

## The Papers of Charles Hamlin (mss24661)

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Hamlin, Charles S., Scrap Book – Volume 211, FRBoard Members

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BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date August 2, 1941

To The Files

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

From Mr. Coe

*MR. C.*

After correspondence with Mrs. Hamlin (see letters of May 25 and June 4, 1941) the items attached hereto and listed below, because of their possible confidential character, were taken from Volume 211 of Mr. Hamlin's scrap book and placed in the Board's files:

VOLUME 211

Page 25

Memo to Board from Mr. Smead re Loans and Investments of Member Banks on December 31, 1930.

Page 69

Proposed letter to Mr. Platt re discount rates.

Page 117

Letter to all F.R. Agents re Condition of member banks as of December 31, 1930.

Page 125

Earnings & Expenses of F.R. Banks, January 1931.

Page 152

Memo to Mr. Hamlin from Mr. Smead re Discount rates in New York and London.



January 29, 1931.  
B-232a

To: Federal Reserve Board

SUBJECT: Loans and investments of  
member banks on December 31, 1930.

From: Mr. Smead

CONFIDENTIAL

Attached hereto is a table giving a preliminary classification of loans and investments of all member banks at the end of 1930, based on summaries furnished by the Federal reserve agents pending the completion of the Board's consolidated Call Report.

It will be noted that the table shows a net reduction of approximately \$700,000,000 in member bank loans and investments during the last quarter of the year. The principal changes for the quarter were reductions of nearly \$1,000,000,000 in security loans to New York brokers and of \$160,000,000 in holdings of commercial paper, and increases of \$250,000,000 in investments in securities, \$160,000,000 in loans to other banks, and \$100,000,000 in acceptance holdings.

Member banks in New York City reported little change in aggregate loans and investments, but their investment holdings increased \$240,000,000, loans to other banks \$110,000,000 and loans to other customers \$60,000,000, while loans to brokers in New York declined \$430,000,000.

Reserve city banks reported a reduction of \$325,000,000 in brokers' loans and of \$150,000,000 in total loans and investments. Country banks had a decrease of nearly \$500,000,000 in loans and investments, of which about \$300,000,000 was in customers' loans, \$110,000,000 in open-market loans and \$70,000,000 in investments.

In comparing the figures with the preceding call, it should be remembered that losses to membership through the suspension of large member banks in New York, Louisville, Little Rock and Knoxville, partly offset by the absorption of a large nonmember in California, are responsible in part for the changes in the loan and investment account during the quarter. As nearly as can be determined at this time, these changes in membership account for about \$50,000,000 of the total reduction of \$700,000,000 in loans and investments during the quarter.



## CONFIDENTIAL

ALL MEMBER BANKS -- PRELIMINARY CLASSIFICATION OF LOANS AND INVESTMENTS ON DECEMBER 31, 1930, COMPARED WITH PRECEDING CALL DATES  
(Amounts in millions of dollars)

B-232

Date	Total loans and invest- ments	Loans to banks		Loans to customers, exclusive of banks						Open market loans					Investments		
		On securi- ties	All other	Total	On securities		On real estate		Other loans to cus- tomers	Total	Accep- tances payable in U.S.	Accep- tances payable abroad	Com- mercial paper	Security loans to New York brokers	Total	U.S. Government securities	Other securi- ties
					To brokers outside New York	To other cus- tomers	Farm land	Other real estate									
TOTAL-ALL MEMBER BANKS																	
1928, Dec. 31	35,684	(a)	(a)	21,462	975	6,373	412	2,711	10,991	3,158	109	103	390	2,556	10,529	4,312	6,217
1929, Dec. 31	35,934	(a)	(a)	23,194	803	7,685	388	2,803	11,515	2,243	212	80	291	1,660	9,784	3,863	5,921
1930, Sept. 24	35,472	175	291	21,010	774	7,090	387	2,776	9,982	3,262	205	62	523	2,472	10,734	4,095	6,639
Dec. 31	34,784	314	313	20,937	677	7,262	385	2,841	9,772	2,231	315	55	364	1,497	10,989	4,118	6,871
NEW YORK CITY*																	
1928, Dec. 31	7,951	(a)	(a)	3,940	50	1,658	-	132	2,100	1,790	61	61	29	1,639	1,933	1,094	839
1929, Dec. 31	8,774	(a)	(a)	4,964	55	2,145	-	169	2,595	1,397	128	46	21	1,202	2,091	1,112	979
1930, Sept. 24	8,557	53	116	4,278	86	1,945	-	157	2,090	1,912	148	28	22	1,714	2,198	1,091	1,107
Dec. 31	8,579	132	151	4,335	104	2,033	-	147	2,051	1,525	188	22	34	1,281	2,435	1,239	1,196
CHICAGO*																	
1928, Dec. 31	1,910	(a)	(a)	1,389	309	598	3	39	440	91	1	1	14	75	391	174	217
1929, Dec. 31	1,757	(a)	(a)	1,329	240	533	2	19	535	30	9	5	5	11	309	116	193
1930, Sept. 24	1,934	35	6	1,187	239	448	2	16	482	296	7	13	42	233	409	157	252
Dec. 31	1,860	42	13	1,194	201	472	2	18	501	95	18	14	18	45	516	240	276
RESERVE CITY BANKS																	
1928, Dec. 31	12,156	(a)	(a)	7,878	509	2,318	118	1,387	3,546	650	16	33	136	465	3,454	1,662	1,791
1929, Dec. 31	12,029	(a)	(a)	8,417	425	2,775	110	1,428	3,679	408	43	24	102	239	2,944	1,368	1,576
1930, Sept. 24	12,038	77	117	7,540	360	2,586	111	1,398	3,085	768	47	17	295	409	3,537	1,628	1,909
Dec. 31	11,887	125	105	7,704	312	2,670	120	1,487	3,115	434	104	15	193	122	3,518	1,486	2,032
COUNTRY BANKS																	
1928, Dec. 31	13,667	(a)	(a)	8,254	107	1,799	290	1,154	4,904	625	30	8	211	376	4,751	1,382	3,370
1929, Dec. 31	13,375	(a)	(a)	8,481	83	2,231	276	1,186	4,705	409	33	5	163	208	4,439	1,267	3,172
1930, Sept. 24	12,944	11	51	8,006	88	2,112	275	1,205	4,326	286	4	4	164	115	4,589	1,219	3,370
Dec. 31	12,458	15	45	7,703	59	2,087	262	1,189	4,106	176	5	3	119	49	4,520	1,153	3,367

FEDERAL RESERVE BOARD  
DIVISION OF BANK OPERATIONS  
JANUARY 28, 1931

(a) Figures not available.

\* Central reserve city banks only.



See 124

# FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

February 5, 1931.

~~Dear Mr. Platt:~~ Not sent

I have your note of February 3rd. In looking over my records I find that on Wednesday, January 21, 1920, the Federal Reserve Bank of New York proposed a rate of  $5\frac{1}{2}$  per cent for Treasury certificates, liberty bonds and commercial paper; that Mr. Leffingwell objected bitterly and Governor Harding wired some of the New York directors to come down for a conference. Mr. Jay and Mr. Alexander came down on Monday and were with Governor Harding, Mr. Strauss and Mr. Leffingwell practically all day. No other members of the Board were present. Later in the day Mr. Strauss told me that an agreement had been reached to inform the New York directors that they must keep in a rate of  $4\frac{3}{4}$  per cent on certificate paper for the present, and that if they would not agree to this the Board would put in such a rate; that Mr. Alexander agreed to this and took the message back. Later, Governor Harding informed the Board that the New York directors had accepted his suggestion and unanimously sent in a schedule keeping a  $4\frac{3}{4}$  per cent rate on certificate paper and  $5\frac{1}{2}$  per cent on everything else.

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Governor Harding then announced that Mr. Leffingwell wanted us to put up commercial paper rates to 6 per cent and liberty bond paper to  $5\frac{1}{2}$ , leaving <sup>certificates</sup> purchase paper for a short period at  $4\frac{3}{4}$  per cent. Governor Harding said he agreed to this and that Secretary Glass told him he could not be at the meeting but that Mr. Leffingwell was authorized to speak for him.

Mr. Leffingwell then came in and addressed the Board. He began by quoting a letter dated December 19, 1920, from Governor Strong, stating that at last, after years of effort, his bank had succeeded in establishing one rate for money and that by this the New York bank had shown it was a real central bank like the Bank of England. Mr. Leffingwell then quoted from Hartley Wither's book to show that Governor Strong was wrong, and that the Bank of England did not have one rate for money. Governor Strong stated in the letter that he had done in two years what the Bank of England had taken 250 years to do - one rate for money. (C.S.H. memo. - Wither's book shows that the Bank of England rate is only a minimum rate and that the bank frequently imposes higher rates without changing the official bank rate).

Mr. Leffingwell then stated that under the present rate of  $4\frac{3}{4}$  per cent there is a direct incentive to member banks to loan at 6 per cent (the maximum usury New York rate) thus making a considerable profit. He pointed out our low reserve position and said that nothing but a drastic increase in commercial paper to 6 per cent will control the situation; that we were dangerously near leaving



the gold standard; that the expected January liquidation had not taken place; that on the contrary, the member banks had increased their loans and <sup>investments</sup> reserves enormously since September 1, 1919; that the loans and <sup>investments</sup> reserves of the Federal reserve banks had increased nearly 800,000,000; that although currency had turned the tide and was receding, credits were enormously increased; that soon a new gold embargo would have to be put on, and we should likely reach an inflation up to the European standard; that the so-called commercial paper held by Federal reserve banks was "bunk"; that it was absolutely unliquid and would never be paid.

C.S.H. pointed out that while a 6 per cent rate might be necessary, yet an immediate advance of  $1\frac{1}{4}$  per cent might give rise to panic conditions. Mr. Leffingwell flouted this, but said if a panic in New York should break out, he would be glad of it.

C.S.H. suggested two bites of the cherry but Mr. Leffingwell did not agree to this.

The Board adjourned until afternoon, and C.S.H. requested Mr. Leffingwell to communicate with Secretary Glass as to the 6 per cent rate.

In the afternoon Secretary Glass and Mr. Leffingwell kept us waiting for about half an hour. When Secretary Glass came into the meeting, he said that he favored this immediate increase. C.S.H. said he feared it might cause much excitement and uneasiness and bring about very disturbed conditions. Neither Secretary Glass nor Mr. Leffingwell



would agree to this, <sup>although</sup> until C.S.H. pointed out that distrust might be caused which would lead to violent contraction, even to presentation of Federal reserve notes for redemption in gold.

C.S.H. also referred to the fact that just before adjourning this morning, Mr. Strauss called up Mr. Case at New York, and that he later replied that the executive committee and Mr. Alexander were a unit in opposing such a drastic increase; that Mr. Alexander said an immediate increase to 6 per cent would cause much uneasiness; that people would think the Federal Reserve Board had lost its head or that conditions must be very critical to call for such drastic increase; that there was also danger that it might cause panic conditions.

Governor Harding said that 6 per cent was right, both to prevent profit from rediscounting, and because 6 per cent was the legal limit under the New York usury laws.

Governor Harding and Mr. Leffingwell said that <sup>a</sup>  $5\frac{1}{2}$  per cent rate on loans secured by Government bonds and Treasury notes would do no harm as it would not be profitable to borrow on Government bonds when the discount rate was  $5\frac{1}{2}$  per cent.

Governor Harding then moved to fix the New York rate at  $4\frac{3}{4}$  per cent for Treasury certificates,  $5\frac{1}{2}$  per cent for notes secured by Government bonds and victory notes, and 6 per cent for commercial paper.

Comptroller Williams moved to amend by making the rates  $4\frac{3}{4}$ , 5 and  $5\frac{1}{2}$  per cent. This was passed. "Aye" - C.S.H., Williams, Miller and Moehlenpah. "No" - Governor Harding and Strauss.

Discussion was then renewed and Governor Harding asked C.S.H. if he would move to reconsider so that he could put the matter before the Board in a better way. It was then voted to reconsider.



Governor Harding then moved (1) that the Treasury certificate rate be fixed at  $4\frac{3}{4}$ ; unanimously passed; (2) that a differential of  $\frac{1}{2}$  be made between government bonds and commercial paper; unanimously passed; (3) 6 per cent for commercial paper; this resulted in a tie, as Dr. Miller changed his vote. "Aye" - Governor Harding, Strauss and Miller. "No" - C.S.H., Williams and Moehlenpah. Secretary Glass announced that the motion had failed, but Williams said Secretary Glass should vote. Secretary Glass thereupon voted "aye", and declared the motion carried.

Later in the evening, C.S.H. met Secretary Glass who said that since the above vote he was not so sure he had voted correctly, that it was all a matter of conjecture, and asked C.S.H. if he really felt it might bring about a sudden contraction. C.S.H. told Secretary Glass that was his fear but he hoped he might prove to be mistaken. C.S.H. added that Governor Harding was to take up the matter with the New York, Boston and Philadelphia banks tomorrow, and that if there was much objection, the matter might be brought up again. Secretary Glass stated that he regarded this vote as only tentative.

Thursday, January 22.

At the meeting Mr. Strauss reported that he had talked the matter over with Acting Governor Case in New York, who had consulted his executive committee, which had reached the conclusion that it preferred to have the Federal Reserve Board fix the rate on its own initiative, and not have it appear that the bank had recommended these rates.

C.S.H. states that the New York directors absolutely opposed the 6



per cent rate, although they did not expressly so state.

Governor Harding reported that he had called up Governor Morss at Boston, who at first seemed staggered at the 6 per cent rate, but finally stated that he approved it, and later a telegram was received saying that his directors wished to recommend this schedule and not have the Board fix it at its own initiative.

Governor Harding stated that Philadelphia had also agreed to the rate. It was then voted to notify each of the three banks, the rates to go into effect tomorrow, Friday morning.

C.S.H. is still inclined to feel that this drastic increase may do some harm; that although such a rate was ultimately necessary, he felt the Board should take two bites of the cherry at intervals, even if only for a few days.

Mr. Edmund S. Platt,  
Care Marine Midland Group, Inc.,  
Room 820, 120 Broadway,  
New York, N. Y.

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FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

February 13, 1931  
B - 248

SUBJECT: Condition of member banks  
as of December 31, 1930.

Dear Sir:

For your information there is enclosed herewith a statement showing the resources and liabilities of all member banks in each Federal reserve district as of December 31, 1930, also a statement giving a classification of loans, investments, deposits and borrowings of member banks in each district on the same date.

The Board's Member Bank Call Report (No. 50) giving detailed figures by states, cities and classes of banks, which will include the data shown in the enclosed statements, will be ready for distribution early in March.

Very truly yours,

E. L. Smead, Chief,  
Division of Bank Operations.



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ALL MEMBER BANKS - CLASSIFICATION OF LOANS, INVESTMENTS, DEMAND AND TIME DEPOSITS, AND BORROWINGS ON  
DECEMBER 31, 1930, BY FEDERAL RESERVE DISTRICTS (Cont'd)  
(Amounts in thousands of dollars)

B-248a

	Total	Federal				Reserve				District			
		Boston	New York	Phila- delphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minn- neapolis	Kansas City	Dallas	San Francisco
<u>Demand deposits - total</u>	17,501,550	1,274,560	6,922,727	1,118,843	1,375,372	502,347	492,482	2,309,921	586,956	392,709	743,615	543,774	1,238,244
Individual deposits subject to check	15,560,443	1,152,580	6,297,407	999,768	1,203,202	446,289	408,377	2,062,732	513,763	313,281	604,380	469,233	1,089,431
Certificates of deposit	192,399	13,324	34,548	5,651	19,305	4,660	5,005	30,000	20,339	12,394	25,107	11,513	10,553
State, county, and municipal deposits	1,362,482	87,392	315,452	93,678	132,539	46,433	72,323	205,909	49,061	64,372	110,944	58,841	125,538
All other	386,226	21,264	275,320	19,746	20,326	4,965	6,777	11,280	3,793	2,662	3,184	4,187	12,722
Net demand deposits	18,969,380	1,309,501	7,746,316	1,187,035	1,512,452	520,162	509,161	2,491,270	616,229	397,715	801,709	573,978	1,303,852
<u>Time deposits - total</u>	13,546,201	995,113	3,171,518	1,173,585	1,652,812	538,383	410,425	2,134,998	470,353	459,853	372,125	233,608	1,933,428
States, counties, and municipalities	509,029	8,153	46,077	16,637	38,880	11,046	18,687	93,961	14,229	6,130	14,682	21,139	219,408
Banks in United States	107,405	2,744	40,661	4,927	1,917	3,081	4,529	22,618	4,321	10,166	498	549	11,394
Banks in foreign countries	237,581	21,510	182,313	100	-	-	-	23,000	-	-	-	-	10,658
Other time deposits -													
Evidenced by savings pass books	9,590,953	763,132	2,137,963	893,993	1,330,651	410,415	268,641	1,402,442	248,836	263,221	187,325	166,572	1,517,762
Certificates of deposit	1,884,919	157,040	212,231	168,761	192,144	87,677	79,834	403,374	177,799	151,081	111,163	32,158	111,657
Open accounts, Christmas savings accounts, etc.	1,027,209	35,297	510,566	84,445	80,003	19,850	18,774	167,630	15,966	7,878	35,074	7,313	44,413
Postal savings	189,105	7,237	41,707	4,722	9,217	6,314	19,960	21,973	9,202	21,377	23,383	5,877	18,136
<u>Bills payable and rediscounts - total</u>	355,168	19,230	88,146	40,774	50,938	31,584	26,409	31,327	20,755	4,868	16,455	5,958	18,724
With Federal reserve banks:													
Bills payable	138,843	5,919	44,356	14,316	24,359	6,826	3,960	11,731	8,583	500	5,235	1,495	11,563
Rediscounts	109,174	7,497	14,152	10,940	12,893	15,275	13,006	11,149	4,045	3,251	10,846	2,696	3,424
All other:													
Bills payable	101,710	5,715	29,353	14,956	12,984	8,887	8,506	7,814	7,444	1,022	307	1,583	3,139
Rediscounts	5,441	99	285	562	702	596	937	633	683	95	67	184	598



ALL MEMBER BANKS (7,033 NATIONAL BANKS AND 1,019 STATE BANKS) - CONDITION ON DECEMBER 31, 1930, BY FEDERAL RESERVE DISTRICTS  
(In thousands of dollars)

B-248a

	Total	(in thousands of dollars)											
		Boston	New York	Federal Phila- delphia	Cleveland	Richmond	Reserve Atlanta	Chicago	District St. Louis	Minn- neapolis	Kansas City	Dallas	San Francisco
R E S O U R C E S													
Loans (including overdrafts)	23,870,488	1,749,779	8,299,878	1,767,136	2,262,364	842,172	725,754	3,405,956	787,429	494,527	716,688	600,957	2,217,848
U. S. Government securities	4,124,776	231,504	1,493,680	219,250	445,525	109,825	112,276	538,463	94,265	122,434	172,848	117,699	467,007
Other securities	6,864,247	529,596	2,229,831	746,818	710,868	201,806	151,389	865,003	272,008	234,169	257,514	103,780	561,465
TOTAL LOANS AND INVESTMENTS	34,859,511	2,510,879	12,023,389	2,733,204	3,418,757	1,153,803	989,419	4,809,422	1,153,702	851,130	1,147,050	822,436	3,246,320
Customers' liability on account of acceptances	1,117,833	85,420	800,541	26,992	24,182	9,594	9,676	96,681	2,602	1,272	29	6,092	54,752
Banking house, furniture, and fixtures	1,240,444	72,238	334,478	107,650	150,504	61,829	54,406	178,700	36,415	27,076	42,102	47,077	127,969
Other real estate owned	191,169	9,323	28,455	25,245	31,196	15,168	14,370	23,795	12,154	4,753	6,201	9,516	10,993
Cash in vault	592,504	37,569	153,416	48,314	59,146	33,351	32,489	78,120	24,856	18,622	25,341	21,357	59,923
Reserve with F. R. banks	2,474,509	147,298	1,062,054	145,098	185,745	63,153	62,543	361,773	69,644	48,364	88,298	58,104	182,435
Items with F. R. banks in process of collection	757,216	63,757	305,143	56,894	73,000	32,569	16,985	89,014	29,783	6,026	29,533	19,896	34,616
Due from banks in United States	2,455,948	150,613	296,202	148,079	194,723	98,169	134,760	427,163	122,559	142,016	232,075	184,127	325,462
Due from banks in foreign countries (including own branches)	260,818	34,672	183,765	5,975	2,291	7,569	1,005	9,858	1,492	1,150	564	407	12,070
Exchanges for clearing house and other checks on local banks	2,076,189	48,929	1,582,841	63,227	52,877	22,409	21,178	128,467	19,065	11,060	22,419	13,900	89,817
Outside checks and other cash items	92,766	5,576	15,748	3,109	6,887	3,037	7,086	17,373	3,656	3,029	4,995	2,931	19,339
Redemption fund and due from U. S. Treasurer	32,318	2,263	4,574	2,789	3,808	2,374	2,322	4,488	1,381	1,297	1,574	2,236	3,212
Acceptances of other banks and bills of exchange or drafts sold with indorsement	662,686	22,574	515,995	6,917	10,681	5,428	6,501	78,326	91	30	14	273	15,856
Securities borrowed	21,069	247	915	329	7,284	1,068	1,223	2,280	4,990	68	1,119	588	958
Other assets	222,911	11,575	94,023	16,017	22,794	7,246	4,619	25,837	4,323	8,849	3,006	1,972	22,650
TOTAL	47,057,891	3,202,933	17,401,539	3,389,839	4,243,875	1,516,767	1,358,582	6,331,297	1,486,713	1,124,742	1,604,320	1,190,912	4,206,372



## ALL MEMBER BANKS (7,033 NATIONAL BANKS AND 1,019 STATE BANKS) - CONDITION ON DECEMBER 31, 1930, BY FEDERAL RESERVE DISTRICTS

((Amounts in thousands of dollars))

B-248b

	Total	Federal					Reserve			District			
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
LIABILITIES													
Capital stock paid in	2,665,151	196,149	905,846	184,715	231,068	105,808	97,191	364,841	100,122	63,265	93,383	91,653	231,110
Surplus	2,822,091	178,853	1,212,004	362,086	292,241	80,649	66,109	294,941	58,425	35,808	44,706	47,083	149,186
Undivided profits - net	894,388	69,242	408,844	80,807	73,399	26,737	17,698	86,237	24,206	14,099	22,397	23,256	47,466
Reserves for dividends, contingencies, etc.	211,407	12,381	73,641	23,553	21,849	8,550	3,318	34,583	5,175	4,555	4,579	3,952	15,271
Reserves for interest, taxes, and other expenses accrued and paid	121,190	11,621	36,353	6,281	12,810	5,065	2,884	28,137	3,021	4,798	3,202	2,717	4,301
Due to Federal reserve banks	49,267	6,809	17,533	6,795	5,003	4,848	1,885	4,116	109	4	20	1,322	823
Due to other banks in United States	3,872,842	188,569	1,444,270	227,266	305,779	112,480	120,006	557,610	138,047	104,119	226,572	139,200	308,924
Due to banks in foreign countries (including own branches)	634,927	20,835	553,381	4,011	3,097	1,017	2,358	28,911	312	849	254	888	18,964
Certified and officers' checks outstanding	1,223,777	23,132	875,833	25,424	53,613	15,107	13,305	69,881	10,565	8,266	37,937	29,352	61,362
Cash letters of credit and travelers' checks outstanding	20,960	381	13,438	51	3,821	45	20	2,012	50	27	71	9	1,035
Demand deposits	17,501,550	1,274,560	6,922,727	1,118,843	1,375,372	502,347	492,482	2,309,921	586,956	392,709	743,615	543,774	1,238,244
Time deposits	13,546,201	995,113	3,171,518	1,173,585	1,652,812	538,383	410,425	2,134,998	470,353	459,853	372,125	233,608	1,933,428
United States deposits	267,415	23,788	51,637	21,525	28,500	18,105	27,770	40,767	4,393	2,480	4,306	13,574	30,570
TOTAL DEPOSITS	37,116,939	2,533,237	13,050,337	2,577,500	3,427,997	1,192,332	1,068,251	5,148,216	1,210,785	968,307	1,384,900	961,727	3,593,350
Agreements to repurchase U. S. Govt. or other securities sold	158,141	14,972	106,529	1,040	10,678	312	535	14,014	5,323	182	872	1,083	2,601
Bills payable and rediscounts:													
With Federal reserve bank	248,017	13,416	58,508	25,256	37,252	22,101	16,966	22,880	12,628	3,751	16,081	4,191	14,987
All other	107,151	5,814	29,638	15,518	13,686	9,483	9,443	8,447	8,127	1,117	374	1,767	3,737
Acceptances of other banks and bills sold with endorsement	662,686	22,574	515,995	6,917	10,681	5,428	6,501	78,326	91	30	14	273	15,856
Acceptances executed for customers	1,138,624	88,495	812,942	26,191	23,717	9,662	13,038	97,311	2,606	1,310	29	6,526	56,797
Acceptances executed by other banks for account of reporting banks	15,031	757	10,792	1,732	611	133	56	485	35	3	-	-	427
National-bank notes outstanding	639,640	45,038	90,763	55,204	75,592	47,243	43,711	89,283	27,655	25,962	31,365	43,920	63,904
Securities borrowed	21,069	247	915	329	7,284	1,068	1,223	2,280	4,990	68	1,119	588	958
Other liabilities	236,366	10,137	88,432	22,710	5,010	2,196	11,658	61,316	23,524	1,487	1,299	2,176	6,421
*TOTAL	47,057,891	3,202,933	17,401,539	3,389,839	4,243,875	1,516,767	1,358,582	6,331,297	1,486,713	1,124,742	1,604,320	1,190,912	4,206,372
Number of banks	8,052	396	914	753	757	470	390	1,081	513	642	871	684	581



ALL MEMBER BANKS - CLASSIFICATION OF LOANS, INVESTMENTS, DEMAND AND TIME DEPOSITS, AND BORROWINGS ON DECEMBER 31, 1930, BY FEDERAL RESERVE DISTRICTS

(Amounts in thousands of dollars)

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	Total	Federal					Reserve			District			
		Boston	New York	Phila- delphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minn- neapolis	Kansas City	Dallas	San Francisco
Loans - total	23,870,488	1,749,779	8,299,878	1,767,136	2,262,364	842,172	725,754	3,405,956	787,429	494,527	716,688	600,957	2,217,848
Domestic acceptances	314,801	74,395	190,603	239	7,953	-	772	17,667	3,280	467	534	3,987	14,904
Foreign bills and acceptances	54,946	2,759	23,086	2,372	791	227	2,237	14,348	488	112	708	535	7,283
Commercial paper bought in open market	365,875	58,000	58,872	38,205	14,049	15,774	7,797	52,722	31,092	21,063	21,530	9,946	36,825
Loans to banks: On securities	314,768	12,631	134,158	44,304	29,407	7,418	4,167	61,497	9,667	1,269	4,572	1,507	4,171
All other	321,693	19,959	154,118	11,545	13,395	17,020	23,311	28,399	18,641	6,015	18,870	6,481	3,939
Loans on securities, exclusive of loans to banks - Total	9,439,160	673,338	4,227,902	684,644	922,206	246,932	173,021	1,325,840	251,650	124,237	140,973	121,454	546,963
To brokers and dealers in New York	1,497,530	53,724	1,311,409	16,088	14,489	921	9,612	49,325	16,282	4,194	3,059	2,328	16,099
To brokers and dealers elsewhere	675,286	78,373	120,741	59,689	56,830	12,975	13,825	234,593	22,070	5,564	7,420	3,952	59,254
To others	7,266,344	541,241	2,795,752	608,867	850,887	233,036	149,584	1,041,922	213,298	114,479	130,494	115,174	471,610
Real estate loans: On farm land	386,726	7,522	14,167	13,806	30,619	17,493	26,820	77,294	20,935	23,988	21,864	17,422	114,796
On other real estate	2,847,045	264,742	529,965	228,164	486,129	51,178	50,539	467,831	95,008	20,406	22,850	23,702	606,531
All other loans (including overdrafts)	9,825,474	636,433	2,967,007	743,857	757,815	486,130	437,090	1,360,358	356,668	296,970	484,787	415,923	882,436
Loans eligible for rediscount with Federal reserve banks	3,538,001	199,775	1,025,611	243,721	205,730	170,192	167,900	472,637	178,045	164,972	231,265	188,199	289,954
U. S. Government securities - total	4,124,776	231,504	1,493,680	219,250	445,525	109,825	112,276	538,463	94,265	122,434	172,848	117,699	467,007
Bonds	3,270,871	190,415	1,077,675	204,236	416,918	98,460	93,002	360,607	74,024	109,622	135,244	94,472	416,196
Treasury notes	484,911	16,922	261,201	11,272	11,532	6,156	6,080	73,843	10,810	9,356	28,709	10,633	38,397
Certificates of indebtedness	296,418	16,700	104,563	3,164	13,436	5,209	13,167	95,772	8,916	3,422	8,394	12,524	11,151
Treasury bills	72,576	7,467	50,241	578	3,639	-	27	8,241	515	34	501	70	1,263
Other securities - total	6,864,247	529,596	2,229,831	746,818	710,868	201,806	151,389	865,003	272,008	234,169	257,514	103,780	561,465
Domestic securities - total	6,149,319	464,277	1,964,825	669,890	633,060	184,689	140,325	786,730	248,701	204,448	238,755	98,634	514,985
State, county, and municipal bonds	1,492,689	36,880	434,167	75,439	87,324	31,095	42,395	211,422	68,935	59,184	101,939	33,998	309,911
Railroad bonds	982,685	76,695	430,861	144,381	114,657	22,274	13,209	63,625	25,568	28,302	19,816	3,412	39,885
Other public service corporation bonds	1,101,386	159,140	321,167	175,072	102,501	29,590	15,101	147,040	35,796	38,019	19,209	5,282	53,469
All other bonds	1,354,258	97,077	363,827	155,423	205,463	53,246	39,153	187,455	58,491	56,421	45,076	24,987	67,639
Stock of Federal reserve banks	167,297	11,870	64,496	16,791	15,717	5,680	5,022	19,928	4,781	3,011	4,292	4,270	11,439
Stock of other corporations	586,970	63,917	274,135	63,027	56,353	21,286	17,393	17,998	40,005	1,605	14,542	6,674	10,035
Collateral trust and other corp. notes	199,101	13,746	55,331	32,656	37,586	17,745	1,421	20,874	4,661	4,879	2,666	2,818	4,724
Municipal warrants	199,743	2,054	14,744	4,126	9,217	847	3,453	91,744	6,566	11,150	25,575	14,322	15,945
All other	65,190	2,898	6,097	2,975	4,242	2,926	3,178	26,644	3,898	1,877	5,646	2,871	1,938
Foreign securities - total	714,928	65,319	265,006	76,928	77,808	17,117	11,064	78,273	23,307	29,721	18,759	5,146	46,480
Government bonds	360,745	30,665	137,934	36,254	34,889	7,868	5,986	41,824	12,407	13,094	10,523	2,888	26,413
Other foreign securities	354,183	34,654	127,072	40,674	42,919	9,249	5,078	36,449	10,900	16,627	8,236	2,258	20,067



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EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS, JANUARY 1931

Federal  Reserve  Bank	Month of					January		1931		Available for reserves, sur- plus and franchise tax*
	Earnings from					Current expenses		Current net earnings		
	Dis- counted bills	Pur- chased bills	U. S. secu- rities	Other sources	Total	Exclusive of cost of F.R. Currency	Total	Amount	Ratio to paid-in capital	
									Per cent	
Boston	\$26,955	\$27,518	\$91,272	\$5,935	\$151,680	\$160,371	\$165,221	-\$13,541	-	-\$72,909
New York	99,608	100,465	454,548	12,862	667,483	530,952	540,342	127,141	2.3	130,834
Philadelphia	82,026	6,129	106,073	2,037	196,265	159,305	166,287	29,978	2.1	- 57,647
Cleveland	78,844	33,837	124,632	17,009	254,322	207,630	215,263	39,059	2.9	- 66,616
Richmond	66,606	12,133	29,244	5,078	113,061	123,127	171,142	-58,081	-	- 87,305
Atlanta	66,600	19,362	17,771	7,313	111,046	104,140	108,419	2,627	.6	- 24,267
Chicago	76,504	58,333	189,904	34,424	359,165	291,294	293,652	65,513	3.8	- 35,613
St. Louis	33,982	11,956	62,225	5,146	113,309	106,525	122,080	-8,771	-	- 33,749
Minneapolis	12,074	10,096	61,961	1,202	85,333	73,972	75,397	9,936	3.8	- 5,468
Kansas City	51,570	15,003	56,815	24,065	147,453	139,159	147,283	170	.05	- 21,138
Dallas	15,561	10,819	68,000	1,247	95,627	102,119	102,471	-6,844	-	- 28,830
San Francisco	56,829	31,777	93,253	5,634	187,493	189,104	224,016	-36,523	-	- 94,198
TOTAL										
January 1931	667,159	337,428	1,355,698	121,952	2,482,237	2,187,698	2,331,573	150,664	1.0	-396,906
December 1930	924,694	408,063	1,408,081	470,895	3,211,733	2,188,033	2,380,671	831,062	5.7	
January 1930	2,040,642	1,117,796	1,490,818	192,154	4,841,410	2,239,108	2,399,160	2,442,250	16.8	1,587,504

FEDERAL RESERVE BOARD

DIVISION OF BANK OPERATIONS

FEBRUARY 14, 1931

\*After making allowance for accrued dividends and current debits and credits to profit and loss account but not for profit or loss on sales of U. S. securities held in special investment account.

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## Office Correspondence

FEDERAL RESERVE  
BOARD

Date January 17, 1931

To Mr. Hamlin

Subject: Discount rates in New York and

From Mr. Smead

London.

2-8495

You asked me the other day to give you a statement comparing the Bank of England and the Federal Reserve Bank discount rates with market rates in London and New York.

The Bank of England rate and the principal London market rates, as given in the monthly summary of statistics issued by the Bank of England, for the first eleven months of 1930 are as follows:

	Bank Rate	Treasury Bills (weekly Allotment)	Monthly Averages		
			Daily Rates		
			3 Months Fine* Bank Bills	Loans for Short Periods	Day to Day Money
1930					
January	5	4.051	4.06	3.94	3.63
February	** $4\frac{1}{2}$ - 5	3.715	3.81	3.66	3.75
March	*** $3\frac{1}{2}$ - $4\frac{1}{2}$	2.492	2.78	3.06	3.13
April	$3\frac{1}{2}$	2.496	2.50	2.47	2.28
May	****3	2.112	2.16	2.00	1.94
June	3	2.297	2.31	2.22	1.91
July	3	2.381	2.38	2.00	1.78
August	3	2.174	2.22	2.00	1.84
September	3	2.053	2.06	1.94	1.66
October	3	2.111	2.09	1.94	1.69
November	3	2.173	2.19	2.00	2.00

\*Brokers' buying rate

\*\*Reduced from 5 to  $4\frac{1}{2}$  on February 6.

\*\*\*Reduced from  $4\frac{1}{2}$  to 4 on March 6, and to  $3\frac{1}{2}$  on March 20.

\*\*\*\*Reduced from  $3\frac{1}{2}$  to 3 on May 1.

The Bank of England rate is a rate at which the bank announces its willingness to discount 3 months fine bank bills and you will note that the bank rate is always above the market rate on such bills as shown in column three of the above table.

In the New York market, however, the Federal reserve bank's buying rate on 90 day prime bankers' acceptances never moves appreciably above or below the market rate on such bills. In other words while the Bank of England rate is almost always above the market rate the New York bank's

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bill rate is generally about the same as the market rate. The Federal reserve bank's discount rate is nearly always above its buying rate on bills but it is its bill rate not its discount rate which is comparable with the Bank of England rate. At the present time the Federal reserve bank has a bill rate of  $1\frac{5}{8}$  per cent for 15-day maturities and  $1\frac{3}{4}$  per cent for 90-day maturities. The  $1\frac{3}{4}$  per cent also applies to repurchase agreements. The market rate on 90-day bills is now  $1\frac{5}{8}$  per cent. Open market rates in New York for the past year are shown on page 11 of the January Federal Reserve Bulletin.