

Statement given to the Associated Press by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, at Ogden, Utah, on the afternoon of September 13, 1939, for release in morning papers of September 14.

It is my opinion that the country is assured of a supply of funds which is far more than adequate to meet every credit need that may be expected to arise as a result of the outbreak of war abroad. Excess reserves of the banking system are now more than \$5 billions and there is every prospect that this already unprecedented volume will continue to increase. Bank deposits and currency in circulation are several billions of dollars in excess of all past totals. At no time in the past have the great business and industrial organizations of the country had larger cash reserves on which they would be able to draw to finance a large expansion in their operations before finding it necessary to borrow from the banks or the money markets. Several billion dollars of foreign funds are on deposit or under earmark, the expenditure of which would entail no borrowing or extension of credit but would increase existing deposits and excess reserves. The Government is in a position today that it did not occupy in the past to assure ample supplies of credit on favorable terms to meet any demand, both public and private, that is likely to arise in the future. In view of these circumstances, there is no justification of anticipating the development of credit conditions leading to credit stringency and thus to higher interest rates on bank loans, mortgages, and other borrowings. In other words, the great volume of excess funds in relation to potential borrowers assures the continuation of easy money indefinitely.