

## STATEMENT FOR THE PRESS

Released for publication  
Friday morning, April 2;  
not earlier.

Board of Governors  
of the Federal Reserve System  
April 1, 1943

## CONDITION OF THE FEDERAL RESERVE BANKS

During the week ended March 31 member bank reserve balances decreased \$325,000,000. Reductions in member bank reserves arose from increases of \$187,000,000 in money in circulation, \$49,000,000 in Treasury deposits with Federal Reserve Banks and \$4,000,000 in Treasury cash and decreases of \$89,000,000 in Reserve Bank credit and \$19,000,000 in gold stock, offset in part by an increase of \$5,000,000 in Treasury currency and a decrease of \$17,000,000 in nonmember deposits and other Federal Reserve accounts. Excess reserves of member banks on March 31 were estimated to be approximately \$1,520,000,000, a decrease of \$110,000,000 for the week.

There was a decrease of \$31,000,000 in holdings of United States Government securities. Certificates of indebtedness decreased \$477,000,000, bonds \$74,000,000 and notes \$10,000,000, while bills increased \$530,000,000.

Changes in member bank reserve balances and related items during the week and the year ended March 31, 1943, were as follows:

	March 31, <u>1943</u>	Increase or decrease since March 24, <u>1943</u>	April 1, <u>1942</u>
(In millions of dollars)			
Bills discounted	13	+ 3	+ 4
U. S. Government direct obligations	5,377	- 31	+3,537
U. S. Government guaranteed obligations	42	--	+ 38
Industrial advances (not including 13 million commitments - March 31)	13	--	+ 4
Other Reserve Bank credit	247	- 60	+ 170
Total Reserve Bank credit	6,191	- 39	+3,852
Gold stock	22,573	- 19	- 96
Treasury currency	3,990	+ 6	+ 713
Member bank reserve balances	12,759	-325	+ 263
Money in circulation	16,252	+187	+4,359
Treasury cash	2,222	+ 4	+ 35
Treasury deposits with F. R. Banks	55	+ 49	- 307
Nonmember deposits and other F. R. accounts	1,469	- 17	- 180

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON MARCH 31, 1943  
(In thousands of dollars)

LIABILITIES	Total	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.
F. R. notes in actual circulation	12,758,496	925,686	2,821,925	899,820	1,176,539	821,352	619,551	2,506,261	544,324	323,086	455,875	254,890	1,379,187
Deposits:													
Member bank-reserve acct.	12,759,300	649,831	4,590,346	654,449	1,109,260	507,625	491,431	1,791,026	442,434	276,045	526,606	465,460	1,254,737
U.S.Treasurer-general acct.	54,843	515	50,332	98	563	526	252	837	247	248	294	193	638
Foreign	879,395	27,116	1,431,615	69,716	67,514	31,556	25,685	89,530	22,015	16,145	20,548	22,015	55,940
Other	287,085	5,984	115,995	12,899	57,161	12,182	3,376	3,098	10,229	9,799	11,065	3,472	41,825
<b>Total deposits</b>	<b>13,980,623</b>	<b>683,496</b>	<b>5,183,338</b>	<b>737,162</b>	<b>1,234,498</b>	<b>551,839</b>	<b>520,744</b>	<b>1,834,491</b>	<b>474,925</b>	<b>302,237</b>	<b>558,513</b>	<b>491,140</b>	<b>1,353,190</b>
Deferred availability items	1,191,683	103,749	253,030	75,035	132,912	95,172	53,775	183,539	56,964	22,022	53,973	39,106	122,406
Other liabilities including accrued dividends	5,582	689	1,265	377	475	487	197	739	241	158	456	127	371
<b>TOTAL LIABILITIES</b>	<b>27,936,384</b>	<b>1713,620</b>	<b>8,264,558</b>	<b>1712,394</b>	<b>2,544,424</b>	<b>1468,900</b>	<b>1194,267</b>	<b>4,575,030</b>	<b>1076,454</b>	<b>647,503</b>	<b>1068,817</b>	<b>815,263</b>	<b>2,855,154</b>
<b>CAPITAL ACCOUNTS</b>													
Capital paid in	146,911	9,520	53,667	11,685	15,226	5,934	5,271	16,434	4,600	3,166	4,794	4,494	12,120
Surplus (Section 7)	160,411	11,160	58,001	15,670	14,767	5,236	5,725	22,925	4,966	3,221	3,613	4,083	11,044
Surplus (Section 13b)	26,329	2,874	7,070	4,393	1,007	3,244	717	1,429	530	1,000	1,137	1,307	2,121
Other capital accounts	75,083	4,644	21,209	5,381	7,284	3,694	3,409	11,927	3,372	3,355	3,468	2,932	5,408
<b>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</b>	<b>23,346,618</b>	<b>1741,813</b>	<b>8,404,505</b>	<b>1749,523</b>	<b>2,582,708</b>	<b>1487,008</b>	<b>1209,389</b>	<b>4,627,745</b>	<b>1089,922</b>	<b>658,245</b>	<b>1081,829</b>	<b>828,079</b>	<b>2,885,847</b>
Commitments to make industrial advances	13,143	1,024	27	1,497	544	1,042	108	--	1,685	--	2,941	--	4,275
F. R. notes outstanding collateral for F.R. notes held by F.R. Agents:	13,314,525	976,774	2,944,992	926,706	1,222,707	850,236	661,008	2,576,955	571,632	329,277	469,484	309,706	1,475,048
Gold certificates	12,998,000	936,000	2,960,000	850,000	1,230,000	737,000	645,000	2,620,000	400,000	330,000	470,000	316,000	1,504,000
Eligible paper	8,055	2,525	5,315	215	--	--	--	--	--	--	--	--	--
U.S.Gov't securities	505,000	50,000	--	100,000	--	125,000	30,000	--	195,000	--	5,000	--	--

MATURITY DISTRIBUTION OF BILLS AND SECURITIES

	Total	Within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	91 days to 6 months	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Bills discounted	12,721	11,422	999	300	--	--	--	--	--	--
Industrial advances	12,658	9,199	173	144	326	1,155	795	685	181	--
U. S. Government securities, direct and guaranteed	5,919,130	92,956	268,140	1,171,939	822,318	475,010	446,700	348,500	820,671	1,472,896

1/ After deducting \$443,508,000 participations of other Federal Reserve Banks.

Released for publication Friday morning, April 2, 1943; not earlier.

STATEMENT OF CONDITION  
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED  
(In thousands of dollars)

Increase or decrease  
since

	<u>Mar. 31,</u> <u>1943</u>	<u>Mar. 24,</u> <u>1943</u>	<u>Apr. 1,</u> <u>1942</u>
<b>A S S E T S</b>			
Gold certificates on hand and due from U. S. Treasury	20,371,412	- 21,252	- 95,501
Redemption fund - F. R. notes	41,990	- 114	+ 29,044
Other cash	<u>371,270</u>	<u>- 26,409</u>	<u>+ 49,221</u>
<u>Total reserves</u>	20,784,672	- 47,775	- 17,236
Bills discounted:			
Secured by U. S. Gov't obligations, direct and guaranteed	10,220	+ 2,715	+ 2,699
Other bills discounted	<u>2,501</u>	<u>- 1</u>	<u>+ 972</u>
<u>Total bills discounted</u>	12,721	+ 2,714	+ 3,671
Industrial advances	12,658	- 12	+ 3,914
U. S. Government securities, direct and guaranteed:			
Bonds	2,008,367	- 73,300	+ 456,631
Notes	974,575	- 10,900	+ 282,075
Certificates	849,675	- 477,600	+ 849,675
Bills	<u>2,086,513</u>	<u>+ 530,468</u>	<u>+ 2,086,513</u>
<u>Total U. S. Government securities, direct and guaranteed</u>	5,919,130	- 31,332	+ 3,674,894
<u>Total bills and securities</u>	5,944,509	- 28,630	+ 3,682,479
Due from foreign banks	47	--	--
F. R. notes of other banks	65,143	- 5,470	+ 42,285
Uncollected items	1,438,578	- 156,378	+ 421,817
Bank premises	39,057	- 35	- 1,570
Other assets	<u>74,612</u>	<u>+ 61</u>	<u>+ 30,655</u>
<b>TOTAL ASSETS</b>	28,346,618	+ 238,227	+ 4,158,430
<b>L I A B I L I T I E S</b>			
F. R. notes in actual circulation	12,758,496	+ 150,810	+ 4,102,626
Deposits:			
Member bank-reserve account	12,759,300	- 325,069	+ 263,165
U. S. Treasurer-general account	54,843	+ 49,132	- 307,465
Foreign	879,395	- 20,287	+ 131,448
Other	<u>287,085</u>	<u>+ 1,805</u>	<u>- 319,157</u>
<u>Total deposits</u>	13,980,623	- 294,419	- 232,009
Deferred availability items	1,191,683	- 96,030	+ 251,816
Other liabilities including accrued dividends	<u>5,582</u>	<u>- 3,255</u>	<u>+ 1,355</u>
<b>TOTAL LIABILITIES</b>	27,936,384	- 242,894	+ 4,123,788
<b>C A P I T A L A C C O U N T S</b>			
Capital paid in	146,911	--	+ 3,583
Surplus (Section 7)	160,411	--	+ 2,909
Surplus (Section 13b)	26,829	--	+ 48
Other capital accounts	<u>76,083</u>	<u>+ 4,667</u>	<u>+ 28,102</u>
<b>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</b>	28,346,618	- 238,227	+ 4,158,430
Ratio of total reserves to deposit and F. R. note liabilities combined	77.7%	+ .2%	- 13.3%
Commitments to make industrial advances	13,143	+ 1,380	- 900

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON MARCH 31, 1943  
(In thousands of dollars)

A S S E T S

	Total	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.
Gold certificates on hand and due													
from U. S. Treasury	20,371,412	1187,680	6,074,631	1234,198	1,892,120	1028,803	887,430	3,536,642	614,024	472,181	733,480	576,417	2,133,806
Redemption fund - F.R. notes	41,990	2,419	1,385	6,182	786	7,415	2,186	1,495	10,912	341	642	683	7,544
Other cash	371,270	40,146	86,032	24,944	42,799	20,125	18,009	49,854	16,977	8,457	12,075	9,626	42,226
<u>Total reserves</u>	<u>20,784,672</u>	<u>1230,245</u>	<u>6,162,048</u>	<u>1265,324</u>	<u>1,935,705</u>	<u>1056,343</u>	<u>907,625</u>	<u>3,587,991</u>	<u>641,913</u>	<u>480,979</u>	<u>746,197</u>	<u>586,726</u>	<u>2,183,576</u>
Bills discounted:													
Secured by U.S. Gov't obligations,													
direct and guaranteed	10,220	2,525	5,315	215	40	--	1,000	1,000	--	--	--	125	--
Other bills discounted	2,501	--	1,068	238	230	108	97	305	75	55	70	75	190
<u>Total bills discounted</u>	<u>12,721</u>	<u>2,525</u>	<u>6,383</u>	<u>453</u>	<u>270</u>	<u>108</u>	<u>1,097</u>	<u>1,305</u>	<u>75</u>	<u>55</u>	<u>70</u>	<u>200</u>	<u>190</u>
Industrial advances	12,658	1,461	608	4,299	1,131	512	370	69	7	215	134	29	3,773
U. S. Government securities,													
direct and guaranteed:													
Bonds	2,008,367	148,372	530,958	157,468	188,903	123,731	90,640	250,156	96,685	58,494	95,351	78,945	189,664
Notes	974,575	72,001	257,653	76,414	91,667	60,040	43,982	121,389	46,917	28,384	46,272	38,306	91,550
Certificates	849,675	62,771	224,631	66,619	79,919	52,347	38,347	105,833	40,904	24,747	40,340	33,399	79,818
Bills	2,086,513	89,329	863,157	82,006	89,734	69,568	48,744	338,442	188,744	31,142	70,371	33,197	182,079
<u>Total U. S. Gov't securities,</u>	<u>5,919,130</u>	<u>372,473</u>	<u>1,876,399</u>	<u>382,507</u>	<u>450,223</u>	<u>305,686</u>	<u>221,713</u>	<u>815,820</u>	<u>373,250</u>	<u>142,767</u>	<u>252,334</u>	<u>183,847</u>	<u>542,111</u>
<u>direct and guaranteed</u>													
<u>Total bills and securities</u>	<u>5,944,509</u>	<u>376,459</u>	<u>1,883,390</u>	<u>387,259</u>	<u>451,674</u>	<u>306,306</u>	<u>223,170</u>	<u>817,194</u>	<u>373,332</u>	<u>143,037</u>	<u>252,538</u>	<u>184,076</u>	<u>546,074</u>
Due from foreign banks	47	.3	1/18	5	4	2	2	6	1	*	1	1	4
F. R. notes of other banks	65,143	1,572	9,707	2,181	2,432	7,971	5,922	7,355	4,579	1,583	7,069	2,288	12,484
Uncollected items	1,433,578	125,304	320,719	84,378	180,338	108,612	67,705	202,691	64,463	23,131	69,587	50,967	134,183
Bank premises	39,057	2,708	9,788	4,719	4,298	3,030	1,715	2,902	2,099	1,302	2,790	1,033	2,673
Other assets	74,612	5,027	18,835	5,657	8,257	4,744	3,250	9,606	3,535	2,213	3,647	2,988	6,853
<u>TOTAL ASSETS</u>	<u>28,346,618</u>	<u>1741,818</u>	<u>8,404,505</u>	<u>1749,523</u>	<u>2,582,708</u>	<u>1487,008</u>	<u>1209,389</u>	<u>4,627,745</u>	<u>1089,922</u>	<u>653,245</u>	<u>1081,829</u>	<u>828,079</u>	<u>2,885,847</u>

\*Less than \$500. 1/ After deducting \$29,000 participations of other Federal Reserve Banks.

*W. Eccles*  
~~Mr. Inurston:~~

April 1, 1943

The following estimates of Reserve Bank earnings and expenses for the year are being sent at Mr. Piser's request:

(In thousands of dollars)

Current earnings	62,795
Current expenses	42,594
	<hr/>
Current net earnings	20,201
Profits on sales of Government securities	20,291
	<hr/>
Net earnings	40,492
Dividends	8,813
	<hr/>
Excess of net earnings	31,679

The figures shown above do not include any estimate for the remainder of the year of earnings on Treasury bills bought by the Reserve Banks under repurchase option, of additional profits on Government securities, nor of year-end adjustments.

*MD*

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

## Office Correspondence

Date April 1, 1943

Mr. Thurston

Subject: \_\_\_\_\_

From Mr. Piser

The attached table shows Federal Reserve Bank earnings and expenses for the full years 1941 and 1942 and for the first two months of the current year and of 1942. Government securities comprise by far the principal source of current earnings. Current expenses include not only regular operating expenses but the cost of Federal Reserve currency and assessments for the expenses of the Board of Governors. Current net earnings are the difference between current earnings and current expenses. Additions to current net earnings in arriving at amounts available for dividends, reserves, and surplus include principally profits on sales of Government securities. Dividends last year totaled about \$8,700,000.



Attachment.

FEDERAL RESERVE BANK EARNINGS AND EXPENSES  
(In thousands of dollars)

	<u>1942</u>	<u>1941</u>	<u>Jan. - Feb.</u> <u>1943</u>	<u>Jan. - Feb.</u> <u>1942</u>
<u>Current earnings</u>				
U. S. Government securities	51,404	40,152	12,515	6,965
Other sources	1,259	1,228	185	210
Total	<u>52,663</u>	<u>41,380</u>	<u>12,700</u>	<u>7,175</u>
<u>Current expenses</u>	<u>38,624</u>	<u>32,963</u>	<u>6,757</u>	<u>6,014</u>
<u>Current net earnings</u>	<u>14,039</u>	<u>8,417</u>	<u>5,944</u>	<u>1,160</u>
Available for dividends, reserves, and surplus	<u>14,159</u>	<u>9,954</u>	<u>14,115</u>	<u>1,477</u>
Excess over accrued dividends	<u>5,490</u>	<u>1,524</u>	<u>12,948</u>	<u>48</u>

Note: Rate of net earnings from System Open Market Account as  
of March 24, 1943 . . . . . \$59,170,000.

EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS, FEBRUARY 1943

B-811

Federal Reserve Bank	Month of February 1943						January - February 1943		January - February 1943		January - February 1943		
	Earnings from --						Current expenses		Current net earnings		Current net earnings	Amount available for dividends, reserves, losses and surplus	
	Dis-counted bills	Indus-trial advances	Commitments to make industrial advances	U. S. Gov't securities	Other sources	Total	Net operating expenses*	Total current expenses**	Total	Annual rate on paid-in capital		Total (a)	Excess over accrued dividends
										Percent			
Boston	\$160	\$2,376	\$50	\$409,354	\$389	\$412,329	\$186,299	\$232,757	\$179,572	24.6	\$438,639	\$1,094,529	\$999,345
New York	3,336	2,123	33	1,549,307	10,578	1,565,377	619,772	767,850	797,527	19.4	1,899,830	4,367,871	3,831,141
Philadelphia	118	13,441	11	432,187	1,135	446,892	200,021	250,702	196,190	21.9	489,954	1,214,475	1,097,341
Cleveland	509	4,371	301	557,616	5,869	568,666	250,154	306,878	261,788	22.4	540,032	1,396,066	1,244,241
Richmond	21	2,295	50	336,695	138	339,199	176,741	212,450	126,749	27.9	323,649	830,635	771,467
Atlanta	41	1,386	114	246,733	482	248,756	135,073	180,625	68,131	17.0	200,601	538,779	486,533
Chicago	--	411	--	764,675	11,587	776,673	374,723	470,104	306,569	24.4	707,915	1,631,225	1,467,443
St. Louis	--	34	250	288,951	1,674	290,909	133,754	161,863	129,046	36.7	242,821	612,203	566,448
Minneapolis	--	1,205	--	162,177	489	163,871	86,573	98,247	65,624	27.1	165,811	409,700	378,304
Kansas City	68	2,697	--	262,558	12,455	277,778	139,289	166,376	111,402	30.3	283,059	671,435	623,757
Dallas	40	110	--	214,309	961	215,420	119,905	142,946	72,474	21.1	205,214	503,556	458,863
San Francisco	1	7,460	2,951	516,699	364	527,475	277,752	367,305	160,170	17.2	446,031	1,144,442	1,023,428
<b>TOTAL</b>													
February 1943	4,294	37,909	3,760	5,741,261	46,121	5,833,345	2,700,056	3,358,103	2,475,242	22.0			
January 1943	5,123	37,504	4,093	6,773,990	46,216	6,866,926	2,614,286	3,398,612	3,468,314	27.9			
February 1942	3,666	30,888	8,059	3,317,260	52,788	3,412,661	2,597,380	3,020,411	392,250	3.6			
Jan.-Feb. 1943	9,417	75,413	7,853	12,515,251	92,337	12,700,271	5,314,342	6,756,715	5,943,556	25.1	5,943,556	14,414,916	12,948,311
Jan.-Feb. 1942	7,589	72,245	16,656	6,965,237	112,889	7,174,616	5,168,038	6,014,169	1,160,447	5.0	1,160,447	1,477,270	48,412

\*Operating expenses after deducting reimbursable expenses.

\*\*Net operating expenses plus cost of Federal Reserve currency and assessment for Board's expenses.

(a) Current net earnings plus net credit (or minus net debit) in current profit and loss account.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
DIVISION OF BANK OPERATIONS  
March 15, 1943



EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS, DECEMBER 1942

B-811

Federal Reserve Bank	Month of December 1942						Current net earnings		January - December 1942				
	Earnings from --						Current expenses		Current net earnings	Amount available for dividends, reserves, and surplus			
	Dis-counted bills	Indus-trial advances	Commitments to make industrial advances	U. S. Gov't securities	Other sources	Total	Net operating expenses*	Total current expenses**		Total	Annual rate on paid-in capital	Total (a)	Excess over accrued dividends
										Percent			
Boston	\$97	\$1,680	\$93	\$509,793	\$4,372	\$516,035	\$263,886	\$318,808	\$197,227	24.5	\$938,228	\$934,127	\$368,117
New York	5,400	2,394	96	1,717,134	10,629	1,735,653	663,524	830,561	905,092	19.9	5,197,769	5,061,942	1,877,702
Philadelphia	869	17,258	54	509,287	1,054	528,522	242,596	301,182	227,340	22.8	1,218,076	1,336,389	628,515
Cleveland	763	1,083	239	612,343	5,876	620,304	303,929	381,562	238,742	18.9	1,368,068	1,316,788	428,238
Richmond	286	2,953	5,240	439,583	221	448,283	210,885	276,513	171,770	34.5	599,197	547,424	198,982
Atlanta	218	1,797	114	317,230	734	320,093	178,215	227,084	93,009	21.1	449,729	597,563	294,813
Chicago	765	343	78	833,742	10,418	845,346	422,160	552,317	293,029	21.3	1,413,105	1,799,964	844,456
St. Louis	416	32	373	331,943	1,927	334,691	176,006	225,522	109,169	28.4	494,057	396,356	127,044
Minneapolis	186	1,420	--	181,225	883	183,714	98,930	128,336	55,378	21.2	311,975	415,584	232,247
Kansas City	272	3,707	77	339,397	14,640	358,093	190,622	228,802	129,291	32.3	468,037	356,278	75,923
Dallas	185	425	--	272,341	1,129	274,080	132,163	154,178	119,902	31.7	453,920	376,580	110,811
San Francisco	474	8,302	3,291	697,089	315	709,471	296,469	384,430	325,041	31.8	1,126,498	1,020,032	303,102
TOTAL													
Dec. 1942	9,931	41,394	9,655	6,761,107	52,198	6,874,285	3,179,385	4,009,295	2,864,990	23.1			
Nov. 1942	7,050	46,125	4,292	5,796,242	53,323	5,907,032	2,666,050	3,409,787	2,497,245	20.9			
Dec. 1941	6,209	37,467	10,575	3,553,243	69,071	3,676,565	2,818,694	3,276,513	400,052	3.3			
Jan.-Dec. 1942	64,522	474,371	101,051	51,404,012	618,750	52,662,706	32,051,227	38,624,047	14,038,659	9.7	14,038,659	14,159,027	5,489,950
Jan.-Dec. 1941	55,933	399,320	90,270	40,151,501	683,071	41,380,095	28,535,547	32,963,150	8,416,945	6.0	8,416,945	9,953,822	1,523,885

\*Operating expenses after deducting reimbursable expenses.

\*\*Net operating expenses plus cost of Federal Reserve currency and assessment for Board's expenses.

(a) Current net earnings plus net credit (or minus net debit) in current profit and loss account.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
DIVISION OF BANK OPERATIONS  
January 16, 1943.

Capital and Surplus  
12 Federal Reserve Banks

March 31, 1943

Capital paid in	\$ 146,911,000
Surplus	187,240,000
Other capital accounts	<u>76,083,000</u>
Total capital accounts	410,234,000