	62,567
Bills discounted:			
Sec. by U. S. Government obligations	466,014	441,479	186,840
Other bills discounted	283,658	322,644	127,288
<u>Total bills discounted</u>	<u>749,672</u>	<u>764,123</u>	<u>314,128</u>
Bills bought in open market	362,818	369,951	387,100
U. S. Government securities:			
Bonds	58,854	65,839	75,265
Treasury notes	192,077	190,037	349,354
Certificates of indebtedness	126,101	103,631	115,541
<u>Total U.S. Government securities</u>	<u>377,032</u>	<u>359,507</u>	<u>540,160</u>
Other securities	3,205	3,205	2,050
Foreign loans on gold	8,100	8,300	6,000
<u>Total bills and securities</u>	<u>1,500,827</u>	<u>1,505,086</u>	<u>1,249,438</u>
Due from foreign banks	642	642	641
Uncollected items	717,599	766,088	656,197
Bank premises	61,632	61,629	57,598
All other resources	18,272	18,006	22,885
TOTAL RESOURCES	5,183,158	5,151,513	5,096,380
LIABILITIES			
F. R. notes in actual circulation	1,835,010	1,895,603	1,862,062
Deposits:			
Member bank - reserve account	2,308,614	2,219,373	2,220,436
Government	15,067	29,120	51,197
Foreign bank	12,014	7,956	18,734
Other deposits	21,446	19,166	20,301
<u>Total deposits</u>	<u>2,357,141</u>	<u>2,275,615</u>	<u>2,310,668</u>
Deferred availability items	635,681	625,263	584,716
Capital paid in	117,042	116,978	112,038
Surplus	217,837	217,837	217,837
All other liabilities	20,447	20,157	9,059
TOTAL LIABILITIES	5,183,158	5,151,513	5,096,380
Ratio of total reserves to deposit and F. R. notes liabilities combined	67.3%	66.1%	73.0%
Contingent liability on bills purchased for foreign correspondents	65,049	58,739	42,683

C.

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS ON DECEMBER 30, 1925.
(In thousands of dollars)

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R E S O U R C E S

	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.	Total
Gold with Federal Reserve Agents	79,435	329,996	134,718	192,811	68,669	87,365	114,683	15,825	57,420	55,007	23,287	197,391	1,356,607
Gold redemption fund with U.S.Treas.	5,470	13,750	6,970	905	2,192	5,333	5,777	948	2,077	3,013	2,374	3,890	52,699
<u>Gold held exclusively against</u>													
<u>F. R. notes</u>	84,905	343,746	141,688	193,716	70,861	92,698	120,460	16,773	59,497	58,020	25,661	201,231	1,409,306
Gold settlement fund with F.R.Board	37,791	260,549	52,136	55,966	21,917	24,263	115,096	25,305	18,889	32,418	14,959	42,166	701,455
Gold and gold certificates	42,908	338,443	18,743	47,012	7,011	2,962	69,140	10,809	6,320	3,903	11,324	34,940	593,520
<u>Total gold reserves</u>	165,604	942,738	212,572	296,694	99,789	119,923	304,696	52,887	84,706	94,341	51,944	278,387	2,704,281
Reserves other than gold	19,569	26,075	4,726	8,469	6,288	6,848	16,795	10,368	2,147	4,278	5,526	6,763	117,852
<u>Total reserves</u>	185,173	968,813	217,298	305,163	106,077	126,771	321,491	63,255	86,853	98,619	57,470	285,150	2,822,133
Non-reserve cash	5,942	17,395	1,527	4,331	5,048	4,171	9,533	3,353	1,453	2,829	2,704	3,767	62,053
Bills discounted:													
Secured by U.S.Govt. obligations	24,326	254,469	37,386	33,556	16,893	4,754	70,763	8,738	769	4,042	1,724	8,594	466,014
Other bills discounted	31,269	40,506	20,726	35,384	32,624	24,372	49,014	11,583	2,776	11,897	2,137	21,370	283,658
<u>Total bills discounted</u>	55,595	294,975	58,112	68,940	49,517	29,126	119,777	20,321	3,545	15,939	3,861	29,964	749,672
Bills bought in open market	81,381	37,090	15,345	4,999	2,716	76,045	27,420	22,186	18,763	16,816	28,617	31,440	362,818
U. S. Government securities:													
Bonds	553	1,869	604	8,103	1,240	1,079	20,190	1,746	7,665	8,387	6,950	468	58,854
Treasury notes	2,027	47,483	4,016	19,615	3,511	9,773	19,430	14,716	7,094	18,415	17,236	28,761	192,077
Certificates of indebtedness	10,240	11,582	19,443	8,691	4,193	7,005	13,745	7,885	4,319	10,645	7,644	20,709	126,101
<u>Total U.S.Gov't securities</u>	12,820	60,934	24,063	36,409	8,944	17,857	53,365	24,347	19,078	37,447	31,830	49,938	377,032
Other securities	-	-	3,050	-	-	-	-	-	55	100	-	-	3,205
Foreign loans on gold	599	2,187	753	867	429	332	1,118	373	267	324	284	567	8,100
<u>Total bills and securities</u>	150,395	395,186	101,323	111,215	61,606	123,360	201,680	67,227	41,708	70,626	64,592	111,909	1,500,827
Due from foreign banks	-	642	-	-	-	-	-	-	-	-	-	-	642
Uncollected items	68,784	163,427	65,736	68,263	70,238	36,125	83,939	35,802	13,839	44,241	26,743	40,462	717,599
Bank premises	4,190	17,294	1,385	7,681	2,446	2,791	8,099	4,602	3,070	4,883	1,835	3,356	61,632
All other resources	71	3,573	134	1,038	382	2,732	2,046	341	2,601	614	1,190	3,550	18,272
<u>TOTAL RESOURCES</u>	414,555	1,566,330	387,403	497,691	245,797	295,950	626,788	174,580	149,524	221,812	154,534	448,194	5,183,158

C.

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS ON DECEMBER 30, 1925.

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LIABILITIES

(In thousands of dollars)

	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	Total
F. R. notes in actual circulation	175,990	384,682	156,439	234,403	93,482	169,982	179,712	40,302	70,067	74,155	47,462	208,334	1,835,010
Deposits:													
Member bank - reserve account	144,070	932,274	135,545	165,200	68,385	82,476	324,211	81,166	54,213	92,028	63,354	165,692	2,308,614
Government	1,058	2,226	1,258	1,161	1,283	798	577	1,312	1,067	1,083	1,514	1,730	15,067
Foreign bank	731	4,807	918	1,056	523	405	1,362	454	326	395	346	691	12,014
Other deposits	236	9,135	506	1,574	278	93	891	1,327	285	1,133	59	5,929	21,446
Total deposits	146,095	948,442	138,227	168,991	70,469	83,772	327,041	84,259	55,891	94,639	65,273	174,042	2,357,141
Deferred availability items	66,054	137,509	60,121	56,590	63,033	26,956	71,333	34,066	11,736	38,914	28,727	40,642	635,681
Capital paid in	8,611	32,207	11,623	13,176	5,985	4,657	15,731	5,127	3,183	4,237	4,267	8,238	117,042
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	1,423	4,741	934	2,069	1,127	1,633	2,545	855	1,150	890	1,213	1,867	20,447
TOTAL LIABILITIES	414,555	1,566,330	387,403	497,691	245,797	295,950	626,788	174,580	149,524	221,812	154,534	448,194	5,183,158
Reserve ratio (per cent)	57.5	72.7	73.7	75.6	64.7	50.0	63.4	50.8	69.0	58.4	51.0	74.6	67.3
Contingent liability on bills purchased for foreign correspondents	4,521	20,879	5,682	6,537	3,238	2,505	8,431	2,810	1,587	2,444	2,138	4,277	65,049
F.R. notes on hand (notes rec'd from F.R. Agent less notes in circulation)	35,282	130,420	38,906	28,640	16,636	22,433	20,561	6,283	3,499	10,838	7,311	47,561	368,370
FEDERAL RESERVE NOTE ACCOUNTS OF FEDERAL RESERVE AGENTS													
F.R. notes rec'd from Comptroller	257,122	747,662	224,345	300,863	133,407	232,435	432,730	69,165	88,941	121,523	66,285	305,995	2,980,473
F.R. notes held by F. R. Agent	45,850	232,560	29,000	37,820	23,289	40,020	232,457	22,580	15,375	36,530	11,512	50,100	777,093
F.R. notes issued to F.R. Bank	211,272	515,102	195,345	263,043	110,118	192,415	200,273	46,585	73,566	84,993	54,773	255,895	2,203,380
Collateral held as security for F.R. notes issued to F.R. Bank:													
Gold and gold certificates	35,300	186,698	2,000	8,780	21,160	10,370	-	9,945	13,052	-	14,926	-	302,231
Gold redemption fund	19,135	27,298	12,329	14,031	3,009	6,095	4,038	1,680	2,368	4,647	3,361	14,452	112,443
Gold fund - F. R. Board	25,000	116,000	120,389	170,000	44,500	70,900	110,645	4,200	42,000	50,360	5,000	182,939	941,933
Eligible paper	136,976	298,535	60,675	73,725	47,849	105,136	146,926	42,477	21,948	32,697	32,464	61,300	1,060,708
Total collateral	216,411	628,531	195,393	266,536	116,518	192,501	261,609	58,302	79,368	87,704	55,751	258,691	2,417,315

DISTRIBUTION OF BILLS, MUNICIPAL WARRANTS 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	616,325	35,816	53,152	33,428	10,467	484	749,672
Bills bought in open market	123,664	77,801	85,094	64,571	11,688	-	362,818
Certificates of indebtedness	1,105	-	-	-	115,521	9,475	126,101
Municipal warrants	10	45	-	-	-	-	55