

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

R-484

June 14, 1939.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

Dear Sir:

There is inclosed, for your information, a copy of a letter from Mr. M. R. Loafman, Chief, Division of Public Debt Accounts and Audits, Treasury Department, advising the Secretary of the Treasury that an audit of the stock of completed Federal Reserve notes and Federal Reserve bank notes on hand in the Federal Reserve vault at the Bureau of Engraving and Printing was begun on May 24 and completed on May 25, 1939, as of the close of business May 23, 1939.

Mr. Loafman states that the amounts of Federal Reserve notes and Federal Reserve bank notes on hand, \$2,813,100,000 of 1928 Series and \$3,291,340,000 of 1934 Series Federal Reserve notes and \$450,800,000 of Federal Reserve bank notes, were in agreement with the records of the Federal Reserve Issue and Redemption Division of the Comptroller's Office. Copies of detailed statements "A", "B" and "C" which accompanied Mr. Loafman's letter are also inclosed.

Very truly yours,

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

Inclosure

May 29, 1939.

The Honorable

The Secretary of the Treasury

Sir:

An audit has been made of the completed stocks of unissued Federal Reserve notes and Federal Reserve Bank notes charged to the Federal Reserve Vault in the Bureau of Engraving and Printing. The audit was begun May 24 and completed May 25, 1939, as of the close of business May 23, 1939.

The following tabulation reflects the amounts as disclosed by the audit:

Under auditor's seal in Vault No. 1, Treasury Building	
Federal Reserve notes (Series 1928).....	\$2,813,100,000
Federal Reserve Bank notes (Series 1929).....	<u>450,800,000</u>
	3,263,900,000
On hand in Federal Reserve Vault, Bureau of Engraving and Printing	
Federal Reserve notes (Series 1934).....	<u>3,291,340,000</u>
Total.....	\$6,555,240,000

The above balance, comprising 98,201 packages, was in agreement with the records of the Federal Reserve Vault and those of the Division of Public Debt Accounts and Audit and with the statement submitted by the Federal Reserve Issue and Redemption Division of the Office of the Comptroller of the Currency. Detailed information with respect to each of the classes of currency is reflected in the attached statements "A", "B" and "C", respectively.

The entire balance of Federal Reserve notes (Series 1928) and Federal Reserve Bank notes (Series 1929) have been under the auditor's seal

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since 1937 at which time they were package counted and the seals inspected and no further inspection was made in connection with this audit except to inspect the seal on the compartment in Vault No. 1.

The entire stock of Federal Reserve notes (Series 1934) consists of sealed packages bearing the seal of the Bureau of Engraving and Printing and is under the joint custody of representatives of the Secretary of the Treasury, the Bureau of Engraving and Printing and the Federal Reserve Board. It was, therefore, not considered necessary to break the seals on the packages in making the verification but the brief on each package was examined with respect to the package number, serial numbers of the notes, bank and denomination. The packages were found in orderly arrangement and grouped in such manner as to permit the auditors to accomplish the verification without delay.

Prior to beginning the audit, the Chief of the Secret Service was notified and a representative of his office was present on May 24 and 25, 1939.

Appreciation is extended to the officials of the Bureau of Engraving and Printing and the representatives at the Federal Reserve Vault for the cooperation and assistance rendered during the conduct of the audit.

Respectfully submitted:

(Signed) M. R. Loanman.

Chief, Division of Public Debt Accounts and Audit.

STATEMENT "A"

FEDERAL RESERVE NOTES (SERIES 1928) ON HAND AS DISCLOSED BY AUDIT
AS OF MAY 23, 1939.
 (IN THOUSANDS OF DOLLARS)

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BANK	5's	10's	20's	50's	100's	500's	1,000's	5,000's	10,000's	TOTAL
Boston	\$ 47,880	\$.....	\$ 46,560	\$50,400	\$ 50,400	\$ 30,000	\$ 30,000	\$ 2,000	\$.....	\$ 257,240
New York	87,560	.....	25,200	30,000	87,600	64,800	54,400	.....	6,000	355,560
Philadelphia	36,780	15,160	50,320	75,000	78,000	42,000	50,400	.....	.....	347,660
Cleveland	37,040	19,120	107,440	41,400	28,400	39,300	31,600	6,000	.....	310,300
Richmond	22,340	.....	.....	41,600	27,200	28,500	21,000	9,000	10,000	159,640
Atlanta	6,760	9,520	36,720	23,200	20,000	19,600	16,400	4,000	9,320	145,520
Chicago	65,280	.....	114,000	88,200	96,800	108,900	135,200	16,000	20,000	644,380
St. Louis . . . . .	.....	.....	8,480	19,200	24,800	18,400	16,200	.....	.....	87,080
Minneapolis	7,180	2,200	34,080	12,000	22,400	13,300	13,000	.....	.....	104,160
Kansas City	27,640	.....	26,720	22,600	26,000	25,500	23,600	.....	.....	152,060
Dallas	7,760	9,240	22,640	22,600	20,000	24,600	23,400	1,000	2,000	133,240
San Francisco	12,260	.....	13,440	11,800	26,400	21,600	17,200	3,720	9,840	116,260
TOTAL	\$358,480	\$55,240	\$485,600	\$438,000	\$508,000	\$436,500	\$432,400	\$41,720	\$57,160	\$2,813,100

These notes are in Vault No. 1, Main Treasury Building, under auditor's seal.

STATEMENT "B"

FEDERAL RESERVE NOTES (SERIES 1934) ON HAND AS DISCLOSED BY AUDIT
AS OF MAY 23, 1939
(IN THOUSANDS OF DOLLARS)

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BANK	5's	10's	20's	50's	100's	500's	1,000's	5,000's	10,000's	TOTAL
Boston	\$ 25,200	\$ 116,400	\$ 74,400	\$ 27,800	\$ 49,200	\$ 5,200	\$ 4,400	\$ 6,000	\$ 2,000	\$ 310,600
New York	35,780	226,680	135,920	55,000	170,800	39,900	25,600	8,000	12,000	709,680
Philadelphia	27,600	119,360	86,880	35,200	38,800	5,600	10,200	.....	.....	323,640
Cleveland	11,000	48,560	101,200	30,600	16,400	2,400	3,000	4,000	8,000	225,160
Richmond	16,960	55,680	83,680	16,800	21,200	8,700	8,800	5,000	.....	216,820
Atlanta	8,260	57,120	33,680	9,600	21,200	7,500	18,200	5,000	4,000	164,560
Chicago	39,660	187,560	134,400	26,600	39,600	17,000	15,200	6,000	6,000	472,020
St. Louis	33,140	55,720	47,840	6,600	25,200	6,400	7,600	4,000	4,000	190,500
Minneapolis	19,600	47,080	52,240	4,400	13,600	3,700	2,800	.....	.....	143,420
Kansas City	11,700	50,560	52,560	5,800	23,600	5,300	12,600	6,000	4,000	172,120
Dallas	4,000	23,360	17,520	3,000	8,000	7,600	7,600	5,000	4,000	80,080
San Francisco	37,420	68,120	78,400	12,600	44,800	11,400	15,000	9,000	6,000	282,740
TOTAL	\$270,320	\$1,056,200	\$898,720	\$234,000	\$472,400	\$120,700	\$131,000	\$58,000	\$50,000	\$3,291,340

These notes are on hand in the Federal Reserve Vault in the Bureau of Engraving and Printing.

STATEMENT "C"

FEDERAL RESERVE BANK NOTES (SERIES 1929) ON HAND AS DISCLOSED BY AUDIT
AS OF MAY 23, 1939.
(IN THOUSANDS OF DOLLARS)

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BANK	5's	10's	20's	50's	100's	TOTAL
Boston	\$ 5,020	\$ 5,000	\$ 5,040	\$.....	\$.....	\$ 15,060
New York	860	27,320	18,000	6,600	22,800	75,580
Philadelphia	4,100	3,800	13,840	.....	.....	21,740
Cleveland	10,020	10,080	1,520	23,800	23,600	69,020
Richmond . . . . .	.....	10,840	21,600	.....	15,600	48,040
Atlanta	5,040	5,880	15,520	.....	.....	26,440
Chicago	19,380	23,440	24,720	15,000	10,800	93,340
St. Louis . . . . .	.....	2,120	5,040	.....	.....	7,160
Minneapolis . . . . .	.....	1,880	11,280	6,600	14,400	34,160
Kansas City	9,020	2,840	7,120	12,800	8,400	40,180
Dallas . . . . .	.....	.....	1,680	1,200	1,200	4,080
San Francisco . . . . .	.....	4,800	.....	11,200	.....	16,000
TOTAL	\$53,440	\$98,000	\$125,360	\$77,200	\$96,800	\$450,800

These notes are in Vault No. 1, Main Treasury Building, under auditor's seal.