

FEDERAL RESERVE BULLETIN

AUGUST 1942



BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

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FEDERAL RESERVE BULLETIN

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NEW FEDERAL RESERVE LEGISLATION AND CURRENT CREDIT SITUATION

On July 7, 1942, the President approved an Act of Congress amending certain sections of the Federal Reserve Act. These amendments are primarily designed to facilitate action by the Federal Reserve System in aiding the financing of the war. One amendment permits the Board to change reserve requirements for banks in the two central reserve cities separately from those in reserve city banks; another removes a provision of law prohibiting a member bank from making loans or paying dividends when its reserves are below the required minimum; and the other one changes the grouping of Federal Reserve Banks for electing representatives to the Federal Open Market Committee. Text of these amendments is published in the legal section of this BULLETIN.

BROADENED POWER OVER RESERVE REQUIREMENTS

Powers of the Board of Governors to alter reserves required of member banks against demand and time deposits have been amended so as to permit changes for (1) member banks in central reserve cities or (2) member banks in reserve cities or (3) member banks not in reserve or central reserve cities or (4) all member banks. Under the earlier provisions of the law central reserve city banks and reserve city banks were placed in one group, and action

could not be taken for one of these classes of banks separately from the other. The reserves of these two classes of banks may be influenced by different factors and may at times require different regulatory action. The amendment will permit separate action for each class of banks within the limits of change permitted by the law, i.e., to not less than the amount required prior to 1935 nor to more than twice that amount. At present requirements for all classes of banks are at the maximum level permitted.

RESTRICTIONS ON BANKS WITH DEFICIENT RESERVES

Another amendment repealed the provision of law prohibiting a member bank from making new loans or paying dividends when its reserves are below the required minimum. The Federal Reserve Act contains a provision permitting the reserves of member banks to be checked against and withdrawn for the purpose of meeting existing liabilities, subject to regulations and penalties to be prescribed by the Board of Governors. The purpose of this provision, however, was to some extent nullified by the prohibition against the making of new loans and the payment of dividends while reserves are deficient.

Due to a fear of personal liability on the part of bank directors for losses sustained on loans made while reserves are deficient,

some banks, under the law as it existed prior to the amendment, were hesitant about utilizing any portion of their required reserves even for a day unless they refrained from making any new loans. In view of the wide fluctuations that may occur from day to day in the reserves of an individual bank, banks have recently followed the practice of maintaining at all times a larger volume of reserves in excess of requirements than they actually needed to meet their average requirements. Under the law as now amended the banks are not restricted in making new loans or paying dividends, even though their reserves are below the minimum requirements.

The power of the Board of Governors to prescribe penalties for deficiencies in reserves remains unaffected by the amendment. On July 14, the Board amended its Regulation D, relating to bank reserves, to conform to the change made in the law, but the Regulation retains the provisions prescribing penalties for deficiencies in reserves. The text of the amended Regulation is published in the legal section of this BULLETIN.

Under the Board's regulation, as it has been in the past and as it remains, a member bank is not required to maintain its reserves at the legal minimum every day, but its average reserves held over a prescribed period of time must equal or exceed the average amount required over that period. The reserve period is one week for central reserve and reserve city banks and a half-month for country banks. Prior to February 28, 1942, banks located in Federal Reserve Bank and branch cities had semi-weekly reserve computation periods ending on Tuesday and Friday, respectively.

ELECTION OF OPEN MARKET COMMITTEE

Under the amendment relating to the Open Market Committee, the Federal Reserve Bank of New York will be authorized to elect each year one of the five Reserve Bank representatives. The other banks will be regrouped to provide for one representative to be selected by the Boston, Philadelphia, and Richmond Reserve Banks; one by the Cleveland and Chicago Reserve Banks; one by the Atlanta, Dallas, and St. Louis Reserve Banks; and one by the Minneapolis, Kansas City, and San Francisco Reserve Banks.

Under the previous statute one representative was elected by the Boston and New York Reserve Banks; one by Philadelphia and Cleveland; one by Chicago and St. Louis; one by Richmond, Dallas, and Atlanta; and another by Minneapolis, Kansas City, and San Francisco. As this arrangement worked out in practice, the Federal Reserve Bank of Boston has not had its president or other representative serve as a member of the committee. He has been continuously an alternate to the president of the New York Bank. This situation has been unsatisfactory because it deprived an important eastern Federal Reserve District of the opportunity of being directly represented on the Open Market Committee. This arose from the fact that it has proved to be almost necessary for the New York District to be represented at all times on the Committee.

The Federal Reserve Bank of New York occupies a unique position with respect to the Federal Reserve System, the Treasury, and the banking system of the country. Its resources total approximately 40 per cent of the aggregate of the twelve Federal Reserve Banks. It is located at the central

money market and at the principal market for Government securities; its operations as fiscal agent of the United States and its transactions with foreign governments, foreign central banks and bankers, as well as its operations in foreign exchange, are in far greater volume than those of any other Federal Reserve Bank. It is clearly in the public interest that the Federal Open Market Committee be given at all times the benefit of counsel of the Federal Reserve Bank which is in constant touch with the domestic and international money and capital markets and has had long experience in these fields. Under the new law New York will always be represented on the Committee, and each of the other Reserve Banks will have an opportunity for direct representation.

Another change in the law specifies that the Reserve Bank representatives shall be presidents or first vice presidents of Federal Reserve Banks; previously representatives were not limited to any particular officers. These new provisions will be effective beginning with the election for the term commencing March 1, 1943.

DECLINE AND SHIFTS IN BANK RESERVES

Member bank reserve balances have been gradually declining since early 1941, and there have also been major shifts in the relative distribution of these reserves among the various classes of member banks. Excess reserves of all member banks, which declined from an average level of 6.8 billion dollars in January 1941 to 3.4 billion twelve months later, averaged 2.3 billion in July.

Most of the decline in excess reserves, as shown in the table, has been at the banks in New York City and Chicago, and in recent months it has been concentrated in

those cities. From March to July, excess reserves at central reserve city banks declined by about 900 million dollars, while those at reserve city banks declined only slightly and country banks gained excess reserves. Excess reserves at New York City banks now are less than one-third of those held during March and those at Chicago are one-quarter of the March level. Whereas in March all central reserve city banks combined held 39 per cent of total excess reserves, by July their share had fallen to 15 per cent, while the proportion held by country banks increased from 23 to 37 per cent.

DISTRIBUTION OF EXCESS RESERVES AT MEMBER BANKS
[Monthly averages of daily figures]

	All member banks	Central reserve city banks		Reserve city banks	Country banks
		New York	Chicago		
<i>Amounts [in millions of dollars]</i>					
January 1941.....	6,832	3,505	381	2,016	930
January 1942.....	3,446	1,083	225	1,330	809
March 1942.....	3,147	962	255	1,190	740
June 1942.....	2,704	556	89	1,232	827
July 1942*.....	2,270	280	60	1,100	830
<i>Per cent of total</i>					
January 1941.....	100	51	6	29	14
January 1942.....	100	31	7	39	23
March 1942.....	100	31	8	38	23
June 1942.....	100	20	3	46	31
July 1942*.....	100	12	3	48	37

* Figures for July 1942 are preliminary estimates.

REASONS FOR DECLINE IN RESERVES

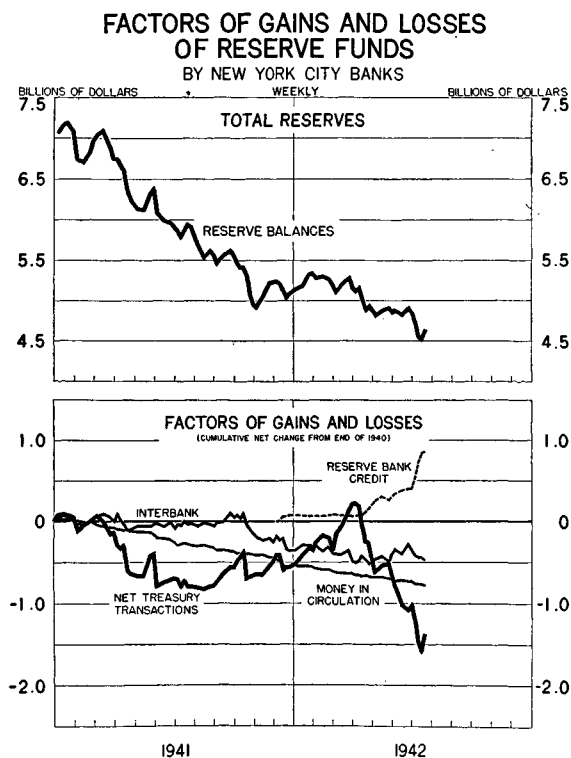
The principal factor accounting for the decline in bank reserves has been a steady growth in the volume of money in circulation, amounting to about 1.5 billion dollars since the beginning of this year. At the same time a continued growth in bank deposits has increased the volume of required reserves and has absorbed nearly a billion dollars of excess reserves. The principal offsetting influence has been open-market purchases of United States Government securities for Federal Reserve System

account, which have supplied member banks with 900 million dollars of additional reserves since the middle of April.

New York City banks have lost reserves principally as the result of the fact that the Treasury raised more funds in New York by taxation and by borrowing than it spent there, as shown in the accompanying chart. Withdrawals of currency and of bankers' balances, as well as increases in required reserves, have been of some importance over extended periods but have been relatively minor factors in the drain of reserves from New York banks since early spring. In this movement Treasury transactions have been a particularly heavy factor. During the second quarter of this year losses of reserves due to purchases of new Treas-

ury issues in the New York District exceeded net gains from other Treasury transactions by over 1.3 billion dollars, and in July net losses from this source amounted to an additional 200 million dollars. To some extent these losses have recently been offset by Reserve System purchases of securities in the New York market.

Forces causing these changes in the volume and distribution of excess reserves are likely to continue in coming months. Expansion in incomes, particularly of persons without bank accounts, will result in a growing demand for currency; and the growth in deposits arising from bank purchases of Government securities will add to the amount of required reserves needed. As long as New York City banks are heavy purchasers of Government securities funds are likely to flow from that center to the rest of the country. Consequently, unless banks outside New York and Chicago or investors other than banks take increasing proportions of Government securities, New York and Chicago banks will need additional reserves if they are to continue to purchase Government securities. In recent weeks additional reserves have been furnished banks in New York City through substantial Federal Reserve Bank purchases of Government securities.



Reserve balances are weekly averages of daily figures; others are for Wednesday dates. Latest figures shown are for July 22.

Factors of gains and losses shown on chart do not include balancing item covering largely commercial and security transactions and disbursements from foreign accounts with the Federal Reserve Bank of New York. Over the 18 months' period shown there was little net change in this item.

RECENT CHANGES IN POSITION OF BANKS

As a result of the drain of funds out of New York and of continued large purchases of Government securities by banks throughout the country, there has been a rapid growth in deposits at banks outside New York City. Changes in the position of weekly reporting member banks in New York, in Chicago, and in 99 other cities during 1941 and 1942 are shown on the

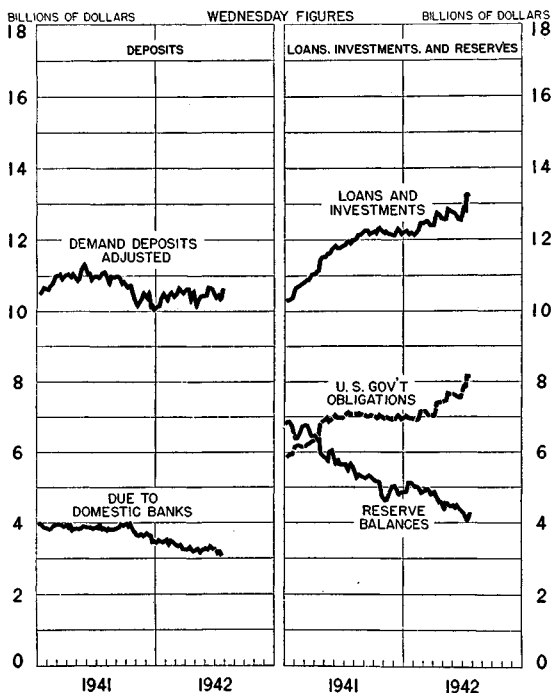
accompanying charts. New York City banks showed some decline in deposits at the end of last year and little change this year; at the same time they have continued to increase their investments and have lost reserves. Chicago banks, for which the chart is shown on the next page, have gained deposits and have increased their loans and investments. On balance their reserves were maintained until a few weeks ago, but recently they have declined.

At banks in leading cities outside New York and Chicago both deposits and investments have increased rapidly, and reserves have shown little change. Available data for other banks, not shown on the charts, indicate a continued growth in deposits with little change in reserves. Country bank investments increased in the

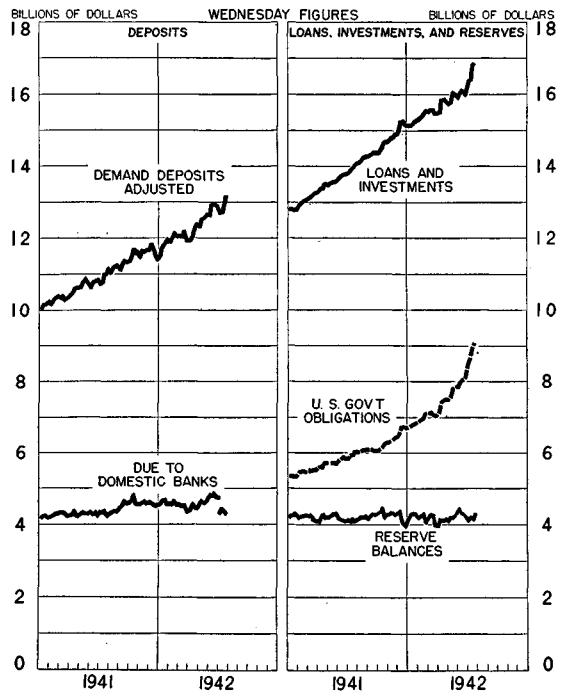
first quarter of the year and this increase continued at a more rapid rate in the second quarter.

It appears that in recent weeks central reserve city banks have used the bulk of their available funds in the purchase of additional Government securities. Other banks have also purchased large amounts of securities but, owing to an inflow of funds, these districts have not lost reserves. Notwithstanding currency withdrawals and increases in required reserves, the excess reserves of banks outside of New York and Chicago have been maintained at around 2 billion dollars since the beginning of the year. With their excess reserves and their large balances with correspondents, these banks continue to have an abundant supply of unutilized funds.

REPORTING MEMBER BANKS IN NEW YORK CITY

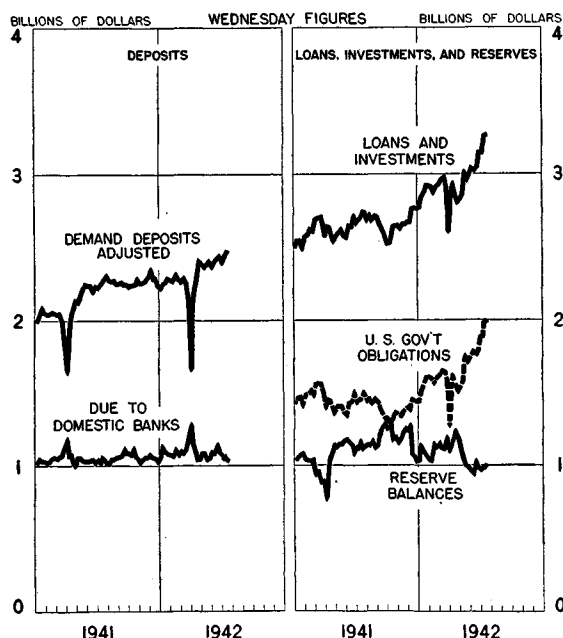


REPORTING MEMBER BANKS IN 99 OTHER CITIES



U. S. Government obligations include both direct and fully guaranteed issues. Break in "Due to Domestic Banks" curve is occasioned by elimination of reciprocal balances from reported figures on July 1. Latest figures shown are for July 22.

REPORTING MEMBER BANKS IN CHICAGO



U. S. Government obligations include both direct and fully guaranteed issue. Break in "Due to Domestic Banks" curve is occasioned by elimination of reciprocal balances from reported figures on July 1. Latest figures shown are for July 22.

DISTRIBUTION OF GOVERNMENT SECURITIES

In the first half of this year the total outstanding direct and guaranteed debt of the United States Government increased by 12.7 billion dollars, including about 4.6 billion of nonmarketable issues—War Savings bonds and tax notes—sold to private investors and 900 million dollars of special issues sold to Federal agencies and trust funds. Marketable Government securities increased by 7.2 billion.

In the half-year member banks added 4.2 billion dollars to their holdings of Government securities, other commercial banks probably took about 200 million more, and Federal Reserve Banks increased their holdings by 400 million dollars. Purchases by the banking system, therefore, amounted to about two-thirds of the increase in

marketable Government securities outstanding and to nearly two-fifths of the growth in the total debt. Holdings of insurance companies and mutual savings banks increased by about 1.2 billion dollars. It appears that all other investors—mostly individuals, corporations, and trust accounts—added more than a billion dollars to their holdings of marketable Government securities, in addition to their heavy purchases of nonmarketable issues.

The following table shows the acquisitions made during the first two quarters of this year by various classes of member banks. Chicago banks and reserve city banks showed the largest percentage increases in the second quarter of the year. Country banks also bought large amounts of additional securities. Notwithstanding their reduced reserves, central reserve city banks in New York and Chicago accounted for 36 per cent of the increase in holdings of all member banks in the second quarter of this year, after showing only a small increase in the preceding nine months.

MEMBER BANK HOLDINGS OF U. S. GOVERNMENT
SECURITIES
[In millions of dollars]

Class of banks	Holdings June 30, 1942	Increase	
		Apr. 4, 1942 to June 30, 1942	Dec. 31, 1941 to Apr. 4, 1942
Central reserve city banks:			
New York.....	*8,550	*813	116
Chicago.....	1,858	368	60
Reserve city banks.....	8,189	1,357	365
Country banks.....	5,488	742	369
All member banks.....	*24,086	*3,280	910

* Figures for holdings of New York banks and of all member banks on June 30, 1942, include, but those for increases exclude, holdings of J. P. Morgan and Co. which became a member bank on April 4, 1942. These holdings amounted to 356 million dollars on June 30.

During July the Treasury sold a 2-billion dollar issue of 2 per cent bonds of 1949-51 and increased the amount of bills outstand-

ing by nearly 1.2 billion. Reporting member banks in leading cities added about 700 million dollars to their holdings of Government bonds and 500 million to their Treasury bills. It appears that nonreporting banks and other investors purchased larger amounts than they usually have of securities of these types. Federal Reserve Banks purchased 500 million dollars of securities in July, mostly bills and certificates. Sales of War Savings Bonds amounted to 900 million dollars during the month, compared with 630 million dollars in June. The increase reflected in part the effect of raising from \$50,000 to \$100,000 the maximum amount of Series F and G bonds that any individual subscriber could buy in one year and in part the intensified sales campaign for War Savings Bonds.

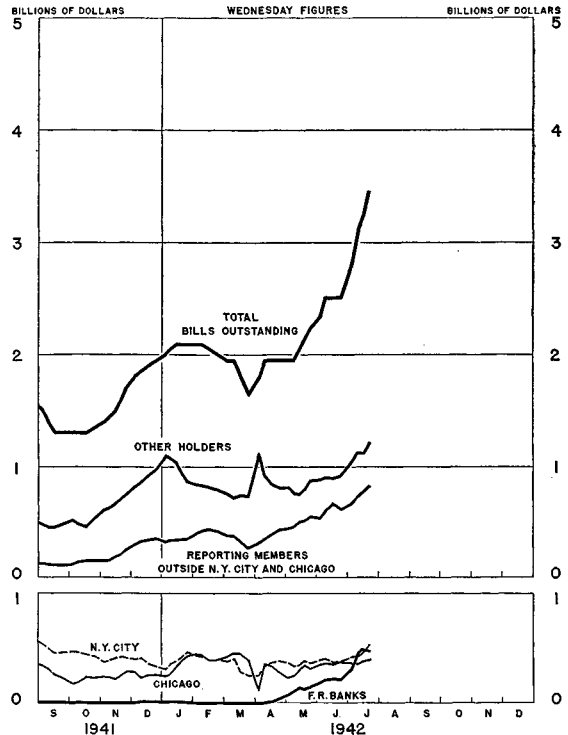
WIDER DISTRIBUTION OF TREASURY BILLS

During the past few months, as shown in the accompanying chart, the market for 3-month Treasury bills has broadened considerably. The weekly offering of bills was increased from 150 million dollars to 250 million dollars in May, to 300 million in June, and to 350 million in July. On July 29 the total volume of bills outstanding amounted to 3.7 billion dollars compared with 2.0 billion dollars at the beginning of May. A large part of this increase in outstanding bills was absorbed by weekly reporting member banks in leading cities outside New York City and Chicago and by nonreporting member banks and other investors. Holdings of bills by New York City banks have also increased somewhat in recent weeks. Holdings of bills by the Federal Reserve Banks have increased substantially since early May through open-market purchases to supply reserve funds.

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The wider distribution of Treasury bills has resulted from a number of factors. The bill rate has increased to approximately 0.37 per cent from practically nothing. This increase in the rate has made Treasury bills attractive to banks and others that formerly were not interested because of the low prevailing rate. Establishment by the Federal Reserve Banks at the

DISTRIBUTION OF TREASURY BILLS



Latest figures are for July 22.

end of April of a $\frac{3}{8}$ of one per cent buying rate on all Treasury bills offered to them had the effect of making Treasury bills practically as liquid as excess reserves. Banks in New York City and Chicago, which formerly provided the principal market for Treasury bills, have been operating with a smaller volume of excess reserves and in some instances have sold bills to the System Account to obtain re-

serve funds. Outside banks, on the other hand, with ample unemployed funds have found it to their advantage to employ part of their excess in Treasury bills. The interest of outside banks in Treasury bills as an outlet for their idle funds has been stimulated to some extent through the efforts of the Federal Reserve Banks in explaining the advantages of bills as short-term investment paper.

Over the period from last September, when the bill rate was 0.06 per cent, to July 29, reporting member banks outside New York City and Chicago increased their holdings of bills from little over 100 million dollars to nearly 900 million. During this period holdings by others than reporting member banks and Federal Reserve Banks also increased by 700 million dollars. New York City and Chicago banks increased their holdings moderately in the period. From the middle of April to July 29, the Federal Reserve Banks added 500 million dollars to their bill holdings.

The increase in holdings shown for the other investor group in December reflected purchases of bills by large corporations and insurance companies for year-end statement purchases. The temporary increase in holdings by this group around the first of April reflected purchases in Chicago for avoidance of taxes on bank deposits. After allowance for these temporary factors, the trend of holdings by that group has been gradually upward.

DECLINE IN BANK LOANS

Loans of member banks, which increased substantially from the middle of 1940 until early this year, have declined in recent months. Total loans of all member banks showed a decrease of 900 million dollars between April 4 and June 30.

At reporting member banks in leading cities combined holdings of commercial and industrial loans and of open-market paper declined by about 700 million dollars from the middle of March to the end of July, while so-called "all other loans," which include consumer credit, declined by 200 million following a reduction of 100 million in the previous four months. Real-estate loans, which had shown a gradual increase for several years, have recently been slightly reduced. Loans to brokers and dealers in securities show occasional fluctuations, largely in response to needs of dealers engaging in Government security operations, but generally have continued at a comparatively low level for the past two years.

Country banks, according to preliminary figures, showed a decline of 330 million dollars in total loans during the second quarter of the year, following a decrease of 140 million in the first quarter and sustained increases in the previous three years. Figures are not yet available for the various types of loans made by country banks.

Results of a survey of commercial and industrial loans made by member banks during a recent one-month period are presented in another article in this BULLETIN. These data indicate that the dominant portion of such loans is made to borrowers engaged in wholesale and retail trade and to manufacturers of food and clothing. Substantial amounts of loans are also being made to manufacturers of metal products, including shipbuilding, machinery, and munitions, and to building and construction operators, primarily for war purposes. About one-third of all loans and renewals made in the month were directly to aid in financing the production and distribution of war goods.

It would appear from other sources of

information that the bulk of the loans are related to the increased inventories, including goods in process, as well as raw materials and products for sale, that the various borrowers have been carrying. Statistics show that inventories both in trade and in manufacturing have increased substantially in the past year. The recent declining tendency in commercial loans probably reflects some reduction in needs of business firms for financing of this sort.

DECLINE IN CONSUMER CREDIT

Credit extended to consumers by various types of lenders has been declining since last September. Since January, when automobile sales were sharply curbed, the decrease has been particularly rapid, and it has been further accelerated since early May, when the Board's Regulation W was broadened in scope and made more restrictive in terms. The decline in consumer instalment debt, which was at a rate of 125 million dollars a month in the last quarter of 1941, has recently been nearly 300 million a month.

This decline has resulted primarily from decreased sales of automobiles and to a less extent of other consumer durable goods. Since Amendment 4 to the Regulation shortened all maturities on instalment sales contracts to 12 months and increased down payments on most articles to one-third of the cash purchase price, instalment sales at department stores, furniture stores, and jewelry stores have declined. Sales of household appliances have also been reduced, owing in part to a growing shortage of goods.

Charge accounts at retail stores, which were brought under regulation by Amendment 4, have shown some decline. Pre-

liminary reports indicate that there has also been a moderate reduction in the volume of charge account sales. Most customers have been paying up their accounts much more promptly so that the amount outstanding has been considerably reduced.

The Regulation provided that charge accounts in which obligations incurred in May or earlier months were not paid by July 10 would be in default, in which case further purchases of listed articles could not be made without first placing the account in good standing. The accelerating influence of this regulation on collections was apparent as early as May, promptly after the adoption of the amendment, and collections continued to be exceedingly rapid in June. Large amounts were collected in the several days preceding and following July 10. A sample survey conducted by the Board showed that between $\frac{1}{5}$ and $\frac{1}{4}$ of all charge accounts became "frozen" on July 10, which suggests a considerable increase in the rate of collections. The principal effect of regulation so far has been to stimulate repayments of accounts outstanding. The freezing of accounts may later result in a more marked decline in charge account sales.

On cash instalment loans made directly to consumers by lending agencies maximum maturities were reduced from 15 to 12 months by Amendment 4. In May, cash instalment loans showed a slightly accelerated rate of decline and preliminary figures indicate a further decline in June. In ordinary years there is a slight seasonal increase in cash lending in the late spring and early summer months. A smaller decline in June of this year than in prior months may reflect these seasonal influences.

LAW DEPARTMENT

Administrative interpretations of banking laws, new regulations issued by the Board of Governors, and other similar material.

Amendments to Federal Reserve Act Membership of Federal Open Market Committee Reserves of Member Banks

On July 7, 1942, the President of the United States approved an Act of Congress amending section 12A of the Federal Reserve Act with reference to the composition of the Federal Open Market Committee. The Act also amended the sixth paragraph of section 19 of the Federal Reserve Act so as to authorize the Board of Governors to change the reserve requirements of member banks in central reserve cities, within the limitations of the present law, without necessarily making a change in reserve requirements of member banks in reserve cities, and amended the ninth paragraph of section 19 of the Federal Reserve Act by repealing the provision which prohibits member banks from making new loans or paying dividends while their reserves are deficient. The text of the Act is as follows:

[PUBLIC LAW 656—77TH CONGRESS]
[CHAPTER 488—2D SESSION]
[S. 2565]
AN ACT

To amend sections 12A and 19 of the Federal Reserve Act, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 12A of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 263), is amended by striking out the second and third sentences thereof and substituting the following: "Such representatives shall be presidents or first vice presidents of Federal Reserve banks and, beginning with the election for the term commencing March 1, 1943, shall be elected annually as follows: One by the board of directors of the Federal Reserve Bank of New

York, one by the boards of directors of the Federal Reserve Banks of Boston, Philadelphia, and Richmond, one by the boards of directors of the Federal Reserve Banks of Cleveland and Chicago, one by the boards of directors of the Federal Reserve Banks of Atlanta, Dallas, and St. Louis, and one by the boards of directors of the Federal Reserve Banks of Minneapolis, Kansas City, and San Francisco. In such elections each board of directors shall have one vote; and the details of such elections may be governed by regulations prescribed by the committee, which may be amended from time to time. An alternate to serve in the absence of each such representative shall likewise be a president or first vice president of a Federal Reserve bank and shall be elected annually in the same manner."

SEC. 2. The sixth paragraph of section 19 of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 462b), is amended to read as follows:

"Notwithstanding the other provisions of this section, the Board of Governors of the Federal Reserve System, upon the affirmative vote of not less than four of its members, in order to prevent injurious credit expansion or contraction, may by regulation change the requirements as to reserves to be maintained against demand or time deposits or both (1) by member banks in central reserve cities or (2) by member banks in reserve cities or (3) by member banks not in reserve or central reserve cities or (4) by all member banks; but the amount of the reserves required to be maintained by any such member bank as a result of any such change shall not be less than the amount of the reserves required by law to be maintained by such bank on the date of enactment of the Banking Act of 1935 nor more than twice such amount."

SEC. 3. The ninth paragraph of section 19 of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 464), is amended by striking out the proviso thereof, so that the paragraph will read as follows:

"The required balance carried by a member bank with a Federal Reserve bank may, under the regulations and subject to such penalties as

may be prescribed by the Board of Governors of the Federal Reserve System, be checked against and withdrawn by such member bank for the purpose of meeting existing liabilities."

Approved, July 7, 1942.

Reserves

Amendments to Regulation D

The Board of Governors, on July 14, 1942, amended section 3(c) and deleted section 4 of Regulation D, relating to reserves of member banks, so as to conform to the amendments to section 19 of the Federal Reserve Act made by the Act of July 7, 1942.

The Board also amended section 2(c) by the addition of a proviso authorizing a Federal Reserve Bank, in its discretion, to refuse at any time to permit the withdrawal or other use of credit given in its reserve account for any item for which the Federal Reserve Bank has not received payment in actually and finally collected funds. This amendment conforms Regulation D to a similar provision in Regulation J.

These amendments do not affect the Supplement, which remains in effect in the form which became effective on November 1, 1941.

There is set forth below the text of Regulation D as thus amended, which also incorporates the amendment to section 3(a) adopted by the Board effective February 28, 1942.

REGULATION D

Amended effective July 14, 1942

RESERVES OF MEMBER BANKS

AUTHORITY FOR REGULATION

This regulation is issued under authority of provisions of section 19 of the Federal Reserve Act which, together with related provisions of law, are published in the Appendix hereto.

SECTION I. DEFINITIONS

(a) **Demand deposits.**—The term "demand deposits" includes all deposits except "time deposits" as defined below.

(b) **Time deposits.**—The term "time deposits" means "time certificates of deposit", "time

deposits, open account" and "savings deposits", as defined below.

(c) **Time certificates of deposit.**—The term "time certificate of deposit" means a deposit evidenced by a negotiable or non-negotiable instrument which provides on its face that the amount of such deposit is payable to bearer or to any specified person or to his order—

(1) On a certain date, specified in the instrument, not less than thirty days after the date of the deposit, or

(2) At the expiration of a certain specified time not less than thirty days after the date of the instrument, or

(3) Upon notice in writing which is actually required to be given not less than thirty days before the date of repayment,¹ and

(4) In all cases only upon presentation and surrender of the instrument.

(d) **Time deposits, open account.**—The term "time deposit, open account" means a deposit, other than a "time certificate of deposit" or a "savings deposit", with respect to which there is in force a written contract with the depositor that neither the whole nor any part of such deposit may be withdrawn, by check or otherwise, prior to the date of maturity, which shall be not less than thirty days after the date of the deposit,² or prior to the expiration of the period of notice which must be given by the depositor in writing not less than thirty days in advance of withdrawal.³

(e) **Savings deposits.**—The term "savings deposit" means a deposit, evidenced by a pass book, consisting of funds (i) deposited to the credit of one or more individuals, or of a corporation, association or other organization operated primarily for religious, philanthropic, char-

¹ A deposit with respect to which the bank merely reserves the right to require notice of not less than thirty days before any withdrawal is made is not a "time certificate of deposit" within the meaning of the above definition.

² Deposits, such as Christmas club accounts and vacation club accounts, which are made under written contracts providing that no withdrawal shall be made until a certain number of periodic deposits have been made during a period of not less than three months constitute "time deposits, open account" even though some of the deposits are made within thirty days from the end of such period.

³ A deposit with respect to which the bank merely reserves the right to require notice of not less than thirty days before any withdrawal is made is not a "time deposit, open account", within the meaning of the above definition.

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itable, educational, fraternal or other similar purposes and not operated for profit,⁴ or (ii) in which the entire beneficial interest is held by one or more individuals or by such a corporation, association or other organization, and in respect to which deposit—

(1) The depositor is required, or may at any time be required, by the bank to give notice in writing of an intended withdrawal not less than thirty days before such withdrawal is made;

(2) Withdrawals are permitted in only two ways, either (i) upon presentation of the pass book, through payment to the person presenting the pass book, or (ii) without presentation of the pass book, through payment to the depositor himself but not to any other person whether or not acting for the depositor.⁵

The presentation by any officer, agent or employee of the bank of a pass book or a duplicate thereof retained by the bank or by any of its officers, agents or employees is not a presentation of the pass book within the meaning of this regulation except where the pass book is held by the bank as a part of an estate of which the bank is a trustee or other fiduciary, or where the pass book is held by the bank as security for a loan. If a pass book is retained by the bank, it may not be delivered to any person other than the depositor for the purpose of enabling such person to present the pass book in order to make a withdrawal, although the bank may deliver the pass book to a duly authorized agent of the depositor for transmittal to the depositor.

Every withdrawal made upon presentation of a pass book shall be entered in the pass book at the time of the withdrawal, and every other withdrawal shall be entered in the pass book

⁴ Deposits in joint accounts of two or more individuals may be classified as savings deposits if they meet the other requirements of the above definition, but deposits of a partnership operated for profit may not be so classified. Deposits to the credit of an individual of funds in which any beneficial interest is held by a corporation, partnership, association or other organization operated for profit or not operated primarily for religious, philanthropic, charitable, educational, fraternal or other similar purposes may not be classified as savings deposits.

⁵ Presentation of a pass book may be made over the counter or through the mails; and payment may be made over the counter, through the mails or otherwise, subject to the limitations of paragraph (2) above as to the person to whom such payment may be made.

as soon as practicable after the withdrawal is made.

(f) **Gross demand deposits.**—The term “gross demand deposits” means the sum of all demand deposits, including demand deposits made by other banks, the United States, States, counties, school districts and other governmental subdivisions and municipalities, and all outstanding certified and officers’ checks (including checks issued by the bank in payment of dividends), letters of credit and travelers’ checks sold for cash, and drafts drawn upon or other authorizations to charge the member bank’s reserve account at the Federal Reserve bank.

(g) **Cash items in process of collection.**—The term “cash items in process of collection” means—

(1) Checks in process of collection, drawn on a bank, private bank, or any other banking institution, which are payable immediately upon presentation in the United States, including checks with a Federal Reserve bank in process of collection and checks on hand which will be presented for payment or forwarded for collection on the following business day;

(2) Government checks and warrants drawn on the Treasurer of the United States which are in process of collection;

(3) Such other items in process of collection, payable immediately upon presentation in the United States, as are customarily cleared or collected by banks as cash items.

Items handled as non-cash collections may not be treated as “cash items in process of collection” within the meaning of this regulation.

(b) **Net demand deposits.**—The term “net demand deposits” means gross demand deposits as defined in subsection (f) of this section less the deductions allowed under the provisions of subsection (b) of section 2 of this regulation.

SECTION 2. COMPUTATION OF RESERVES

(a) **Amounts of reserves to be maintained.**—Every member bank of the Federal Reserve System is required by law to maintain on deposit

FEDERAL RESERVE BULLETIN

with the Federal Reserve bank of its district an actual net balance equal to three per cent of its time deposits plus—

Seven per cent of its net demand deposits if not in a reserve or central reserve city.

Ten per cent of its net demand deposits if in a reserve city, except that if located in an outlying district of a reserve city or in territory added to such city by the extension of the city's corporate limits such bank may, upon the affirmative vote of five members of the Board of Governors of the Federal Reserve System, be permitted to maintain seven per cent reserves against its net demand deposits.

Thirteen per cent of its net demand deposits if located in a central reserve city, except that if located in an outlying district of a central reserve city or in territory added to such city by the extension of the city's corporate limits, such bank may, upon the affirmative vote of five members of the Board of Governors of the Federal Reserve System, be permitted to maintain seven per cent or ten per cent reserves against its net demand deposits.

Notwithstanding any other provision of this regulation, the actual net balance which each member bank is required to maintain on deposit with the Federal Reserve bank of its district in accordance with the foregoing shall be changed by such percentage, within the limitations prescribed by law,⁶ as the Board of Governors of the Federal Reserve System shall prescribe from time to time pursuant to the sixth paragraph of section 19 of the Federal Reserve Act, as amended, in order to prevent injurious credit expansion or contraction.

(b) Deductions allowed in computing reserves.—In determining the reserve balances required under the terms of this regulation, member banks may deduct from the amount of their gross demand deposits the amounts of balances subject to immediate withdrawal due from other banks and cash items in process of

collection as defined in subsection (g) of section 1 of this regulation. Balances "due from other banks" do not include balances due from Federal Reserve banks, balances (payable in dollars or otherwise) due from foreign banks or branches thereof wherever located, or balances due from foreign branches of domestic banks. The word "banks" in the term "due from other banks" refers to incorporated banks and does not include private banks or bankers.⁷

(c) Availability of cash items as reserve.—Cash items forwarded to a Federal Reserve bank for collection and credit cannot be counted as part of the minimum reserve balance to be carried by a member bank with its Federal Reserve bank until the expiration of such time as may be specified in the appropriate time schedule referred to in Regulation J. If a member bank draw against items before such time, the draft will be charged against its reserve balance if such balance be sufficient in amount to pay it; but any resulting impairment of reserve balances will be subject to the penalties provided by law and by this regulation: *Provided, however,* That the Federal Reserve bank may, in its discretion, refuse at any time to permit the withdrawal or other use of credit given in its reserve account for any item for which the Federal Bank has not received payment in actually and finally collected funds.

(d) Reserves against trust funds.—A member bank exercising trust powers need not maintain reserves against trust funds which it keeps properly segregated as trust funds and apart from its general assets or which it deposits in another institution to the credit of itself as trustee or other fiduciary. If, however, such funds are mingled with the general assets of the bank, as permitted to national banks under authority of section 11(k) of the Federal Reserve Act, a deposit liability thereby arises against which reserves must be maintained.

⁶ The amount of the reserves required to be maintained by any such member bank as a result of any such change may not be less than the amount of the reserves specified above nor more than twice such amount.

⁷ A member bank exercising fiduciary powers may not include in balances "due from other banks" amounts of trust funds deposited with other banks and due to it as trustee or other fiduciary. If trust funds are deposited by the trust department of a member bank in its commercial or savings department and are then redeposited in another bank subject to immediate withdrawal they may be included by the member bank in balances "due from other banks", subject to the provisions of subsection (b) above.

(e) **Continuance of "time deposit" status.**—A deposit which at the time of deposit was a "deposit evidenced by a time certificate of deposit", "time deposit, open account", or "savings deposit" continues to be a "time deposit" until maturity or the expiration of the period of notice of withdrawal, although it has become payable within thirty days. After the date of maturity of any time deposit, such deposit is a demand deposit. After the expiration of the period of notice given with respect to the repayment of any savings deposit or other time deposit, such deposit is a demand deposit, except that, if the owner of such deposit advise the bank in writing that the deposit will not be withdrawn pursuant to such notice or that the deposit will thereafter again be subject to the contract or requirements applicable to such deposit, the deposit will again constitute a savings deposit or other time deposit, as the case may be, after the date upon which such advice is received by the bank.

SECTION 3. DEFICIENCIES IN RESERVES

(a) **Computation of deficiencies.**

(1) Deficiencies in reserve balances of member banks in central reserve cities and in reserve cities shall be computed on the basis of average daily net deposit balances covering weekly periods. Deficiencies in reserve balances of other member banks shall be computed on the basis of average daily net deposit balances covering semimonthly periods.⁸

(2) In computing such deficiencies the required reserve balance of each member bank at the close of business each day shall be based upon its net deposit balances at the opening of business on the same day; and the weekly and semimonthly periods referred to in paragraph (1) hereof shall end at the close of business on days to be fixed by the Federal

⁸Deficiencies in reserve balances of member banks in outlying sections of central reserve and reserve cities which have been authorized by the Board of Governors of the Federal Reserve System, under the provisions of subsection (a) of section 2 of this regulation, to maintain seven per cent reserves against demand deposits, will also be computed on the basis of average daily net deposit balances covering semimonthly periods.

Reserve banks with the approval of the Board of Governors of the Federal Reserve System.

(b) **Penalties.**

(1) Penalties for such deficiencies will be assessed monthly on the basis of average daily deficiencies during each of the reserve computation periods ending in the preceding calendar month.

(2) Such penalties will be assessed at a rate of two per cent per annum above the Federal Reserve bank rate applicable to discounts of ninety day commercial paper for member banks, in effect on the first day of the calendar month in which the deficiencies occurred.

(c) **Notice to directors of banks deficient in reserves.**—Whenever it shall appear that a member bank is not paying due regard to the maintenance of its reserves, the Federal Reserve bank shall address a letter to each director of such bank calling attention to the situation and advising him of the requirements of the law and of this regulation regarding the maintenance of reserves.

(d) **Continued deficiencies.**—If, after the notice provided for in subsection (c) of this section 3 has been given, it shall appear that the member bank is continuing its failure to pay due regard to the maintenance of its reserves, the Federal Reserve bank shall report such fact to the Board of Governors of the Federal Reserve System with a recommendation as to whether or not the Board should—

(1) In the case of a national bank, direct the Comptroller of the Currency to bring suit to forfeit the charter of such national bank pursuant to section 2 of the Federal Reserve Act; or

(2) In the case of a State member bank, institute proceedings to require such bank to surrender its stock in the Federal Reserve bank and to forfeit all rights and privileges of membership pursuant to section 9 of the Federal Reserve Act; or

(3) In either case, take such other action as the Federal Reserve bank may recommend or

the Board of Governors of the Federal Reserve System may consider advisable.

Federal Reserve Bank Stock

Tax on Dividends

Section 6 of the Act of March 28, 1942, known as the "Public Debt Act of 1942", in effect amended that portion of section 7 of the Federal Reserve Act exempting from Federal taxation income derived from Federal Reserve Bank stock, so as to remove such exemption from shares issued on or after March 28, 1942. On July 6, 1942, the Treasury Department issued a decision (T.D. 5160) to the effect that for the purposes of section 6 of the Public Debt Act of 1942 Federal Reserve Bank stock is deemed to be issued at the time and to the extent that payment therefor is made to the Federal Reserve Bank, and the date of issuance of a certificate is not determinative if payment is made at an earlier or later date. The full text of the Treasury Decision is as follows:

(T. D. 5160)

TITLE 26—INTERNAL REVENUE

CHAPTER I

SUBCHAPTER A—PART 19

Income Tax

Amending sections 19.22 (b)(4)-2, 1922 (b)(4)-3, and 19.22 (b)(4)-4 of Regulations 103, to conform to the provisions of section 4 of the Public Debt Act of 1941, as amended by section 6 of the Public Debt Act of 1942.

TREASURY DEPARTMENT,
Office of Commissioner of Internal Revenue,
Washington, D. C.

TO COLLECTORS OF INTERNAL REVENUE
AND OTHERS CONCERNED:

In order to conform Regulations 103 [Part 19, Title 26, Code of Federal Regulations, 1940 Sup.] to the provisions of section 4 of the Public Debt Act of 1941, as amended by section 6 of the Public Debt Act of 1942 (Public Law 510, 77th Congress), approved March 28, 1942, such regulations are amended as follows:

Paragraph 1. The following is inserted immediately preceding section 19.22 (b)(4)-1:

"PUBLIC DEBT ACT OF 1942 (APPROVED MARCH 28, 1942).

* * * * *

"Sec. 6. Section 4 of the Public Debt Act of 1941 (Public, Numbered 7, Seventy-seventh Congress, first session), is hereby amended to read as follows:

"Sec. 4. (a) Interest upon obligations, and dividends, earnings, or other income from shares, certificates, stock, or other evidences of ownership, and gain from the sale or other disposition of such obligations and evidences of ownership issued on or after the effective date of the Public Debt Act of 1942 by the United States or any agency or instrumentality thereof shall not have any exemption, as such, and loss from the sale or other disposition of such obligations or evidences of ownership shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted; except that any such obligations which the United States Maritime Commission or the Federal Housing Administration had, prior to March 1, 1941, contracted to issue at a future date, shall when issued bear such tax-exemption privileges as were, at the time of such contract, provided in the law authorizing their issuance. For the purposes of this subsection a Territory, a possession of the United States, and the District of Columbia, and any political subdivision thereof, and any agency or instrumentality of any one or more of the foregoing, shall not be considered as an agency or instrumentality of the United States.

"(b) The provisions of this section shall, with respect to such obligations and evidences of ownership, be considered as amendatory of and supplementary to the respective Acts or parts of Acts authorizing the issuance of such obligations and evidences of ownership, as amended and supplemented.

"(c) Nothing contained herein shall be construed to amend or repeal sections 114 and 115 of the Revenue Act of 1941."

Par. 2. Section 19.22(b)(4)-2 is amended to read as follows:

"Sec. 19.22 (b) (4)-2. *Dividends from shares and stock of Federal agencies or instrumentalities.* (a) *Issued prior to March 28, 1942.* Section 26 of the Federal Farm Loan Act of July 17, 1916 (39 Stat. 380, 12 U.S.C., 1940 ed., 931), provides that Federal land banks and national farm-loan associations, including the capital

and reserve or surplus therein and the income derived therefrom, shall be exempt from taxation, except taxes upon real estate. Section 7 of the Federal Reserve Act of December 23, 1913 (38 Stat. 258, 12 U.S.C., 1940 ed., 531), provides that Federal reserve banks, including the capital stock and surplus therein and the income derived therefrom, shall be exempt from taxation, except taxes upon real estate. Section 5 (h) of the Home Owners' Loan Act of 1933 (48 Stat. 133, 12 U.S.C., 1940 ed., 1464 (h)) provides that shares of Federal savings and loan associations shall, both as to their value and the income therefrom, be exempt from all taxation (except surtaxes, estate, inheritance, and gift taxes) imposed by the United States. Under the above-mentioned provisions, income consisting of dividends on stock of Federal land banks, national farm-loan associations, and Federal reserve banks is not, in the case of stock issued prior to March 28, 1942, subject to the income tax; and income consisting of dividends on share accounts of Federal savings and loan associations is not, in the case of shares issued prior to March 28, 1942, subject to the normal tax on income. For taxability of such income in the case of such stock or shares issued on or after March 28, 1942, see section 6 of the Public Debt Act of 1942 and subsection (b) of this section. For the time at which a stock or share is issued within the meaning of this section, see subsection (b) of this section.

"Regardless of the exemption from income tax of dividends paid on the stock of Federal reserve banks, dividends paid by member banks are treated like dividends of ordinary corporations.

"Dividends on the stock of the central bank for cooperatives, the production credit corporations, production credit associations, and banks for cooperatives, organized under the provisions of the Farm Credit Act of 1933, constitute income to the recipients, subject to both the normal tax and surtax (see section 63 of the Farm Credit Act of 1933 (48 Stat. 267, 12 U.S.C., 1940 ed., 1138c)).

"(b) *Issued on or after March 28, 1942.* By virtue of the provisions of section 6 of the Public Debt Act of 1942, the tax exemption provisions set forth in subsection (a) with respect to income consisting of dividends on stock of the Federal land banks, national farm-loan associations, and Federal reserve banks, or on share accounts of Federal savings and loan associations, are not applicable in

the case of dividends on such stock or shares issued on or after March 28, 1942.

"For the purposes of this section, a stock or share is deemed to be issued at the time and to the extent that payment therefor is made to the agency or instrumentality. The date of issuance of the certificate or other evidence of ownership of such stock or share is not determinative if payment is made at an earlier or later date. Where old stock is retired in exchange for new stock of a different character or preference, the new stock shall be deemed to have been issued at the time of the exchange rather than when the old stock was paid for. This paragraph may be illustrated by the following examples:

"*Example (1).* A, the owner of an investment share account, consisting of 10 shares, in a Federal savings and loan association, has a single certificate issued prior to March 28, 1942, evidencing such ownership. In order that A may dispose of half of such shares, the association at his request issues, after March 27, 1942, two five-share certificates in substitution for the 10-share certificate. The shares evidenced by the two new certificates are deemed to have been issued prior to March 28, 1942, the shares having been paid for prior to such date.

"*Example (2).* The X Bank, a member of a Federal reserve bank, owns 50 shares of Federal reserve bank stock, evidenced by a single stock certificate issued prior to March 28, 1942. On December 31, 1942, the X Bank reduces the amount of its capital stock as a result of which it is required to reduce the amount of its Federal reserve bank stock to 40 shares. It surrenders the 50-share certificate to the Federal reserve bank and receives a new 40-share certificate. The 40 shares evidenced by such certificate are deemed to have been issued prior to March 28, 1942. On December 31, 1943, the X Bank increases the amount of its capital stock as a result of which it is required to purchase 10 additional shares of the Federal reserve bank stock. The Federal reserve bank issues a 10-share certificate evidencing ownership of the new shares. Of the 50 shares then owned by the X Bank, 40 were issued prior to March 28, 1942, and 10 were issued after March 27, 1942.

"*Example (3).* A, the owner of a savings share account, in the amount of \$100, in a Federal savings and loan association, has a passbook containing a certificate issued prior to March 28, 1942, evidencing such owner-

ship. Subsequent to March 27, 1942, A deposits \$10,000 in the account. With respect to the \$10,000 deposit, the share is deemed to have been issued after March 27, 1942."

Par. 3. Section 19.22 (b)(4)-3 is amended to read as follows:

"Sec. 19.22 (b) (4)-3. *Interest upon notes secured by mortgages executed to Federal agencies or instrumentalities.* Section 26 of the Federal Farm Loan Act of July 17, 1916 (39 Stat. 380, 12 U.S.C., 1940 ed., 931), and section 210 of such Act, as added by section 2 of the Act of March 4, 1923 (42 Stat. 1459, 12 U.S.C., 1940 ed., 1111), provide that first mortgages executed to Federal land banks, joint-stock land banks, or Federal intermediate credit banks, and the income derived therefrom, shall be exempt from taxation. Accordingly, income consisting of interest on promissory notes held by such banks and secured by such first mortgages is not subject to the income tax."

Par. 4. Section 19.22 (b)(4)-4 as amended by Treasury Decision 5040, approved February 28, 1941, is amended as follows:

A. By inserting after the fifth paragraph of subsection (a) the following new paragraph:

"Section 26 of the Federal Farm Loan Act of July 17, 1916 (39 Stat. 380, 12 U.S.C., 1940 ed., 931), and section 210 of such Act, as added by section 2 of the Act of March 4, 1923 (42 Stat. 1459, 12 U.S.C., 1940 ed., 1111), provide that farm-loan bonds issued by Federal land banks and joint-stock land banks and debentures issued by Federal intermediate credit banks, with the income therefrom, shall be exempt from taxation. Accordingly, interest from such farm-loan bonds or debentures is not subject to the income tax."

B. By inserting "debentures," immediately following "bonds," in the first sentence of subsection (b) and by inserting at the end of subsection (b) the following new paragraph:

"In the case of obligations issued as the result of a refunding operation, as, for example, where a corporation exchanges bonds for previously issued bonds, the refunding obligations are deemed, for the purposes of this section, to have been issued at the time of the exchange rather than at the time the original bonds were issued."

(This Treasury decision is issued under the authority contained in section 6 of the Public Debt Act of 1942 (Public Law 510, 77th Congress) and section 3791 (a)(2) of the Internal Revenue Code (53 Stat. 467, 26 U.S.C., 1940 ed., 3791 (a)(2)).)

GUY T. HELVERING,

Commissioner of Internal Revenue.

Approved: July 6, 1942.

JOHN L. SULLIVAN,

Acting Secretary of the Treasury.

Consumer Credit

Amendments to Regulation W

The Board has issued Amendment No. 5 to Regulation W effective July 2, 1942 and Amendments No. 6 and No. 7, effective July 27, 1942. Amendment No. 5 adds to the Miscellaneous Provisions under section 12, subsection (m) entitled "Cycle Billing." In recognition of the urgent necessity for the conservation of fuel, Amendment No. 6 removes restrictions on extensions of credit to finance the conversion of heating equipment and the installation of storm doors, storm windows, weather stripping and insulation. Amendment No. 7 removes restrictions on credit to finance repairs and replacements of real or personal property damaged or lost as a result of floods or other similar disasters.

The texts of the amendments are as follows:

Amendment No. 5 to Regulation W

Regulation W is hereby amended effective July 2, 1942, by adding the following new subsection at the end of section 12:

(m) *'Cycle Billing'*.—The provisions of the following paragraph shall be applicable, instead of the provisions of the opening paragraph of section 5(c), to any Registrant who (1) on May 6, 1942, was using a system of recording and billing his charge accounts whereby such accounts were divided into several groups and a different monthly closing date and monthly billing period was used for each such group, and (2) has received from the Federal Reserve Bank of his district a notification which is still

in force stating that the Federal Reserve Bank is satisfied (A) that such billing system makes it impracticable for him to operate under section 5(c) and (B) that it would be impracticable for him, in view of orders of the War Production Board restricting deliveries of office machinery, to change his system over to one that uses the calendar month as the billing period.

A charge account maintained by such Registrant shall be deemed to be in default if any article (whether listed or unlisted) for which credit was extended in such account has not been paid for in full on or before the 40th day following the last day of the applicable monthly billing period during which such article was sold, except as provided in the three numbered paragraphs in section 5(c).

With respect to any article sold in such a charge account, the maximum maturity shall be the period provided in the preceding paragraph instead of that provided in section 5(a).

Amendment No. 6 to Regulation W

Regulation W is hereby amended effective July 27, 1942, by adding the following new subsection at the end of section 8:

(m) *Fuel Conservation Credits*.—Any extension of credit to finance (1) the conversion of heating equipment to the use of any other fuel, (2) the installation of loose-fill, blanket, or batt-type insulation, or insulating board, within existing structures, (3) the installation of storm doors, storm windows, or weather stripping, or (4) the purchase of materials for any of the above purposes.

Amendment No. 7 to Regulation W

Regulation W is hereby amended effective July 27, 1942, by striking out subsection (h) of section 8 and substituting the following:

(h) *Disaster Credits*.—Any extension of credit (1) made by the Disaster Loan Corporation, or (2) to finance the repair or replacement of real or personal property damaged or lost as a result of a flood or other similar disaster which the Federal Reserve Bank of the district in which the disaster occurs finds has created an emer-

gency affecting a substantial number of the inhabitants of the stricken area.

Interpretations of Regulation W

Since the publication of the July Federal Reserve BULLETIN, the Board of Governors has issued the following interpretations of Regulation W:

PURCHASE OF COAL FROM RETAIL COAL DEALERS

The Board has recently considered the following specific questions regarding the effect of Regulation W upon the purchase of coal from retail dealers:

(1) May a coal merchant extend credit to a domestic consumer on an open charge account without restriction?

(2) May a coal merchant sell solid fuel to a domestic consumer on a budget payment plan with terms as long as 12 months?

If a coal dealer does not sell any of the articles listed in section 13(a) of the regulation, the credit which he extends is not affected in any way; this list does not include coal. Moreover, even if the coal dealer does sell listed articles, coal itself may be sold on any terms which are satisfactory to the dealer. This rule applies whether the sale is on instalments or in a charge account.

Regulation W only affects the coal dealer in respect of the sale of listed articles. He cannot, for example, sell a listed article in a charge account if it is in default. The charge account may, of course, include coal; and if the coal as well as any other items have not been paid for by the tenth day of the second calendar month following the month in which the sales were made, the account would be in default, and the dealer could not sell a listed article to the customer until the default was cured. The default may be cured by payment in full or by conversion to an instalment account in accordance with conditions prescribed in the regulation.

Thus, Regulation W does not in any way restrain the extension of credit by coal dealers for the purchase of coal, although it has been

observed that some coal dealers, perhaps through misunderstanding, have given the regulation a broader application than its language prescribes.

SAVINGS PASSBOOKS NOT INVESTMENT SECURITIES

Board does not regard savings passbooks as "investment securities" for purposes of section 8(b) of Regulation W.

MEANING OF "CARRYING" SECURITIES

The word "carrying" in section 8(b) of Regulation W has the same general meaning as in section 3(b) of Regulation U. In effect, this confines "carrying" to the refinancing of indebtedness which was originally incurred for the purpose of purchasing stocks, bonds, or other investment securities. The mere fact that the extension of credit is secured by such investment securities is not sufficient.

BATTERIES FOR TRUCKS AND BUSES

Item 5 in Group A, section 13(a) of Regulation W includes batteries and accessories for trucks and busses.

MATURITY OF LOAN TO RETIRE CHARGE ACCOUNT

The Board has been asked whether under Regulation W a Registrant may make an installment loan with a maturity of twelve months to retire a charge account arising in whole or in part from the sale of a listed article, if the Registrant accepts a Statement of Necessity in accordance with the provisions of section 10(d). The answer to this question is that the loan may have a maximum maturity of twelve months from the date of the loan whether or not the charge account was in default under the provisions of section 5(c).

The Board has also received an inquiry as to the maximum maturity of a single-payment loan to retire a charge account. Such a loan must of course have a maturity not in excess of 90 days, but, if a Statement of Necessity is taken from the obligor when the loan matures, the Registrant may renew the entire amount on an installment basis under section 7(c)(1) for as long as twelve months from the date of renewal,

or the Registrant may make extensions in the manner provided in section 7(c)(2) if the maturity of the last single-payment obligation is not later than twelve months from the date of the first one. (See footnote 5.)

SALES FOR FUTURE DELIVERY

The Board recently considered several inquiries regarding sales for future delivery under Regulation W.

One of the questions related to a "fur coat sold in June with the understanding that the coat would be delivered in November" and would be billed to the customer at the time of delivery. During the interim the item is to be carried in a so-called memorandum account.

The question was whether this amounts to an agreement to defer payment for a longer period than permitted by the Regulation, but the answer depends upon whether the coat was "sold" in June or is to be sold in November. It was not possible to give an answer which would be applicable to all cases because the facts will differ, but in some cases, as a legal matter, the coat would not be "sold" until November and the transaction in June would merely be a contract to make a sale at a future date. In that event, the transaction would not violate Regulation W since the article would be charged to the customer's account promptly at the time of the sale. On the other hand, if the coat is "sold" in June (so that title passes to the customer, and the Federal tax is due on the sale) an agreement to delay payment until November or later would violate the Regulation.

Of course, no matter when title passes to the customer, the Registrant may always take advantage of section 12(d) relating to "Lay-away" Plans. Under the conditions therein described, he may treat the extension of credit as not having been made until the date of delivery.

Another inquiry related to the sale of furniture which is made to order and the item is carried in a memorandum account until the article is ready for delivery, at which time the charge

is made to the customer's regular charge account. The Board was of the opinion that such a transaction involves a bona fide delayed delivery and that the article need not be regarded as "sold" within the meaning of section 5(c) until the article is ready for delivery. The transaction is therefore merely a contract to make a sale at a future date.

For the same reason, the Board pointed out that the same result should follow even if the cost of the furniture is charged to the customer's regular charge account at the time the order is taken, since the difference is merely in the form of the bookkeeping entry. In such a case if the account is in default on the date when the furniture is ready for delivery, the seller could not make delivery unless the furniture were paid for in full on or before delivery, or unless the default were cured.

Other inquiries related to materials used in connection with repairs, improvements and alterations of residential property. In some cases a specific list of materials is decided upon, and these materials are delivered when called for over a period of time as the job progresses. In other cases, the exact requirements are not known and the materials are ordered and delivered as the job progresses.

The answers will depend upon the rights of the parties as fixed by their contracts. If the articles are sold to the contractor, the sales are exempt under section 8(f). (See also W-43.) On the other hand, if the sales are made directly to the property owner and not to the contractor, it is probable that there would be a series of sales which would take place on the several delivery dates.

INSTALMENT SALE AND LOAN DISTINGUISHED

The Board has recently considered several cases that relate to the differences between (1) "instalment sale" (which, by definition, relates only to listed articles), (2) instalment sale of an unlisted article or a service, and (3) "instalment loan".

When listed articles involved.—Sometimes the seller of a listed article does not take a note

payable to himself, but instead, according to arrangements with a financial institution, takes a note payable to the financial institution. Such a transaction involving a listed article is an instalment sale whether the note is made payable to the seller or to a financial institution, since section 2(e) specifically states that, so long as the extension of credit is made "by any seller" of any listed article and "arises out of the sale of such listed article", the definition applies whether the seller provides for the credit "as principal, agent or broker". Such a transaction does not constitute an instalment loan and hence does not require a Statement of Borrower, since under section 2(h) an instalment loan includes only specified transactions "other than an instalment sale".

When unlisted article involved.—When such transactions involve an unlisted article or a service (including an insurance policy) instead of a listed article, the rule is somewhat different. If the seller takes a note payable to himself the transaction is exempt from the regulation as a sale of an unlisted article or a service, and the note may be purchased by a bank or other financial institution without regard to the requirements of the regulation. On the other hand, when the seller takes a note payable to a financial institution instead of to himself, the transaction (if for \$1,500 or less) is subject to the regulation as an instalment loan and a Statement of the Borrower is required. The controlling factor in such cases involving an unlisted article or a service is whether the note is made payable to the seller, in which case the transaction is exempt, or is made payable to a financial institution, in which case the transaction is subject to the regulation as an instalment loan. Note, however, that the word "service" as used herein, does not include any service connected with the acquisition of a listed article.

The differences between the status of transactions involving listed articles and those involving unlisted articles and services flows from the fact that the definition of instalment sale in section 2(e) is by its terms specifically confined to transactions involving listed articles. When

an unlisted article or a service is involved and the note is made payable to a financial institution instead of to the seller, the transaction on its face is a loan by the financial institution and (if for \$1,500 or less) is subject to the regulation as an instalment loan.

Status of certain other interpretations.—This covers the questions considered in W-16, 119 and 124 and takes the place of those interpretations.

Alien Property Custodian

Executive Order Allocating Powers

There is set forth below the text of an Executive Order issued by the President on July 6, 1942, allocating powers and functions between the Alien Property Custodian and the Secretary of the Treasury with respect to property of enemy, neutral, and occupied countries and their nationals. This Order amends Executive Order No. 9095 issued by the President on March 11, 1942, and published in the April 1942 Federal Reserve BULLETIN at page 306.

EXECUTIVE ORDER No. 9193

Amending Executive Order No. 9095 Establishing the Office of Alien Property Custodian and Defining Its Functions and Duties and Related Matters

By virtue of the authority vested in me by the Constitution, by the First War Powers Act, 1941, by the Trading with the enemy Act of October 6, 1917, as amended, and as President of the United States, it is hereby ordered as follows:

Executive Order No. 9095 of March 11, 1942, is amended to read as follows.

1. There is hereby established in the Office for Emergency Management of the Executive Office of the President the Office of Alien Property Custodian, at the head of which shall be an Alien Property Custodian appointed by the President. The Alien Property Custodian shall receive compensation at such rate as the President shall approve and in addition shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties. Within the limitation of such funds as may be made available for that purpose, the Alien Property

Custodian may appoint assistants and other personnel and delegate to them such functions as he may deem necessary to carry out the provisions of this Executive Order.

2. The Alien Property Custodian is authorized and empowered to take such action as he deems necessary in the national interest, including, but not limited to, the power to direct, manage, supervise, control or vest, with respect to:

- (a) any business enterprise within the United States which is a national of a designated enemy country and any property of any nature whatsoever owned or controlled by, payable or deliverable to, held on behalf of or on account of or owing to or which is evidence of ownership or control of any such business enterprise, and any interest of any nature whatsoever in such business enterprise held by an enemy country or national thereof;
- (b) any other business enterprise within the United States which is a national of a foreign country and any property of any nature whatsoever owned or controlled by, payable or deliverable to, held on behalf of or on account of or owing to or which is evidence of ownership or control of any such business enterprise, and any interest of any nature whatsoever in such business enterprise held by a foreign country or national thereof, when it is determined by the Custodian and he has certified to the Secretary of the Treasury that it is necessary in the national interest, with respect to such business enterprise, either (i) to provide for the protection of the property, (ii) to change personnel or supervise the employment policies, (iii) to liquidate, reorganize, or sell, (iv) to direct the management in respect to operations, or (v) to vest;
- (c) any other property within the United States owned or controlled by a designated enemy country or national thereof, not including in such other property, however, cash, bullion, moneys, currencies, deposits, credits, credit instruments, foreign exchange and securities except to the extent that the Alien Property Custodian determines that such cash, bullion, moneys, currencies, deposits, credits, credit instru-

ments, foreign exchange and securities are necessary for the maintenance or safeguarding of other property belonging to the same designated enemy country or the same national thereof and subject to vesting pursuant to section 2 hereof;

- (d) any patent, patent application, design patent, design patent application, copyright, copyright application, trademark or trademark application or right related thereto in which any foreign country or national thereof has any interest and any property of any nature whatsoever (including, without limitation, royalties and license fees) payable or held with respect thereto, and any interest of any nature whatsoever held therein by any foreign country or national thereof;
- (e) any ship or vessel or interest therein, in which any foreign country or national thereof has an interest; and
- (f) any property of any nature whatsoever which is in the process of administration by any person acting under judicial supervision or which is in partition, libel, condemnation or other similar proceedings and which is payable or deliverable to, or claimed by, a designated enemy country or national thereof.

When the Alien Property Custodian determines to exercise any power and authority conferred upon him by this section with respect to any of the foregoing property over which the Secretary of the Treasury is exercising any control and so notifies the Secretary of the Treasury in writing, the Secretary of the Treasury shall release all control of such property, except as authorized or directed by the Alien Property Custodian.

3. Subject to the provisions of this Executive Order, all powers and authority conferred upon me by sections 3(a) and 5(b) of the Trading with the enemy Act, as amended, are hereby delegated to the Secretary of the Treasury or any person, agency, or instrumentality designated by him; *provided, however*, that when any property or interest, not belonging to a foreign government or central bank, shall be vested by the Secretary of the Treasury, such property or interest shall be vested in, and dealt with by, the Alien Property Custodian upon the terms directed by the Secretary of the Treasury. Except as otherwise provided herein, this Executive

Order shall not be deemed to modify or amend Executive Order No. 8389, as amended, or the President's Proclamation of July 17, 1941, or Executive Order No. 8839, as amended, or the regulations, rulings, licenses and other action taken thereunder, or in connection therewith.

4. Without limitation as to any other powers or authority of the Secretary of the Treasury or the Alien Property Custodian under any other provision of this Executive Order, the Secretary of the Treasury and the Alien Property Custodian are authorized and empowered, either jointly or severally, to prescribe from time to time, regulations, rulings, and instructions to carry out the purposes of this Executive Order. The Secretary of the Treasury and the Alien Property Custodian each shall make available to the other all information in his files to enable the other to discharge his functions, and shall keep each other currently informed as to investigations being conducted with respect to enemy ownership or control of business enterprises within the United States.

5. The Alien Property Custodian is authorized to issue appropriate regulations governing the service of process or notice upon any person within any designated enemy country or any enemy-occupied territory in connection with any court or administrative action or proceeding within the United States. The Alien Property Custodian also is authorized to take such other and further measures in connection with representing any such person in any such action or proceeding as in his judgment and discretion is or may be in the interest of the United States. If, as a result of any such action or proceeding, any such person obtains, or is determined to have, an interest in any property (including money judgments), such property, less an amount equal to the costs and expenses incurred by the Alien Property Custodian in such action or proceeding, shall be subject to the provisions of Executive Order No. 8389, as amended, *provided, however*, that this shall not be deemed to limit the powers of the Alien Property Custodian under section 2 of this Order; and *provided further*, that the Alien Property Custodian may vest an amount of such property equal to the costs and expenses incurred by the Alien Property Custodian in such action or proceeding.

6. To enable the Alien Property Custodian to carry out his functions under this Executive Order, there are hereby delegated to the Alien

Property Custodian or any person, agency, or instrumentality designated by him all powers and authority conferred upon me by section 5(b) of the Trading with the enemy Act, as amended, including, but not limited to, the power to make such investigations and require such reports as he deems necessary or appropriate to determine whether any enterprise or property should be subject to his jurisdiction and control under this Executive Order. The powers and authority conferred upon the Alien Property Custodian by Executive Order No. 9142 shall be administered by him in conformity with the provisions of this Executive Order.

7. In the exercise of the authority herein delegated, the Alien Property Custodian shall be subject to the provisions of Executive Order No. 8839 of July 30, 1941, and shall designate a representative to the Board of Economic Warfare in accordance with section 6 thereof.

8. All records and other property (including office equipment) of the Treasury Department which are used primarily in the administration of powers and duties to be exercised by the Alien Property Custodian, and such personnel as is used primarily in the administration of such powers and duties and which was hired by the Treasury Department after September 1, 1941 (including officers whose chief duties relate to the administration of such powers and duties), as the Secretary of the Treasury and the Alien Property Custodian shall jointly certify for transfer, shall be transferred to the Office of the Alien Property Custodian. In the event of disagreement concerning the transfer of any personnel, records, or property, the determination shall be made by the Director of the Bureau of the Budget, pursuant to the formula here prescribed. Any personnel transferred pursuant to this Executive Order shall be transferred without loss of such Civil Service status or eligibility therefor as they may have.

9. This Executive Order shall not be deemed to modify or amend Executive Order No. 8843 of August 9, 1941, and the regulations, rulings, licenses and other action taken thereunder. Any and all action heretofore taken by the Secretary of the Treasury or the Alien Property Custodian, or by any person, agency, or instrumentality designated by either of them, pursuant to sections 3(a) and 5(b) of the Trading with the enemy Act, as amended, or pursuant to prior Executive Orders, and any and all action heretofore taken by the Board of Governors of the Federal

Reserve System pursuant to Executive Order No. 8843 of August 9, 1941, are hereby confirmed and ratified. •

10. For the purpose of this Executive Order:

- (a) The term "designated enemy country" shall mean any foreign country against which the United States has declared the existence of a state of war (Germany, Italy, Japan, Bulgaria, Hungary and Rumania) and any other country with which the United States is at war in the future. The term "national" shall have the meaning prescribed in section 5 of Executive Order No. 8389, as amended, *provided, however*, that persons not within designated enemy countries (even though they may be within enemy-occupied countries or areas) shall not be deemed to be nationals of a designated enemy country unless the Alien Property Custodian determines:
 - (i) that such person is controlled by or acting for or on behalf of (including cloaks for) a designated enemy country or a person within such country; or
 - (ii) that such person is a citizen or subject of a designated enemy country and within an enemy-occupied country or area; or
 - (iii) that the national interest of the United States requires that such person be treated as a national of a designated enemy country. For the purpose of this Executive Order any determination by the Alien Property Custodian that any property or interest of any foreign country or national thereof is the property or interest of a designated enemy country or national thereof shall be final and conclusive as to the power of the Alien Property Custodian to exercise any of the power or authority conferred upon me by section 5(b) of the Trading with the enemy Act, as amended.
- (b) The term "business enterprise within the United States" shall mean any individual proprietorship, partnership, corporation or other organization primarily engaged in the conduct of a business within the United States, and any other individual proprietorship, partnership, corporation or other organization to the extent that it has an established office within the United States engaged in the conduct of business within the United States.

11. The Secretary of the Treasury or the Alien Property Custodian, as the case may be, shall, except as otherwise agreed to by the Secretary of State, consult with the Secretary of State before vesting any property or interest pursuant to this Executive Order, and the Secretary of the Treasury shall consult with the Secretary of State before issuing any Order adding any additional foreign countries to section 3 of Executive Order No. 8389, as amended.

12. Any orders, regulations, rulings, instructions, licenses or other actions issued or taken by any person, agency or instrumentality referred to in this Executive Order, shall be final and conclusive as to the power of such person, agency or instrumentality to exercise any of the power or authority conferred upon me by sections 3(a) and 5(b) of the Trading with the enemy Act, as amended; and to the extent necessary and appropriate to enable them to perform their duties and functions hereunder, the Secretary of the Treasury and the Alien Property Custodian shall be deemed to be authorized to exercise severally any and all authority, rights, privileges and powers conferred on the President by sections 3(a) and 5(b) of the Trading with the enemy Act of October 6, 1917, as amended, and by sections 301 and 302 of Title III of the First War Powers Act, 1941, approved December 18, 1941. No person affected by any order, regulation, ruling, instruction, license or other action issued or taken by either the Secretary of the Treasury or the Alien Property Custodian shall be entitled to challenge the validity thereof or otherwise excuse his actions, or failure to act, on the ground that pursuant to the provisions of this Executive Order, such order, regulation, ruling, instruction, license or other action was within the jurisdiction of the Alien Property Custodian rather than the Secretary of the Treasury or vice versa.

13. Any regulations, rulings, instructions, licenses, determinations or other actions issued, made or taken by any agency or person referred to in this Executive Order, purporting to be under the provisions of this Executive Order or any other proclamation, order or regulation, issued under sections 3(a) or 5(b) of the Trading with the enemy Act, as amended, shall be conclusively presumed to have been issued, made or taken after appropriate consultation as herein required and

after appropriate certification in any case in which a certification is required pursuant to the provisions of this Executive Order.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,
July 6, 1942.

United States Currency

Hawaiian Series

Under date of July 7, 1942, the Treasury Department announced the issuance of Regulations by the Governor of Hawaii calling for the immediate withdrawal of all United States currency now in circulation in the Territory of Hawaii and its replacement by a series specifically prepared for the Territory. The statement by the Treasury Department, the Regulations issued by the Governor of Hawaii, and the General Orders issued by the Office of the Military Governor, read as follows:

Treasury Department
Washington

July 7, 1942

Persons holding ordinary United States currency in the Territory of Hawaii must exchange such currency by July 15, 1942 for United States currency of a special series to be used only in the Territory of Hawaii, the Treasury Department announced today. The exchange may be made at any bank within the Territory of Hawaii without charge.

The provisions of law governing the currency exchange are contained in regulations issued on June 25, 1942, by J. B. Poindexter, Governor of Hawaii, and Brigadier-General Thomas H. Green, Executive to the Military Governor of Hawaii. Under the terms of these regulations, after July 15, 1942, no currency other than United States currency, Hawaiian series, may be held or used in the Territory of Hawaii without a license from Governor Poindexter, and exportations of the new currency from Hawaii will be prohibited.

Any person importing ordinary United States currency into Hawaii after June 25, 1942, must deposit immediately such currency with an official at the appropriate port of entry, and will receive in return currency of the new series. Persons willfully disobeying these regulatory provisions will be subjected to severe criminal penalties, under orders issued by Brigadier-General Green.

Treasury officials explained that the new series is currency of the United States issued by the United States Treasury Department as legal tender for Hawaii and that it is fully backed by the credit of the United States. A note of the new series differs from ordinary American currency only in that it bears the distinctive overprint "Hawaii" in bold-faced type on each end of the face and the word "Hawaii" across the reverse side.

License applications to hold or use ordinary United States currency in Hawaii or to export United States currency, Hawaiian series, from Hawaii may be filed with Governor Poindexter on Form TFR-H28 in the manner in which Foreign Funds Control applications are filed.

The Hawaiian currency replacement program results from careful study of Hawaiian currency problems by the Treasury Department, War Department, Navy Department and Department of the Interior, in collaboration with Hawaiian civil and military authorities. Brigadier-General Green announced that the program complements other measures taken for the protection of Hawaiian citizens and the economic defense of Hawaii.

Territory of Hawaii
Office of the Military Governor
Iolani Palace
Honolulu, T. H.

25 June 1942

GENERAL ORDERS

No. 118

UNITED STATES CURRENCY.—1. By virtue of the power vested in the Military Governor of the Territory of Hawaii, J. B. Poindexter, Governor of the Territory of Hawaii, is hereby authorized to make and administer regulations relating to the issuance and use of United States currency in the Territory of Hawaii, subject to such restrictions and limitations as may be promulgated by the Congress, President, or Secretary of the Treasury.

2. Whoever is found guilty of violating any of the provisions of such regulations, shall, upon conviction be fined not more than five thousand dollars (\$5,000), or, if a natural person, may be imprisoned for not more than five (5) years, or both; and any officer, director, or agent of any corporation who knowingly participates in such a violation may be punished by a like fine, imprisonment, or both.

By Order of the Military Governor:

(Signed) THOMAS H. GREEN
Brigadier General, A.U.S.
Executive.

Executive Chambers
Honolulu, T. H.

June 25, 1942

REGULATIONS RELATING TO CURRENCY:

These regulations are issued under the authority vested in the Governor of Hawaii pursuant to Executive Order No. 8389, as amended; Section 5(b) of the Trading with the enemy Act, as amended by Title III of the First War Powers Act, 1941, General Orders No. 118, Office of the Military Governor, 25 June 1942, and pursuant to all other authority vested in the undersigned Governor of Hawaii:

TITLE I

(1) Effective at once, all United States currency now in circulation in the Territory of Hawaii will be withdrawn from circulation and will be replaced with new United States currency prepared for the Territory of Hawaii by the United States Treasury Department. The new currency will be the same in all respects as ordinary United States currency except that the word "HAWAII" will be overprinted in bold-face type on each end of the face of the note and the word "HAWAII" will be overprinted in large open-face type on the reverse side of the note. Such currency will be referred to in these regulations as "United States currency, Hawaiian Series."

(2) All United States currency physically within the Territory of Hawaii, except United States currency, Hawaiian Series, shall be exchanged on or before July 15, 1942, for United States currency, Hawaiian Series. Prior to July 15, 1942, any person in the Territory of Hawaii may freely exchange United States currency now in circulation for United States currency, Hawaiian Series, at any bank in the Territory without charge.

(3) Effective July 15, 1942, the acquisition, disposition, holding, possession, transfer of, or other dealing in, or with respect to, any United States currency except United States currency, Hawaiian Series, within the Territory of Hawaii is hereby prohibited.

(4) Effective July 15, 1942, no person shall hold, or in any manner permit the holding of, United States currency of any series in any safe deposit box within the Territory of Hawaii, and no person shall thereafter deposit, or in any manner permit the deposit of, any such currency in any safe deposit box within such territory.

(5) All United States currency hereafter brought into the Territory of Hawaii shall be immediately delivered to such person as may be

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designated at the appropriate port of entry in Hawaii for exchange for United States currency, Hawaiian Series. Such exchange will be made without charge.

(6) No United States currency, Hawaiian Series, shall be exported or otherwise physically taken from the Territory of Hawaii. Any person desiring to export or otherwise take United States currency from the Territory of Hawaii may exchange United States currency, Hawaiian Series, for other United States currency without cost by making appropriate application to such person as may be designated at the port of exportation or withdrawal from Hawaii and by complying with the procedure prescribed by such designated person in connection therewith.

(7) Banks within the Territory of Hawaii and such other persons as may from time to time be specified shall, when so directed, file reports in triplicate on Form TFR-H25 with the Special Treasury Custody Committee as to the amount of United States currency of any series held by them in any capacity. Whenever the currency held by any bank or other person within the Territory of Hawaii is deemed to be in excess of the currency needs of such bank or person, or in excess of that required under existing circumstances in the Territory of Hawaii, such bank or person, upon the receipt of appropriate notice, shall forthwith deliver to the Special Treasury Custody Committee in Hawaii, or to a bank when so directed, such amounts of currency as may be prescribed and shall receive in lieu of such currency an equivalent dollar credit with such banking institution in the Territory of Hawaii or within the continental United States as the delivering bank or person may specify. Currency delivered to the Special Treasury Custody Committee pursuant to this provision shall be received for the account of the United States.

TITLE II

(1) Exception to any of the provisions may be made by means of licenses, rulings, or otherwise, when it is considered that such exception is in accord with the purpose of these regulations and is necessary or desirable in order to avoid unusual hardship or is necessary or desir-

able in view of the needs of the military or naval forces of the United Nations. Applications for any such license may be filed with the Office of the Governor of Hawaii on Form TFR-H28, and the general procedure to be followed in handling applications for licenses will be that employed in the administration of Executive Order No. 8389, as amended. Unless the contrary is expressly provided, no license shall be deemed to authorize any transaction prohibited by reason of the provisions of any law, proclamation, order, or regulation other than these regulations. The decision with respect to the granting, denial, or other disposition of any application for a license shall be final.

(2) Rulings, instructions, interpretations, or licenses may, from time to time, be made or issued to carry out the purposes of these regulations and reports required in addition to those specifically called for herein with respect to any property or transactions affected hereby.

(3) These regulations shall not be deemed to authorize any transaction prohibited by or pursuant to Executive Order No. 8389, as amended, except such transactions as are necessarily incidental to the performance of acts specifically required by these regulations, and these regulations shall not be deemed to affect, alter, or limit General Orders No. 51, Office of the Military Governor, 9 January 1942.

(4) As used in these regulations:

- (a) The term "currency" shall not be deemed to include coins.
- (b) The term "person" means an individual, partnership, association, corporation, or other organization.

(5) These regulations and any rulings, licenses, instructions, or forms issued hereunder may be amended, modified, or revoked at any time.

TITLE III

Attention is directed to the penalties prescribed in General Orders No. 118 and to those contained in Section 5(b) of the Trading with the enemy Act, as amended.

(S) J. B. POINDEXTER
Governor of Hawaii

THE NATURE AND SIZE OF THE WAR FINANCING PROGRAM

On July 3, 1942, the following bulletin was sent to all members of the United States Treasury Victory Fund Committee of the Third Federal Reserve District by Mr. Alfred H. Williams, President of the Federal Reserve Bank of Philadelphia and Chairman of the Committee.

THE WAR FINANCING TASK OF THE UNITED STATES

Modern war is a highly organized system of destruction of all resources. To wage it with complete success, incredibly large financial resources must be effectively mobilized. During the fiscal year beginning July 1, 1942, the United States Treasury must provide at least \$77 billion to meet the vast financial operations of the Government.

There are two sources from which the Treasury can get the needed funds: (1) taxes and (2) borrowings. Only about \$24 billion or less may be expected from taxes. The remainder—\$53 billion—must be borrowed.

The methods used to borrow this colossal sum are of the utmost importance because they will affect prices of materials, wages of labor, rents, and cost of living generally. Upon the way in which funds are obtained for current requirements may depend the state of morale of the people and so may affect the conduct of the war. The first essential is to borrow as much as possible from current income and as little as possible through the expansion of bank credit.

How much current income is available for lending to the Government?

Estimates indicate that at the present rate of national income the amount of spendable funds in excess of taxes may total as much as \$95 billion, while the volume of goods available for purchase at current prices may be \$65 billion or much less. The difference of \$30 billion

represents unused funds that are likely to result in an upward pressure on prices and costs, thus raising the cost of living. If these funds are not absorbed through such means as taxation and savings, there will be a scramble for goods; prices will go up and the value of money will decline as it did in the last World War, when the buying power of the retail dollar was more than halved.

What will happen if the Treasury borrows *all* needed funds from commercial banks?

If the Treasury borrows all of the needed funds from commercial banks, a very large amount of bank credit will be created. This would add to the already large buying power that is accumulating at a time when the supply of goods for civilian purchases is rapidly declining. This in turn would further increase the upward pressure on prices and costs, and would in the end result in economic difficulties of devastating proportions. The resort to bank credit for war financing, therefore, should be the last unavoidable step in the program.

This is the nature of our task—our fight on the home front. We must so finance this war as to minimize the disturbance to our business by keeping down the cost of living. Lending to the Government by savers and investors other than commercial banks accepting demand deposits is a vital part in the program of war financing. Borrowing current savings by the Treasury, along with taxation, is the most effective means of absorbing rapidly expanding consumer income in the face of the shrinking supply of purchasable goods. It also enables individuals, business concerns and institutions to accumulate reserves—to store up buying power for the time when drastic adjustments will have to be made in shifting our industry and resources from employment for war to employment for peace.

HOW THE UNITED STATES TREASURY IS MEETING THE TASK

To meet its current financial needs, the Treasury issues various types of securities which provide the safest investment in the world.

War Savings Bonds are probably the most familiar type of these securities—Series E for the smaller investors and Series F and G for the larger investors, individuals and institutions. These bonds provide an excellent opportunity for the use of a large part of current income at attractive yields by the rank and file of the population. Under the existing arrangement, the Victory Fund Committee is to give all possible assistance to the War Savings Staff in the sale of Series F and G War Savings Bonds.

For the larger investors, the Treasury provides *other types of bonds*. These may be of relatively short or long maturity. Some of them are open market issues in the sense that they may be bought and sold freely in the open market; others may carry certain limitations as to their marketability or ownership. Most of these bonds may be purchased by anyone, while others may not be purchased by commercial banks receiving demand deposits. At the time of issue, the Treasury gives specific descriptions of the securities offered.

There are also several types of short-term issues designed for those who can put their surplus funds to work for limited periods of time. The *Treasury Bill*,¹ for example, is issued every week usually with a maturity of 91 days, although it may run for shorter or longer periods. It is a bearer obligation of the United States, sold on a discount basis through competitive bidding. Treasury bills are freely traded in the open market and may be purchased by any investor.

Certificates of Indebtedness provide another type of security* available to all investors, although like the bills they are primarily bought

by banks and corporations. They, too, are bearer obligations and are issued at par at a fixed rate of interest. The maturity of these certificates may not exceed one year.

Still another type of obligation is the *Treasury Note*. This is similar to the certificate, except its maturity may extend up to five years. It may be purchased by any investor at the time of issue or in the open market.

For the convenience of the taxpayers—individuals, business concerns and others—the Treasury offers *Tax Savings Notes* maturing in two years. These notes are available for purchase at all times. They are issued in two series—one for the smaller taxpayer and the other for the larger. They yield an income only when used in payment of taxes and may be used for that purpose at any time; otherwise, they are redeemable at the purchase price. In view of the increased taxes, it is highly desirable that individuals and businesses buy these notes regularly to lessen their burden at tax payment dates. Besides the convenience to the taxpayer, the sale of the notes absorbs spendable funds and helps the Treasury to meet its current requirements.

All these types of Government obligations are available for purchase whenever offered by the Treasury through the Federal Reserve Banks which act as Fiscal Agents of the United States. The most convenient way to subscribe to these securities is through the local banks which receive and forward applications to the Reserve Bank, although most of these obligations may still be bought in the open market.

It is expected that in one way or another, the Victory Fund Organization will be called upon by the Secretary of the Treasury to assist in the sale of different issues, regular or special, as they are offered. Specific terms and conditions will be announced and needed directions given.

The Victory Fund Committee will play a vigorous part in the marketing of these securities. The sale of such securities is likely to be on a selective and intensified basis. But it is unlikely that the work of the Committee will require the feverish campaigning that took

¹ The following example shows how earnings are increased through the purchase of 91-day bills at a price of \$99.909 if held to maturity.

Amount purchased	Income for 91 days	Annual income
\$25,000	\$22.75	\$91.00
50,000	45.50	182.00
100,000	91.00	364.00
1,000,000	910.00	3,640.00

place in the last World War. It will mean close, intelligent surveying and canvassing among individual, business and institutional investors in every community. It will require a thorough preparation in advance of the actual work.

HOW CAN THE VICTORY FUND COMMITTEE AID THE TREASURY?

There is a large reservoir of funds which can be reached by the Victory Fund Organization. Such funds arise principally from current income or savings of one type or another. So that an effective approach may be made, members of the organization should make a thorough search of their communities for these funds. As a suggestion, it should be pointed out that substantial sources of funds may be found among the following:

- Individuals who have funds for investment.
- Trusts, estates and the like that have funds and need suitable securities to meet their varied needs.
- Pension funds—private and public—in need of steady income.
- Labor organizations.
- Educational, religious, and endowed institutions which require earnings to meet their obligations.
- Fraternal and social organizations of all types.

Corporations, firms and partnerships that may wish to purchase short-term securities so as to employ their funds arising from surplus earnings, liquidation of current assets such as inventories and receivables, and depreciation accruals.

Governments and their agencies: states, counties, municipalities and school districts.

Mutual savings banks.

Insurance companies.

Savings institutions of all types—building and loan associations and the like.

Such sources exist in every community, but they must be uncovered and properly listed so that when the call comes from the Secretary of the Treasury they can be approached tactfully and intelligently, without needless duplication of effort that usually results in annoyance or apathy. This call will come shortly, and now is the opportunity for the members of the Victory Fund Organization to prepare the ground for their activities, to understand the problem and to anticipate the task that is surely ahead of them.

All members of the Victory Fund Organization have a real job to do in the all-out efforts to win the war and to prevent or minimize economic dislocations.

ALFRED H. WILLIAMS, *Chairman*

Victory Fund Committee.

SURVEY OF COMMERCIAL LOANS AT MEMBER BANKS

In order to obtain information on the nature of current bank lending and the extent to which banks are participating in financing war production, the Board of Governors and the Reserve Banks conducted a special survey of commercial and industrial loans made by member banks over the period April 16 to May 15, 1942, inclusive. Reports were obtained from 5,362 banks on 2.2 billion dollars of loans and renewals made during that period. Detailed information reported on each loan and renewal included amount of the advance, business of the borrower, approximate total assets of the borrower, maturity of the loan, rate of interest charged, and purpose of the loan as between "war" and "non-war" uses. The survey provides the only nation-wide information ever obtained in such detail regarding the nature of business loans and borrowers at banks. Although limited as to scope and period covered, the information obtained throws light on the loan operations of commercial banks in wartime and provides some basis for interpreting future developments in this area. Summary results of the survey are published in this BULLETIN, and more detailed data and conclusions will be published later.¹

Results of the survey indicate that of all commercial and industrial loans currently made by banks, a dominant portion goes to borrowers engaged in wholesale and retail trade and in the manufacture of nondurable consumers' goods—food, liquor, textiles, wearing apparel, and the like. Building and construction companies and manufacturers of metal products also borrow large amounts, particularly at this time because of their participation in providing supplies and equipment for war purposes. Sales finance companies constitute another important group

of borrowers. About one-third of the loans and renewals currently being made are directly to aid in the production and distribution of war goods, while about 40 per cent of all new loans are for this purpose, indicating a continuing trend toward war financing. In addition, a considerable part of the "non-war" loans are to businesses vital to civilian wartime welfare. Thirty per cent of all loans in dollar volume are to borrowers having assets of over \$5,000,000 each, while only 10 per cent are to those having assets of less than \$50,000 each. In number of loans, however, nearly half of the total are to borrowers with assets of less than \$50,000 each.

COVERAGE OF THE SURVEY

The 5,362 banks participating in the survey constitute 81 per cent of all member banks, and on December 31, 1941, accounted for 98 per cent of the commercial loans of all member banks and 92 per cent of the commercial loans of all insured banks. Virtually complete coverage was attained for central reserve and reserve city banks, and reporting country banks held 89 per cent of the total of commercial loans of all country banks at the beginning of the year. On May 15 the reporting banks had outstanding 8 billion dollars of commercial and industrial loans; since this was 250 million dollars less than on April 15, repayments in the survey period exceeded new loans and renewals.

Member banks were asked to provide detailed information on each loan and renewal made for commercial or industrial purposes during the reporting period, except that, in order to avoid excessive reporting cost, no information was requested from very large banks on loans under \$5,000, from smaller banks in large cities on loans under \$2,500, or from banks in cities of less than 100,000 population on loans under \$1,000. Banks did, however, indicate the total of such small loans not reported in detail and only 8 per cent of total commercial and industrial loans made by participating banks fell into

¹ This survey of commercial loans was planned by the Board's Divisions of Research and Statistics and of Bank Operations in consultation with Federal Reserve Banks and some member banks. The information was collected and compiled into district totals by the Reserve Banks, and national totals were prepared at the Board's office. G. L. Bach of the Board's Division of Research and Statistics has been largely responsible for supervision of the survey, analysis of results, and preparation of this article, under the general direction of Woodlief Thomas, Assistant Director of that Division, and J. E. Horbett, Assistant Chief of the Division of Bank Operations.

SURVEY OF COMMERCIAL LOANS AT MEMBER BANKS

this unreported small-loan group. Therefore the loans fully reported and included in the accompanying tables comprise 92 per cent of all commercial advances made by the participating banks during this period.

Since only commercial and industrial loans to customers were covered, agricultural, real estate, security, and other loans, including commercial paper purchased in the open market, were not reported. In order to limit the burden of reporting, information was not requested on outstanding advances but only on loans newly made or renewed within the reporting period. Because of this fact and because the survey covered only one month, it is impossible to tell to what extent the loan characteristics revealed apply to bank loans in other periods. It is believed, however, that the results provide information regarding the nature of loans and characteristics of bank borrowers that is significant for general purposes as well as with reference to the particular period covered.

RELATIVE IMPORTANCE OF INDUSTRY GROUPS

Table I summarizes the information received from all reporting banks as to business of borrower and purpose of loan in relation to the war effort. It shows also the per cent that

each industrial group constitutes of the total, classified according to purpose of loan.

Of the total amount of loans and renewals covered by the survey, wholesale and retail trade firms account for 640 million dollars, or nearly 30 per cent. In number of loans 40 per cent were to borrowers in these trades. Building and construction companies, food, liquor, and tobacco manufacturers, and metal producers (including ordnance, shipbuilding, and munitions) each borrowed around 250 million, or slightly over 10 per cent of the total. Textile, leather, and apparel manufacturers and finance companies were also important borrowers. When combined, all manufacturing and mining firms accounted for nearly 900 million, or almost 40 per cent of the total, exceeding somewhat the wholesale and retail trade group.

As might be expected, wholesale and retail trade firms were more prominent among non-war borrowers than in the total, exceeding by a substantial margin even the non-war loans of all manufacturing industries. It is likely that firms engaged in trade normally borrow substantial amounts to finance inventories and accounts receivable; at this time borrowing to carry increased inventories is evidently larger than usual. At department stores, inventories at the

TABLE I

COMMERCIAL AND INDUSTRIAL LOANS AND RENEWALS AT MEMBER BANKS, BY PURPOSE AND BUSINESS OF BORROWER
APRIL 16-MAY 15, 1942

Business of Borrower	Amounts in millions of dollars				Per cent of all businesses			
	Total ¹	For war purposes	For non-war purposes	Mixed war and non-war	Total	For war purposes	For non-war purposes	Mixed war and non-war
Wholesale and retail trade, including commodity dealers.	641.4	78.1	531.5	28.5	29.0	11.1	37.4	34.6
Total manufacturing and mining.....	883.7	368.5	470.2	44.0	39.9	52.2	33.2	53.3
Metal mining and products (including transportation equipment, shipbuilding, ordnance, and munitions).....	249.2	220.1	25.3	3.7	11.5	31.2	1.8	4.6
Petroleum and products.....	52.9	7.0	42.8	3.1	2.4	1.0	3.0	3.7
Chemicals, drugs, rubber, and products.....	27.6	12.9	13.3	1.4	1.2	1.8	.9	1.7
Textiles, apparel, leather, and products.....	189.6	55.3	118.8	15.4	8.5	7.8	8.4	18.7
Food, liquor, and tobacco.....	240.6	32.8	193.9	13.4	10.8	4.7	13.7	16.2
All other manufacturing and mining.....	123.8	40.4	76.2	6.9	5.5	5.7	5.4	8.4
Building and construction operations.....	263.4	209.0	51.6	2.4	11.9	29.6	3.6	2.9
Sales finance and personal loan companies.....	176.4	1.7	173.6	.8	8.0	.2	12.2	1.0
Public utilities, transportation, and communication.....	49.7	14.3	32.8	2.4	2.2	2.0	2.3	2.9
Services: Hotels, restaurants, amusements, repair shops, professional services, etc.....	41.6	6.4	34.1	1.1	1.9	.9	2.4	1.3
All other.....	158.3	28.1	126.0	3.3	7.1	4.0	8.9	4.0
Total.....	2,214.5	706.2	1,419.9	82.4	100.0	100.0	100.0	100.0

¹ Includes a small amount of loans not classified as to purpose.

end of May were two-thirds larger than a year earlier. Reports indicate that wholesale inventories are also considerably above the levels of the past few years.

Aside from trade borrowers, manufacturers of nondurable consumers' goods—food, clothing, and the like—and finance companies were the heaviest borrowers for non-war purposes. War loans were made largely to manufacturers of metal products and to building and construction companies, reflecting the heavy concentration of war activity in these lines. War loans also included substantial advances to wholesale and retail firms and to textile and clothing manufacturers.

LOANS FOR WAR AND NON-WAR PURPOSES

In reporting loans and renewals made directly to facilitate war production, banks were asked to include all advances for activities in connection with armed service contracts or subcontracts and for all other activities, such as merchant shipbuilding, which directly further the war program. In cases of reasonable doubt, the presumption was to be in favor of war designation. While the line of distinction between war and non-war loans was necessarily somewhat vague and dependent on the discretion of the reporting banks, it is thought that the segregation obtained is on the whole a reasonably accurate one. Nevertheless, since the war-loan category includes only loans directly facilitating the production or distribution of war goods, many loans contributing less directly to war output, but nonetheless highly essential to national welfare, are included in the non-war group. This is especially true in such industries as food processing and public utilities.

Table II shows the proportion of new loans and renewals for war, non-war, and mixed purposes. Table VI at the end of this article shows similar information for each industry group. While only slightly over 30 per cent of combined loans and renewals were directly for war purposes, for new loans alone this figure is 40 per cent. This indicates, as would be expected, that an increasing proportion of loans being

made is for the purpose of financing war activity, a generalization which applies to nearly every industry group. To borrowers engaged in manufacturing and mining about 50 per cent of new loans and 40 per cent of renewals were for war purposes. These proportions of war loans are comparable with an estimate published in the July BULLETIN, that nearly 50 per cent of industrial production is now for war purposes. The relative importance of war activity and of war loans is, of course, substantially less in the fields of distribution and services.

Reflecting widespread conversion to war production and direct controls over non-war output, metal mining and manufacturing showed about 90 per cent of its loans for direct

TABLE II
COMMERCIAL LOANS AND RENEWALS AT MEMBER BANKS,
FOR WAR AND NON-WAR PURPOSES
APRIL 16-MAY 15, 1942

Purpose	Amounts in millions of dollars			Per cent of all purposes		
	All loans and re-novels	New loans	Re-novels	All loans and re-novels	New loans	Re-novels
War	706.2	515.7	190.4	31.9	39.3	21.1
Non-war	1,419.9	737.1	682.8	64.1	56.2	75.6
Mixed	82.4	56.0	26.4	3.7	4.3	2.9
Total	2,214.5	1,311.4	903.1	100.0	100.0	100.0

¹ Includes a small amount of loans not classified as to purpose.

war purposes, while 85 per cent of new loans to building and construction companies were for such purposes. In all other industry groups, however, non-war still exceeded war advances. Finance companies, wholesale and retail trade firms, service industries, petroleum producers, and food, liquor, and tobacco manufacturers all showed a heavy preponderance of non-war borrowing, although in numerous cases the non-war activity financed was undoubtedly vital to civilian wartime welfare. The textiles, apparel, and leather goods, and the chemical, drugs, and rubber groups, engaged to a considerable extent in supplying war needs, nevertheless showed relatively small proportions of borrowing for war purposes. In view of the short period covered, special factors may have

SURVEY OF COMMERCIAL LOANS AT MEMBER BANKS

appreciably influenced the results in particular industries.

LOANS BY CLASSES OF BANKS

Table III shows the division of loans among central reserve city, reserve city, and country banks, and Table IV at the foot of the page

TABLE III
COMMERCIAL LOANS AND RENEWALS AT MEMBER BANKS,
BY CLASS OF BANK AND PURPOSE OF LOAN
APRIL 16-MAY 15, 1942

Purpose	Amounts in millions of dollars			Per cent of all purposes		
	Central reserve city	Reserve city	Country	Central reserve city	Reserve city	Country
War.....	247.2	344.3	113.7	33.6	34.0	24.4
Non-war.....	449.2	634.6	335.2	61.0	62.7	71.9
Mixed.....	40.1	30.2	12.2	5.4	3.0	2.6
Total ¹	736.8	1,011.6	466.2	100.0	100.0	100.0

¹ Includes a small amount of loans not classified as to purpose.

shows the relative importance of different industries among the borrowers at each group of banks. Central reserve city banks accounted for one-third of all loans, reserve city banks for almost one-half, and country banks for the remainder.

War loans were relatively greater at city

banks, amounting to one-third of the total for each city group compared with one-fourth at country banks. While trade loans bulked largest for each class of bank, they were, as shown in Table IV, relatively greatest at country banks, amounting there to 35 per cent of all loans. At reserve city banks trade loans were 30 per cent of the total, and at central reserve city banks less than a fourth. Borrowings by food, liquor, and tobacco manufacturers, and also by textile, leather, and apparel manufacturers were relatively and absolutely largest at central reserve city banks. Loans to producers of metal and petroleum products, to building and construction companies, to utilities, and to finance companies were heaviest at reserve city banks. More loans were made by country banks to borrowers engaged in rendering services than by either of the other classes of banks.

RELATIVE IMPORTANCE OF LARGE AND SMALL BORROWERS

Table V shows loans and renewals by business and by size of borrower, as measured by total assets, indicating the portion of loans to each industry group going to small, medium-

TABLE IV
COMMERCIAL LOANS AND RENEWALS AT MEMBER BANKS, BY CLASS OF BANK, PURPOSE, AND BUSINESS OF BORROWER
APRIL 16-MAY 15, 1942
(In millions of dollars)

Business of Borrower	Central reserve city banks				Reserve city banks				Country banks			
	Total ¹	War	Non-war	Mixed war and non-war	Total ¹	War	Non-war	Mixed war and non-war	Total ¹	War	Non-war	Mixed war and non-war
Wholesale and retail trade.....	177.4	28.5	130.4	18.5	302.4	37.9	256.7	7.3	161.6	11.7	144.3	2.8
Total manufacturing and mining.....	364.9	133.0	212.3	19.6	372.9	176.8	178.7	16.7	145.9	58.7	79.0	7.6
Metal mining and products.....	90.9	81.6	8.4	.9	122.0	108.6	11.3	1.9	36.4	29.8	5.6	.9
Petroleum and products.....	6.2	3.2	2.3	.6	34.4	2.3	30.2	1.9	12.4	1.5	10.3	.5
Chemicals, drugs, rubber.....	11.4	5.5	5.1	.8	12.7	6.3	6.0	.5	3.5	1.2	2.1	.2
Textiles, apparel, leather.....	83.7	14.6	61.3	7.8	73.7	28.5	40.2	4.9	32.2	12.2	17.3	2.8
Food, liquor, tobacco.....	138.3	18.0	112.2	8.1	75.6	10.6	60.7	4.0	26.7	4.2	20.9	1.3
Other mfg. and mining.....	34.5	10.2	22.9	1.4	54.5	20.4	30.4	3.6	34.8	9.8	22.8	1.9
Building and construction.....	68.7	63.2	5.3	.1	133.0	109.2	21.8	1.3	61.8	35.8	24.5	1.0
Finance companies.....	66.3	2	65.8	.5	88.7	1.6	86.8	.2	21.4	.1	21.0	.1
Utilities, transportation, communication.....	12.5	5.2	6.5	.9	27.1	7.1	18.8	1.2	10.0	2.0	7.6	.4
Services.....	5.6	.9	4.7	.2	17.8	4.2	12.5	1.0	18.2	1.3	16.7	.1
All other.....	41.3	16.5	24.3	.5	69.8	7.5	59.4	2.6	47.2	4.1	42.3	.2
Total.....	736.8	247.2	449.2	40.1	1,011.6	344.3	634.6	30.2	466.2	113.7	335.2	12.2

¹ Includes a small amount of loans not classified as to purpose.

² Less than \$50,000.

SURVEY OF COMMERCIAL LOANS AT MEMBER BANKS

sized, and large firms. Less than 10 per cent of the dollar amount of all loans were to borrowers having assets of under \$50,000 each; only in the service industries and the miscellaneous group was this percentage much higher. The remaining 90 per cent of advances were evenly divided between the \$50,000 to \$500,000, the \$500,000 to \$5,000,000, and the over \$5,000,000 asset size groups, although the distribution varied considerably as between industries.

In number of loans, for which information is not shown in the tables published in this BULLETIN, 46 per cent were to borrowers in the smallest size group and 86 per cent to those with assets of less than \$500,000. The bulk of the loans of central reserve city banks, by dollar volume, was to borrowers in the two largest asset-size groups; most of those of reserve city banks were to borrowers in the two middle groups; while at country banks over three-fourths of all loans were to borrowers in the two smallest size groups.

Very large firms accounted for the bulk of the borrowing of finance companies, public utilities, and food, liquor, and tobacco manufacturers. In most industries, borrowers in the \$50,000 to \$5,000,000 asset size groups predominated, this concentration being especially evident in petroleum mining and manufacturing, building and construction operations, textile, apparel, and leather production, and wholesale and retail trade.

These figures show the portion of total loans in each industry going to different sized firms. Without comparison with information on the distribution of firms in each industry and on the dollar volume of business done by each size group, however, it is impossible to generalize from these data as to the extent to which the needs of different sized borrowers are supplied by banking funds. Additional data and more detailed analysis bearing on this and other points will be published in a later article.

TABLE V
COMMERCIAL LOANS AND RENEWALS AT MEMBER BANKS, BY BUSINESS AND ASSET SIZE OF BORROWER
APRIL 16-MAY 15, 1942

Business of Borrower	Amounts in millions of dollars					Per cent of industry total				
	Total ¹	Under \$50,000	\$50,000 to \$500,000	\$500,000 to \$5,000,000	\$5,000,000 and over	Total ¹	Under \$50,000	\$50,000 to \$500,000	\$500,000 to \$5,000,000	\$5,000,000 and over
Wholesale and retail trade.....	641.4	79.5	223.7	191.9	143.7	100.0	12.4	34.9	29.9	22.4
Total manufacturing and mining.....	883.7	42.8	233.2	299.2	305.4	100.0	4.8	26.4	33.9	34.6
Metal mining and products.....	249.2	8.7	51.5	92.0	95.5	100.0	3.5	20.7	36.9	38.3
Petroleum and products.....	52.9	4.3	16.5	25.5	6.5	100.0	8.1	31.2	48.2	12.3
Chemicals, drugs, rubber.....	27.6	1.6	5.5	7.4	13.0	100.0	5.8	19.9	26.8	47.1
Textiles, apparel, leather.....	189.6	11.4	74.1	70.8	32.8	100.0	6.0	39.1	37.3	17.3
Food, liquor, tobacco.....	240.6	7.7	39.9	58.9	133.1	100.0	3.2	16.6	24.5	55.3
Other manufacturing and mining.....	123.8	9.0	45.7	44.5	24.4	100.0	7.3	36.9	35.9	19.7
Building and construction.....	263.4	23.9	105.3	110.3	21.3	100.0	9.1	40.0	41.9	8.1
Finance companies.....	176.4	3.9	30.5	35.9	106.0	100.0	2.2	17.3	20.4	60.1
Utilities, transportation, communication.....	49.7	3.7	8.5	8.8	28.5	100.0	7.4	17.1	17.7	57.3
Services.....	41.6	13.2	15.4	8.6	4.0	100.0	31.7	37.0	20.7	9.6
All other.....	158.3	34.9	59.7	34.9	27.6	100.0	22.0	37.7	22.0	17.4
Total.....	2,214.5	201.9	676.3	689.6	636.4	100.0	9.1	30.5	31.1	28.7

¹ Includes a small amount of loans not classified as to size of borrower.

SURVEY OF COMMERCIAL LOANS AT MEMBER BANKS

TABLE VI
COMMERCIAL LOANS AND RENEWALS, AND NEW LOANS, AT MEMBER BANKS, BY PURPOSE AND BUSINESS OF BORROWER
APRIL 16-MAY 15, 1942

Business of Borrower	Amounts in millions of dollars				Per cent of industry total			
	Total ¹	War	Non-war	Mixed war and non-war	Total ¹	War	Non-war	Mixed war and non-war
All loans and renewals.....	2,214.5	706.2	1,419.9	82.4	100.0	31.9	64.1	3.7
New loans only.....	1,311.4	515.7	737.1	56.0	100.0	39.3	56.2	4.3
Wholesale and retail trade								
Loans and renewals.....	641.4	78.1	531.5	28.5	100.0	12.2	82.9	4.4
New loans only.....	377.7	62.1	290.0	24.2	100.0	16.4	76.8	6.4
Total manufacturing and mining								
Loans and renewals.....	883.7	368.5	470.2	44.0	100.0	41.7	53.2	5.0
New loans only.....	495.5	244.9	226.0	24.2	100.0	49.4	45.6	4.9
Metal mining and products								
Loans and renewals.....	249.2	220.1	25.3	3.7	100.0	88.3	10.2	1.5
New loans only.....	165.8	151.2	12.4	2.0	100.0	91.2	7.5	1.2
Petroleum and products								
Loans and renewals.....	52.9	7.0	42.8	3.1	100.0	13.2	80.8	5.8
New loans only.....	26.0	6.2	17.5	2.3	100.0	23.7	67.3	8.7
Chemicals, drugs, rubber								
Loans and renewals.....	27.6	12.9	13.3	1.4	100.0	46.9	48.1	5.0
New loans only.....	11.8	5.4	5.8	.5	100.0	46.1	49.5	4.3
Textiles, apparel, leather								
Loans and renewals.....	189.6	55.3	118.8	15.4	100.0	29.2	62.7	8.1
New loans only.....	102.8	33.0	63.0	6.8	100.0	32.1	61.3	6.6
Food, liquor, tobacco								
Loans and renewals.....	240.6	32.8	193.9	13.4	100.0	13.6	80.6	5.6
New loans only.....	122.5	25.4	88.3	8.6	100.0	20.8	72.1	7.0
Other manufacturing and mining								
Loans and renewals.....	123.8	40.4	76.2	6.9	100.0	32.7	61.5	5.6
New loans only.....	66.7	23.7	38.9	4.0	100.0	35.5	58.3	6.0
Building and construction								
Loans and renewals.....	263.4	209.0	51.6	2.4	100.0	79.3	19.6	.9
New loans only.....	192.7	165.1	25.8	1.5	100.0	85.7	13.4	.8
Finance companies								
Loans and renewals.....	176.4	1.7	173.6	.8	100.0	1.0	98.4	.4
New loans only.....	103.5	1.3	101.5	.7	100.0	1.2	98.1	.7
Utilities, transportation, communication								
Loans and renewals.....	49.7	14.3	32.8	2.4	100.0	28.8	66.1	4.9
New loans only.....	31.9	12.4	17.8	1.7	100.0	38.7	55.8	5.3
Services								
Loans and renewals.....	41.6	6.4	34.1	1.1	100.0	15.5	81.8	2.5
New loans only.....	21.0	4.8	15.2	1.0	100.0	22.7	72.3	4.8
All other								
Loans and renewals.....	158.3	28.1	126.0	3.3	100.0	17.7	79.6	2.1
New loans only.....	89.1	25.2	60.8	2.7	100.0	28.3	68.2	3.0

¹ Includes a small amount of loans not classified as to purpose.

REPORT TO THE CUBAN GOVERNMENT OF THE AMERICAN TECHNICAL MISSION TO CUBA

In September 1941, at the request of the Cuban Government, the Department of State organized the American Technical Mission to Cuba to recommend a program of monetary and banking reform in that country. The Treasury Department and the Board of Governors were requested to appoint members of their staffs to serve on the Mission, which was later augmented by a representative of the Farm Credit Administration. The Mission spent a number of weeks in Cuba studying material made available to it and interviewing Government officials, bankers, and other persons familiar with Cuban banking and credit needs. On November 26 it submitted its first report to the Cuban Government, dealing with temporary measures to meet the immediate situation. A second report was submitted on April 22, 1942, dealing with the establishment of a Cuban Central Bank and the reconstitution of the Cuban Stabilization Fund. The text of this second report, which has recently been made public by the Cuban Government, is given below, with some elimination or abbreviation of minor headings to conform to BULLETIN practice. A bill embodying most of the principal features of the report is now before the Cuban Congress.

The Mission continues in existence and is considering the problem of agricultural credit in Cuba as well as questions that have arisen in connection with the Central Bank and Stabilization Fund project. Its chief is H. D. White of the Treasury. The other members of the Mission are G. A. Eddy, F. A. Southard, Jr., and H. R. Spiegel, appointed from the Treasury Department; W. R. Gardner and G. B. Vest, from the Board of Governors of the Federal Reserve System; and A. T. Esgate, from the Farm Credit Administration.

INTRODUCTION

The Mission began its work with the realization that Cuban monetary and credit problems differ materially from those in the United States and that it is essential to devise and recommend a program suited to Cuba's special conditions. The Mission therefore has studied the existing Cuban monetary and credit organization and practice in order to provide a factual background against which to formulate its recommenda-

tions. What seem to be among Cuba's principal problems in the fields of money, foreign exchange, and bank credit are summarized briefly below so that the recommendations contained in the body of the report may appear in their proper setting.

CUBA'S DEPENDENCE UPON DOLLAR CURRENCY AND FOREIGN BANKS

For over 40 years the United States dollar has been legal tender in Cuba. Until recently dollar currency and dollar deposits have been the principal medium of exchange. Since the closing of three large Cuban banks in the depression following the last war, branch offices of United States and Canadian banks have handled most of Cuba's banking business. Cuba has been to a large extent an appendage of the United States dollar monetary system.

This status had some undoubted advantages. The money of Cuba, being dollars, could not depreciate in terms of the money of the United States, with which most of Cuba's trade took place. The branches of the United States and Canadian banks were exceptionally strong. Moreover, additional bank credit could be made available from the head offices whenever the branches felt that there was a good opportunity for additional loans.

DISADVANTAGES OF AN ALL-DOLLAR SYSTEM

Against these advantages, however, there have been several disadvantages, the importance of which may have increased considerably since 1929.

Since a Cuban bank of issue could not have issued United States dollars, Cuba's retention of dollars as its chief form of money made the establishment of a Cuban Central Bank virtually impossible. No Cuban authority could be charged with responsibility for the adequacy of, or given remedial powers over, the volume of currency and bank credit in Cuba. The total

quantity of currency, deposits, and bank loans in Cuba tended to be the resultant of the balance of international payments and the foreign banks' judgment of the risks of potential bank loans. These are sometimes (though not always) undesirable regulators of a nation's supply of money and credit and could hardly prove a satisfactory arrangement for a mature country. Many of the bankers themselves have regretted the situation, since, while they were interested primarily in certain types of banking business, almost all the country's credit needs devolved upon the foreign banks.

There have likewise been no Central Bank rediscounting facilities in Cuba to which banks could turn when in need of additional currency or lending capacity after their own loanable funds were fully utilized. Although the foreign branch banks could draw upon their home offices when they wished to, Cuban-owned banks have had to rely upon their own resources or borrow either from competitors or from banks abroad.

This lack of rediscounting facilities has doubtless been one of the factors retarding the development of Cuban-owned banks. There are today only four such banks, of which three are relatively small, and of which the combined deposits are less than 20 per cent of the total deposits in Cuba.

Use of any foreign currency as a domestic medium of exchange involves a substantial cost to a nation's economy. For Cuba the use of dollar currency is fully as costly as if its entire stock of domestic hand-to-hand currency consisted of gold coin purchased abroad at its full monetary value. In modern monetary systems it has become accepted practice to use as domestic means of payment (in addition to bank deposits) notes or coins the intrinsic value of which is far below their monetary value. They may, however, be secured in part by valuable metallic or foreign exchange reserves. If the dollar currency in Cuban circulation were replaced by an issue of Cuban currency, the dollars could enter an official exchange reserve which, to the extent that they were not required as a reserve for the newly issued Cuban currency,

would be available to the Cuban economy for financing imports, repaying foreign indebtedness, and the like. By using dollar currency internally, Cuba has postponed use of (but not lost) the opportunity to import more machinery, other productive equipment, or consumption goods, to liquidate foreign debts, or to make investments abroad.

During certain periods, furthermore, a loss to the Cuban economy may have been involved in some (but by no means all) of the dollar deposits in banks in Cuba against which the banks hold dollar balances abroad or other foreign assets.

It may be remarked, however, that the economic cost of using dollars in Cuba does not mean that foreign nations or foreign banks have been taking unfair advantage of Cuba. The foreign investments made in Cuba exceed the total imports of dollars many times over. Cuba on balance has received from abroad far more than she has sacrificed by using dollars as domestic money.

DISADVANTAGES OF COMBINED PESO-DOLLAR SYSTEM

Several acts and decree laws in the years 1932-1938 ordered the coinage of specified quantities of silver pesos. This marked the first important breach in the use of dollars in Cuba. The purchase of silver at the market price and its issuance as money (almost entirely as silver certificates secured peso for peso by coins) at the same monetary value as the United States silver dollar gave rise to important seigniorage profits, which covered part of the Government's expenses during those troubled years of Cuban history. As early as 1939 peso silver certificates had almost entirely replaced dollar currency in public circulation, and about half of the bank deposits were denominated in pesos.

Banks maintain almost fully covered positions in both currencies at all times. That is, they maintain their peso assets equal to their peso liabilities and their dollar assets equal to their dollar liabilities. To do otherwise would expose them to risks of fluctuations in the rate of exchange between dollars and pesos.

Cuba has made considerable progress away from the dollar system which formerly prevailed; nevertheless, the present mixed system also contains several pronounced shortcomings.

There being still no Central Bank, there is still no "lender of last resort" or bank of issue where banks can obtain additional peso currency or peso lending power when needed. At times there has been considerable stringency of peso lending power. Since certain types of loans are now normally made only in pesos (as a result of the law of July 8, 1939, for which see Section VI), this has been an added difficulty for certain types of potential borrowers.

The development of peso currency and deposits has not included the acquisition of an official store of international monetary reserves by use of which the value of the peso in foreign exchange markets can be supported. The principal type of such reserves which the Cuban Government now holds and could employ for this purpose is its store of silver, which might be sold abroad at the market price for silver bullion, far below its statutory peso value. This silver can be made available for export, however, only by retiring the peso silver certificates against which the coined silver is held as security.

For some time after the appearance of the first issues of peso currency, the Cuban balance of payments (supplemented by some export of dollars replaced by the new pesos) sufficed to keep the peso close to parity with the dollar. In 1938 and still more in 1939, however, the balance turned against the peso. As already stated, Cuba had no official agency with resources acceptable in the settlement of international balances. Consequently the value of the peso declined in terms of other currencies until the lower rate was sufficient to restore balance between the payments into pesos and payments out of pesos. Transfers out of pesos were no doubt increased by fears of still further depreciation.

Since then the balance of inter-currency payments has carried the peso exchange rate back to par with the dollar and even above. Only

the legal tender equality of dollars and pesos in Cuba has prevented the peso from going to a considerable premium. The right to import dollars to make peso payments has kept the rate down. In the process many millions of dollars have again gone into general Cuban circulation. Were they acquired instead by an official agency charged with the responsibility of stabilizing the foreign exchange value of the peso, this agency could give far more effective support to the peso, when necessary, than would a subsequent private reexport of these dollars.

Acquisition of a stock of imported gold or foreign exchange represents the same economic cost to Cuba as the import of dollars described above. To the extent necessary to build up a stock sufficient to give reasonable support to the peso during any future periods of adverse inter-currency payments, this cost is fully justified. Moreover, during the present war, when many types of imports are not available and when its exports promise to be exceptionally large, Cuba may inevitably acquire a stock of gold or dollars representing the postponement of a greater amount of potential imports than has ever been involved in Cuba's use of dollar currency. Nevertheless, the fact remains that Cuba does not have an effective arrangement for stabilizing the foreign exchange value of the peso when the current balance of inter-currency payments turns against it.

There is a strong tendency on the part of Cubans to keep savings and investments in dollars. Although in part these dollar savings may be invested in Cuba, they tend in part to become capital exports to the United States. This is, under ordinary circumstances, a severe drain upon the Cuban economy. Cuban prosperity under normal conditions will require extensive local investment of pesos annually.

WEAKENED DEMAND FOR MORTGAGES

The public's willingness to invest in Cuban mortgages is reported to have been shaken by moratorium legislation during the 1930's. The Mission was unable to explore this question extensively but testimony which it received

pointed to the conclusion that this legislation has given rise to fear of similar legislation in subsequent periods of economic difficulty and in consequence seems to have restricted the supply of funds seeking investment in Cuban mortgages.

PAUCITY OF FACILITIES FOR GOVERNMENT BORROWING

The Government has faced almost insurmountable difficulties in borrowing money in Cuba. Inability to engage in irresponsible or uneconomic borrowing should not, of course, be regarded as a difficulty. There are, however, some circumstances under which a national Government and official credit agencies should be able to borrow. Moreover, domestic borrowing is frequently strongly preferable to incurring debts in a foreign currency. It seems clear that Cuba's potential well-being will be hampered unless on the one hand investors' confidence in obligations of the Cuban Government is thoroughly justified and unless on the other the Government and its agencies have facilities in Cuba for floating economically desirable loans.

There are almost no lending agencies in Cuba other than banks, and only a limited market for corporate securities. Other nations have developed special institutions to meet particular types of credit needs, such as agricultural loans, home loans, industrial loans, etc. Some of these institutions have required considerable Government support.

RECOMMENDATIONS

The American Technical Mission to Cuba recommends the establishment of a central bank and the reconstitution of the Cuban Exchange Stabilization Fund. A well-managed central bank and a stabilization fund with more adequate resources would be able to ameliorate a number of the conditions now prevailing in Cuba which were cited in the introduction.

The Mission, however, does not wish to encourage expectations that a central bank and a stabilization fund will accomplish more than

is actually within their powers. The solution of many economic and financial difficulties far exceeds their capacity, no matter how skillful the management. Such institutions have not been able to shield other countries from severe economic maladjustments. Cuban conditions present special difficulties, and future events are sure to create new ones. Moreover, a poorly administered central bank or stabilization fund could add greatly to the difficulties that already exist.

Nevertheless, properly constituted and expertly managed, these institutions can provide that pooling and utilization of resources and that strong determination of policy which can furnish essential help to meet emergencies and be of important assistance in fostering economic development. Moreover, a good central bank is a prerequisite to many further measures to promote economic welfare. In the following recommendations the Mission has endeavored to set forth the characteristics of a central bank and stabilization fund which seem to it best calculated to meet the situation in Cuba. Superior management alone can assure the successful evolution of these institutions.

The detailed recommendations relating to the establishment of a central bank and reconstitution of the Cuban Stabilization Fund are presented on the following pages.

I. CAPITAL

The needs of the proposed Central Bank for capital would appear to be met satisfactorily by an original subscription of 5 million pesos of paid-in cash subscriptions and 3 million pesos to be credited to capital surplus and to be paid for by Cuban Government securities. Additional shares should be authorized for subsequent cash sale to allow for future growth.

Eight million pesos of capital funds at the outset seems well within the means of the Government and the banks. At the same time it is a sufficient sum to serve the Central Bank's need for capital. The ratio between this capital and surplus and the Bank's prospective liabilities compares favorably with similar ratios found in

other central banks. The ratio between this capital and surplus and the Bank's prospective assets subject to possible depreciation is also favorable. This total of capital funds should give the Cuban public confidence in the solvency and soundness of their Central Bank while on the other hand avoiding over-capitalization. It should be possible for the Bank, under reasonably favorable circumstances, to earn enough to pay a fair return to its shareholders.

SOURCES AND RATES OF SUBSCRIPTIONS

An equitable means of raising this capital appears to be as follows: Each bank conducting a checking-account business in the Republic of Cuba will be required to subscribe an amount equal to 2 per cent of its total deposits (both demand and savings) in some designated base period for shares designated as Class A, and the Government of the Republic will subscribe for enough additional shares designated as Class B to bring the total paid-in cash capital to 5 million pesos. In the event of any impairment of capital, Class A shares should be given preference over the Class B shares. At current deposit levels, the banks would subscribe about 3 million pesos and the Government about 2 million. As set forth in greater detail below, the Government will provide the capital surplus in its entirety.

A word of explanation is perhaps necessary on basing banks' subscriptions on their deposits rather than on their capital as is the method in many other countries. A majority of the banks operating in Cuba are branches of large foreign banks and have in Cuba either a token capital or no separate capital whatever. Required bank subscriptions to stock of the Central Bank cannot appropriately be determined on the basis of such capitalizations. It would not appear to be to Cuba's interest to require that separate capital be provided for the Cuban branches of well-established, sound foreign banks. This is discussed further in a later section. There is obviously no need to require each bank to alter its present capitalization merely to provide a

basis for compulsory subscriptions to Central Bank stock.

The deposits of a commercial bank are a fair measure of its size and importance. The Mission has therefore recommended that they be used as the basis for determining the subscription of each bank to shares of the Central Bank. It is reasonable that a bank's participation in the Central Bank should be roughly in proportion to its size and importance in the banking community.

Subscriptions equal to 2 per cent of deposits are not an onerous burden on the banks; a lower rate would not yield a sufficiently substantial sum.

As their deposits increase banks should periodically—probably once a year—be required to increase their holdings of the Central Bank's stock to equal 2 per cent of their deposits averaged over the preceding year or some other practical period. Similarly, should there be a decrease in the deposits of a bank, there should be a corresponding reduction in its requirement to hold Central Bank shares, although it might well be provided that a bank would not be compelled to sell shares back to the Central Bank under these circumstances in case it wished to retain them.

Whenever commercial banks are required to purchase additional shares, it seems appropriate that the Government be permitted, at its discretion, to resell to the Central Bank a like number of its shares, which it had purchased for cash. In this way the paid-in capital stock would be maintained at least at 5 million pesos and the Government would continue to furnish all the capital funds subjected to greatest risk, namely, the capital surplus. In case the Government did not wish to sell its shares, or if all the Government's shares had been redistributed among the banks, the Central Bank would sell additional, hitherto unissued, shares as required. An initial authorization of 10 million pesos of stock should provide adequately for growth for a number of years.

Purchases of additional shares as well as re-

demption of shares held by commercial banks should be at par. It might be provided that transfer of shares should take place just after dividend dates, in order to avoid adjustments in price for unpaid dividends.

Provision should be made for the Bank to redeem upon reasonable notice any of its shares held by banks which desired to liquidate their Cuban business.

Care should be taken to protect the banks against loss of principal on their subscriptions, since this would impair the assets covering their deposit liabilities to the public. It will be noted that no recommendation has been made for double liability of shareholders in the Central Bank, and there is no provision for unpaid subscriptions which could be called for payment at times which might be embarrassing. More important still, the Government is supplying a protective cushion upon which any losses will fall before impairing the shares of the commercial banks. Initially this cushion will be approximately 5 million pesos, one and two-thirds times larger than the aggregate subscription of the banks. In fact, this initial amount of Government funds is larger than seems desirable once the Bank has been firmly established. It is made as large as it is only in order to furnish the Central Bank an ample initial amount of cash capital without burdening the commercial banks. As the deposits of the latter grow, it seems appropriate, as recommended above, that they should purchase some of the shares which the Government paid for in cash.

PAID-IN SURPLUS

It seems desirable that there should be a substantial surplus, in addition to paid-in capital, at the time the Central Bank begins business. This surplus would serve several uses. First, it would contribute to the confidence of the public in the Central Bank in the early period of the Bank's existence. Second, it would, within the limit of its amount, permit the absorption of losses without impairment to the paid-in capital

of 5 million pesos. The Mission is therefore recommending a capital surplus of 3 million pesos.

In view of the role which the Government should play in the management of the Bank and in the distribution of the Bank's earnings, it is felt that the Government, rather than the commercial banks, should contribute the capital surplus. Further, the Mission recommends that if the capital surplus is reduced to 1 million pesos, the Government should restore it to 3 million pesos.

The initial and any subsequent contribution to capital surplus should be made by the Government's issuing special Treasury securities to the Central Bank. This method of contribution is well designed to meet the special circumstances in Cuba. It would reduce to a minimum the actual cash payment that the Government would have to make to the Central Bank and, at the same time, the Central Bank could have the full advantages of a capital surplus. It is not necessary that the surplus be paid in to the Central Bank in the form of cash.

The securities which the Government would turn over to the Central Bank as capital surplus could be used by the Central Bank in two ways. First, they would constitute sound assets able to make up any possible loss suffered on the Bank's other assets up to the extent of 3 million pesos without the impairment of the Bank's capital. Second, the Central Bank could use some of these securities for open-market operations if necessary.

The Mission recommends that these securities be Treasury bills bearing no interest and having no specified maturity but payable 90 days after sale by the Central Bank. The Bank would be able to sell these obligations when necessary at a discount which should be less than 1 per cent. Upon their sale they would automatically become Treasury bills, payable in 90 days, sold on a discount basis as are Treasury bills in the United States and England. In order that the securities contributed by the Government for the capital surplus of the Bank may be adequate

to produce 3 million pesos when and if sold on the market as indicated, it is recommended that the Government turn over to the Bank initially for this purpose securities with a face value of 3,030,000 pesos. With this amount of such securities on hand, a possible discount of 1 per cent will be provided for, and the Bank may then show a capital surplus on its balance sheet of 3 million pesos.

Formal acknowledgment on the Bank's balance sheet of the Government's contribution of the capital surplus seems desirable.

SAVINGS BANKS

The existence of well-managed savings banks might be of considerable benefit to Cuba. Should such banks develop or should savings banks be specially provided for in legislation, consideration should be given to making membership in the Central Bank available to them. Their growth and soundness would be enhanced if they were permitted, when occasion demanded, to obtain liquidity of sound assets at the Central Bank rather than by forced liquidation.

DIVIDENDS AND FURTHER DISPOSITION OF EARNINGS

It seems wise that the first claim upon the earnings of the Bank after providing for minimum reserves should be a moderate dividend for the shareholding banks. The rate might be limited to 3 or 4 per cent, cumulative. Although this rate is lower than the maximum rate on Federal Reserve Bank stock in the United States, the latter rate was selected in 1913, when interest rates in the United States generally were much higher than today. Moreover, the United States Government did not subscribe to Federal Reserve Bank stock.

After dividends to member banks, the Central Bank should pay residual earnings to the Treasury of the Republic. Such payments would be an appropriate method of compensating the Government for giving the Bank the monopoly of issuing currency notes and of holding banks' legal reserves, both of which

are properly privileges or responsibilities of the State, and also for the Government's subscription to capital and capital surplus. Residual earnings should be paid to the Government, however, only after building up some earned surplus out of which to meet expenses, losses, and dividends during adverse periods. Statement in the law of a formula for the disposition of surplus is therefore suggested, somewhat as follows:

At the discretion of the directors the Bank may build up earned surplus and reserves against anticipated losses without paying dividends, but dividends shall be cumulative and no earnings shall be paid to the Government so long as there are any dividend arrears. After payment of full dividends, the Bank's earnings shall be divided as follows:

50 per cent to the Government and 50 per cent to surplus till an earned surplus of 3.5 million pesos has been accumulated; 75 per cent to the Government and 25 per cent to surplus till an earned surplus of 7.0 million pesos has been accumulated; thereafter 100 per cent to the Government.

In the event of liquidation of the Central Bank, any surplus after retiring stock held by banks at par plus dividends accrued and earned shall revert to the Government.

PROFITS NOT A MEASURE OF BANK'S VALUE

The Central Bank should not be operated primarily to obtain profits nor will its record of profits be an adequate measure either of the Bank's usefulness to Cuba or of its soundness as a financial institution. In its capacity as a bank of issue, as a regulator of credit, as a central reserve for banking funds and as a public depository, the benefits rendered by the Central Bank will be manifested in many direct and indirect ways quite apart from its annual distribution of dividends and profits. For this reason there is in the mind of the Mission a clear argument in favor of confining the Government's participation in the Bank's earnings to that of a receiver of those profits which remain after dividends have been paid to member banks and

after adequate provision has been made for surplus and special reserves.

II. MANAGEMENT

The Mission has studied with particular care the problem of the composition and method of selection of the management. On the one hand, it is the conviction of the Mission that the responsibility for the country's monetary and banking system and policies must rest primarily with the Government and that therefore at least a majority of the management should be selected by or approved by the Government. On the other hand, it is equally clear that there must be a satisfactory balance of representation, that members should have a sufficient tenure of office to provide for some continuity of experience, and that precautions should be taken to obtain competent and independent management. Above all, it is of the utmost importance to establish a method likely to lead to the selection of the best available persons for management of the Bank.

THE BOARD OF DIRECTORS

Accordingly, the Mission recommends that control of the Central Bank should be placed in a board of directors composed and selected as follows:

The Governor of the Bank, to be selected by the President of the Republic.

The Minister of Finance, *ex officio*, or, at his discretion, an alternate designated by the Minister to serve for so long a time as the Minister may wish.

The head of the Agricultural Bank, *ex officio*, if such a Bank is created and is designed to have an officer appropriate to serve as director of the Central Bank. Until he shall be appointed, the place may be filled by a third Class B director (see below).

Two Class A directors, to be selected by the President of the Republic for their competence and experience in the field of banking, one from a panel nominated by the Cuban banks and one from a panel nominated by the foreign banks in Cuba.

Two Class B directors, to be selected by the President, in the light of their business or agricultural experience.

All directors should be chosen, not simply as representatives of special groups with which they may have been associated, but because of their competence and devotion to the general welfare, and in the light of their training and experience. The several directors should be selected with a view to obtaining a board with broad experience in Cuba's various economic pursuits.

The Class A and Class B directors might be given staggered terms of two years each. Directors should be eligible for reappointment.

The Governor of the Bank should have a term of three to five years and should be eligible for reappointment.

It is recommended that the directors be paid only a modest compensation, per meeting, plus direct expenses. The salary of the Governor of the Bank should be stipulated by law. The Governor, the Finance Minister, and the head of the Agricultural Bank should receive no extra compensation for acting as members of the board except for any direct expenses incurred.

The duties of the board of directors should be stated in the broadest possible terms since the board is ultimately responsible for the management of the Bank. The board should be given responsibility for all major policy decisions. It should also be given powers to delegate authority to committees or officers of the Bank.

PLANS FOR A SUPERIOR BANKING COUNCIL

In the several studies of Cuban banking needs which have been made by the Cuban Government, there has been provision for a Superior Banking Council. It was proposed in these studies to provide this Council with power over the Central Bank in all major policy matters and even in many matters of detail concerning Central Bank operations.

The Mission has given careful consideration to the desirability of providing for a Council of this sort and is in sympathy with the objectives which it is hoped to reach through the function

of a Superior Banking Council. However, to establish a Council with powers superior in all important respects to those of the Central Bank and staffed with full-time officers and employees, seems both undesirable and unnecessary, in conjunction with a Central Bank such as is recommended in this report. It is undesirable first because it would place the Bank's board of directors in such a position of inferiority as to make it doubtful that well-qualified persons would accept membership on the board, and second because there would be uneconomical duplication of function and personnel between the Council and the Bank. The principal objectives sought through the Council are believed to be attained in the Mission's recommendations by other means.

THE ADVISORY COUNCIL ON MONETARY POLICY

Nevertheless, functions of considerable usefulness could be performed by a small advisory council of Government officials and others, acting mainly through occasional meeting and with indirect rather than direct powers over the Central Bank. The Mission therefore recommends the establishment of an Advisory Council on Monetary Policy, made up of the Ministers of Finance, Agriculture, Commerce, and Labor, and three others appointed by the President. Of the President's appointees, one might be selected from the faculty of the University of Havana, and one might be a man, either in Cuba or from abroad, who is experienced in central banking problems.

The duties of the Council should primarily be to consult and advise with both the Government and the Bank on major matters of credit policy which particularly affect the public welfare. Ultimate responsibility for policies of the Central Bank should be left with the Bank's board of directors, but the Council would have the prerogative of making its views on policy known to the board whenever the Council desired, of requesting explanations from the Bank on its actions, and of calling attention to neglected problems, and would have certain duties

indicated in a later section in regard to deficiencies in the Central Bank's required reserves.

At any time the Council should have the right to request that the Bank make an explanation in writing of any current policy. In addition, the Bank should be required to make an annual report to the President, with a copy to the Council, explaining all major policies carried out during the year and giving the reasons therefor.

MEETINGS OF STOCKHOLDERS

In view of the recommendations made above for selecting the management of the Bank, the functions remaining for action by the stockholders of the Bank as such are relatively few. Meetings of the Central Bank's shareholders may be provided for to receive the annual report of earnings, discuss matters relating to the Bank, and attend to other technical requirements of the Bank's corporate existence. Furthermore, the panels for the selection of Class A directors might be selected by the member banks on the occasion of the annual meeting of shareholders.

III. LOANS AND INVESTMENTS

The making of loans and investments is probably the most important single function of a central bank. It includes refusing unsafe, improper, or excessive loans and investments as well as making positive commitments with courage and discrimination; influence upon borrowers to improve the character of obligations which may be acquired by the bank; skillful timing of operations; and enlightened management of the total volume of its credit outstanding. The Cuban Central Bank will survive or fall, will benefit Cuba or leave it worse off than if the Bank had never been created, depending on the quality of the Bank's policies in this vital field.

The Central Bank will normally confine its loans to (or make its investments in the obligations of) banks, the Central Government itself, the Stabilization Fund, and any governmental credit institutions which may be created. Recommendations concerning these uses of

central bank credit will be discussed in that order.

ACCOMMODATION TO BANKS

Regarding accommodation to banks, it has been customary in central bank laws to define in considerable detail the credit instruments eligible for rediscount. Nevertheless, in the opinion of qualified observers the results of such detailed statutory definition in the United States have not been altogether satisfactory and have resulted in significant inflexibility of rediscounting operations, with few compensating advantages. The Mission therefore recommends that a broad and simple formula be written into the Cuban law to govern the Bank's selection of the credit instruments which it may consider for rediscount.

Until the banks in Cuba shall have obtained some experience with central bank operations, it seems advisable to confine normal rediscounting to the better recognized types of self-liquidating, short-term credit instruments. To this end it should be provided that the Central Bank may at its discretion rediscount self-liquidating obligations of a quality recognized as sound by the best banking standards bearing the name of at least one person or firm of proven responsibility and endorsed by a stockholding bank, with a maturity of not more than 120 days from the date of discount, or 180 days in the case of obligations issued for agricultural purposes.

The Bank should also have the power to make advances to stockholding banks secured by assets eligible for rediscount or purchase by the Central Bank, provided the advances have a maturity of not more than 90 days.

However, in order to give the Bank scope and flexibility to meet special unforeseeable conditions, the Mission recommends that, in addition to the rediscount powers enumerated above, the Central Bank be authorized to make advances to stockholding banks with a maturity of not more than 90 days on the security of any assets satisfactory to the Central Bank (whether or not

eligible for rediscount or purchase) upon the affirmative vote of five directors.

The Bank should be authorized to issue regulations concerning obligations it will accept for rediscount or as collateral for advances.

SOLVENCY OF OBLIGORS

For example, before it acquires any obligations dependent for their value in whole or in part upon the endorsement of a shareholding bank, the Central Bank might desire to have on file a recent proven statement of the adequacy and soundness of the bank's assets. The proof might consist of an audit by public accountants acceptable to the Central Bank or certification by qualified bank examiners, including, if necessary, examiners employed by the Central Bank. Concerning the Cuban branches of foreign banks authoritative statements as to the condition of either the Cuban branches alone or the bank as a whole may be acceptable, provided the full credit of the entire institution stands as security for all liabilities of Cuban branches. Further, before being accepted for rediscount, all obligations bearing the names of business firms or individuals (in addition to the endorsement of a bank) should be supported by authenticated financial statements of the principal parties to such paper.

The Bank should regulate its rediscounts not only by the rediscount rates charged the borrowing banks, but also by scrutiny of individual documents presented for rediscount and by direct refusals to rediscount when this seems desirable or necessary. The right and the duty of the Bank to discriminate between desirable and undesirable loans should be clearly stated in the law.

RESPONSIBILITY FOR GENERAL CREDIT CONDITIONS

During periods of threatened undesirable credit contraction the Central Bank should not necessarily confine itself to rediscounting self-liquidating obligations of prime quality. The Bank should feel responsibility for the credit structure as a whole, for the general level of

business activity and employment, and for the market for obligations of the Cuban Government and Government agencies. If measures with respect to normally rediscountable paper are inadequate, more aggressive steps should be adopted at the most effective time, with due recognition of the Bank's limitations.

LOANS TO THE GOVERNMENT

The Central Bank should be empowered to give reasonable assistance to the Central Government. Although there is an inclination in some quarters to regard any central bank accommodation to governments as dangerous, it seems abundantly clear that a moderate amount of such accommodation is not only desirable under certain conditions but much less dangerous than a strict prohibition against it. The Cuban Government should not, of course, rely upon Central Bank credit as a substitute for taxation or borrowing from the public. Caution and wisdom should be applied in determining the appropriate amount of Central Bank credit. Under ordinary circumstances and especially during unusually prosperous years, it is questionable whether the Bank should make any advances to the Government, unless short-term financing to meet seasonal fluctuations in the Government's revenues cannot be obtained at reasonable rates from other sources. However, greater Central Bank assistance during periods of trade depression may be essential to the financial and economic welfare of the country. The funds should, of course, be scrupulously guarded from uses involving political favoritism or waste.

The Mission recommends that the Bank be authorized to make loans to the Government with a maturity of one year or less, on the affirmative vote of five members of the board of directors, provided that the net total of the loans made during any one year (excluding refunding) does not exceed five per cent of the Government's budgeted expenditures during the then-current fiscal year. An amount in excess of five per cent can be advanced only on the af-

firmative vote of six members of the board of directors.

It should be clearly understood, however, that any loans to the Government are at the discretion of the Bank, and that the Bank may reject the Government's requests for advances either for reasons of general credit policy or for other considerations of the public welfare. At the same time, the Bank should always be mindful of its special responsibilities concerning the credit of the Government.

When, as the result of such advances made over the course of two years or more, the total of such direct loans outstanding on the books of the Bank has reached an amount equal to 10 per cent of the annual average budgeted expenditures during the current and next preceding fiscal years, no further advances should be made to the Government except on the affirmative vote of six directors.

Furthermore, the law should specify that in no case may an excess over the 10 per cent referred to above continue to be outstanding for more than two years in any four-year period.

The Central Bank should help finance the Stabilization Fund's accumulations of gold or foreign exchange. This is discussed in detail in Section VII.

ASSISTANCE TO OFFICIAL CREDIT AGENCIES

Another important use of central bank credit is loans to (or investments in the securities of) official lending agencies. The American Mission is strongly of the opinion that the Cuban economy is in need of an official or semi-official agency to extend credit for agricultural purposes and that consideration should be given to the advisability of establishing agencies for industrial, public works and mortgage purposes. The Mission hopes shortly to submit a report on an agricultural lending institution. The Central Bank in turn should be authorized to give reasonable assistance to such agencies and should be directed to foster their sound development so far as is consistent with its general credit policy.

It is a distinct possibility, as well as a desirable one, that a good share of future credit expansion in Cuba will occur through such lending institutions.

More specifically, the Bank should be authorized at its discretion to acquire obligations of these agencies subject to some general protective limitations. The limitations might take the form of a provision that the obligations must be short-term and possibly bear the guarantee of the Government and that not more than some moderate proportion, perhaps 15 per cent, of the Central Bank's assets may consist of the obligations of any one of these agencies. It is not possible at this time to foresee with accuracy the maximum extent to which the Central Bank may advisably finance the agricultural and other Government credit agencies. The Mission therefore recommends that at the end of two years the Bank, with the approval of the President of the Republic, may increase the above proportion to not more than 20 per cent. Any further increase in the percentage should be legislatively determined. Obligations of such agencies rediscounted with the endorsement of a shareholding bank are to be regarded as coming outside of the percentage limitation just mentioned.

EMERGENCY LOANS TO PUBLIC

With the possible exception of extreme emergencies the Central Bank should not make loans directly to the public. Private lending agencies can not be expected to stay in business in direct competition with a central bank which is given monopolies of note issue and holding other banks' reserves. The Bank has the further advantages of partial exemption from taxes and services of management paid in part from other sources. Furthermore, there are important advantages to a central bank in having business loans and most bank investments made by independent, privately-managed banks. The pressure upon a semi-governmental bank to make particular loans or investments which may be undesirable can readily become intolerable.

Only, therefore, in special emergencies of credit contraction when normal banking facilities are seriously disrupted and when banks against their wish are forced to call in old loans and to refuse new ones, should the Central Bank be authorized to lend directly to the public. Such emergencies should be recognized to exist only upon proclamation by the President of the Republic (possibly with the consent of the Senate), and all loans to the public by the Central Bank might properly require an affirmative vote of five directors.

OPEN-MARKET OPERATIONS

Quite apart from its direct loans and advances, the Bank should be given the powers necessary to implement its open-market policy. The Bank should have the authority to buy and sell securities in the open market at times when it wishes either to increase or to decrease the funds available to the banking system. In this connection the Bank should be authorized to purchase direct obligations of the Republic of Cuba which have been outstanding in the open market for one year or more, short-term debentures or notes of Government credit agencies, and interest-bearing obligations of the Stabilization Fund (for which see Section VII below), whenever such purchases are required to carry out the Bank's open-market policy. Obligations of the Government issued within the preceding year may also be purchased in the open market, but all such purchases, as well as purchases of obligations of official credit agencies, should come within the respective percentage limitations recommended above. It should be required that all securities for the open-market portfolio should be purchased in the open market at prevailing prices. If the available supply of the obligations named above is too small to permit effective open-market policy, the purchase should be permitted of other seasoned, first-grade bonds which have been outstanding for two years or more.

The Bank should, of course, be empowered at

its discretion to sell any assets which it is authorized to acquire.

When a market for Government securities has developed to the point where the Central Bank would be justified in undertaking limited stabilizing operations in the market for new issues of Cuban Government securities for brief periods, consideration can be given to adding to the powers of the Central Bank in this respect. The Mission recognizes that if and when an agricultural bank is established, its long-term, mortgage-secured bonds will in due time be offered in the investment market. Consideration of the relationship of the Central Bank to those securities may well be postponed until plans for the agricultural bank are more fully determined.

The statute might include a provision prohibiting purchase of or lending upon assets issued to finance speculation in stocks, real estate, or commodities.

NECESSARY LIMITATIONS ON CENTRAL BANK CREDIT

It may be desirable at this point to call attention to the fact that a central bank can not be regarded as a source of unlimited financing for all desirable purposes. Loans and investments made by the central bank increase (in the absence of offsetting changes) either the currency held by the public or the legal reserves of the banks. For all increases in the reserves of banks arising from an expansion of central bank credit there are likely to be corresponding increases in the bank deposits held by the public. Increases in their reserves give the banks the means with which to expand their own loans and investments. For all commercial banks taken collectively, additional reserves permit an aggregate expansion of their loans and investments several times the amount of the increase in reserves.

CONTROL OF MEMBER BANK RESERVES

One of the basic duties of a central bank is to maintain the volume of the member banks' reserves at a level consistent with and conducive

to the best interests of Cuba. The volume of reserves must not be permitted to stimulate the banks to expand their loans and investments to excess. Consequently the Central Bank must regulate the total of its own loans and investments so as not to cause a damaging over-expansion of member bank credit.

One aspect of this responsibility is that the Central Bank must not extend an excessive amount of credit to official lending agencies. Such agencies must be prepared to obtain much and at times all of their loanable funds from sources other than the Central Bank.

NEED FOR CONFIDENCE IN MORTGAGES AND SECURITIES

One of the conditions in Cuba repeatedly described to the Mission during its investigations was the impaired public confidence in mortgages and other secured obligations. Much of this lack of confidence was attributed to the mortgage moratorium laws of recent years.

The effectiveness of a central bank will be considerably reduced in Cuba unless it is possible to develop willingness on the part of investors to purchase well-secured obligations of official credit agencies and of the Government. In order to help develop such confidence, it is essential that the public have faith in the fair and impartial treatment of creditors by the Government. Any opportunities utilized to demonstrate the Cuban Government's resolve to treat creditors with complete fairness should be of distinct benefit to the long-run development of Cuba's economic welfare. The Mission urges that careful and prompt consideration be given to a review of the entire mortgage moratorium situation in Cuba in order that the Central Bank and any agricultural bank which may be established may carry out their operations under reasonably favorable conditions.

IV. NOTE ISSUE AND THE RESERVE REQUIREMENTS OF THE CENTRAL BANK

The Mission recommends that the Central Bank be given the exclusive power to issue

paper currency in Cuba and that the Bank's notes be given legal tender status.

The Bank should take over the liability for outstanding issues of silver certificates and the gold and silver coin held as cover against them.

NOTES AGAINST WHICH BANK MUST HOLD RESERVES

The Mission suggests, further, that these issues should be regarded as a volume of currency to which Cuba has already become adjusted. Accordingly the Bank should be required to maintain legal reserves only against its notes which constitute a net increase in Cuba's total issues of currency outstanding at the time the Central Bank begins operations. These issues should include silver certificates and one-peso coins held by the banks and the public but not coins held as cover for silver certificates.

The replacement of silver certificates by Central Bank notes would thus not affect the reserve requirements of the Central Bank in any way. For example, if silver certificates outstanding are 100 million pesos when the Bank starts business (assuming approximately 20 million to have been issued under pending legislation), only the Bank's notes which, when added to the amount of silver certificates and one-peso coins still outstanding, are in excess of 100 million, would be subject to reserve requirements. The Bank's notes that replace the silver certificates and represent no net increase in peso currency or coin outstanding would require no reserve.

DISPOSITION OF SILVER COIN RESERVE AGAINST CERTIFICATES

The silver pesos received by the Bank need be retained only so long as silver certificates covered by the coined pesos remain outstanding. As the certificates are replaced by bank notes, either because they are worn out or because the Bank wishes to retire them, the silver coin need no longer be held as cover for silver certificates. Some asset, however, equal to the monetary value of the silver coins will be needed to keep the Bank's assets equal to its liabilities.

Therefore, if at some time it should appear opportune to the Bank to dispose of its silver coin at bullion value, it would be necessary for the Bank to obtain some asset equal to the difference between the coin's monetary and bullion values. The Mission recommends that in this event the Government turn over to the Bank special Government certificates with a face value equal to this difference, bearing no interest and having no maturity.

RESERVE REQUIREMENT AGAINST THE BANK'S NOTES

The reserve requirement against the Banks' notes which the Mission recommends is the moderate ratio of 25 per cent. This ratio, as stated above, would apply to all note issues of the Bank in excess of the amount of Cuban currency (including one-peso coins) outstanding when the Bank begins business.

The Mission recommends that the only legal reserves of the Central Bank be obligations of the Stabilization Fund secured 100 per cent by gold or foreign exchange. These obligations are described in full in Section VII.

Whenever the legal reserves of the Bank fall below the required level, the Bank's policies should become subject to constant review by the Advisory Council. Unless authorized to the contrary by the Council, the Bank should immediately undertake measures to restore the required reserve ratio. If the Council is not satisfied with the measures adopted by the Bank it should have the authority to require the Bank to alter its program. This authority should continue in force until the legal reserves are once again at or above the minimum requirements.

The question of whether the 25 per cent reserve requirement, with a similar flexibility as regards reserve deficiencies, should apply to Central Bank deposits has produced two viewpoints within the Mission. The entire Mission is agreed that dollar deposits of the Bank should be regarded as outside the peso system and should be fully covered by dollar assets in accordance with the best practice of the commer-

cial banks. This is discussed further in Section VI.

MAJORITY'S REASONS FOR NOMINAL CENTRAL BANK RESERVE REQUIREMENTS

Against the Bank's peso deposits, however, the majority of the Mission recommends that no reserves be required. The principal reasons for this view are the belief that the Bank's statutory reserve requirements should be as low as public opinion will allow and that as little prestige as possible should be given to the desirability of maintaining any fixed percentage of reserves. The Mission regards as fallacious the view sometimes held that high Central Bank reserve requirements of gold or foreign exchange are a useful means of assuring the foreign exchange stability of a currency. At times large official holdings of gold or foreign exchange may be desirable, but at all times they should be fully available for export. Immobilized reserves are of no direct utility in maintaining the value of a currency. Only reserves which may be exported, that is which may be used to finance payments abroad, are of value for this purpose. Reserves required to be held against the Central Bank's liabilities can be fully mobilized only by elimination of those liabilities, unless there is some such flexible arrangement as is envisaged in both the majority and minority viewpoints in this section. Such drastic credit contraction may be so damaging to the national welfare that it becomes a practical impossibility. As already stated, the Mission believes that Central Bank credit policies should be guided by more discriminating criteria than rigid reserve formulas.

The Mission is well aware that it has been customary for central banks to maintain reserves not only against their notes but also against their deposits. In the preceding paragraph is set forth the conviction that Cuba should, so far as possible, maintain its stock of gold and foreign exchange for stabilization purposes. Even though the Bank's aggregate reserve requirements would be low on the basis of immediately prospective liabilities, the ma-

jority do not wish to require large reserves to be held when the Bank's liabilities shall have grown substantially. In order to avoid this, the majority recommends that every practicable measure be taken to prevent the banking structure of the country from being linked so closely to gold or foreign exchange as to subject that structure to shocks of a deflationary sort at a time of balance of payments maladjustment. Furthermore, it is desired to avoid popular alarm due to the common misconception of the significance of central bank reserve requirements.

It probably must be recognized that lay opinion will not be fully content with a central banking system in which neither notes nor deposits have some sort of gold or foreign exchange reserve. For this reason the majority recommends a statutory reserve requirement of gold and foreign exchange against the notes issued by the Central Bank. As to the peso deposits of the Central Bank, however, the majority believes that there need be no required reserves of international money.

MINORITY RECOMMENDATION OF RESERVE REQUIREMENTS AGAINST DEPOSITS

Some members of the Mission, however, believe that the Bank should be required to hold reserves against both peso notes and deposits. They consider that deposits, fully as much as notes, represent central bank credit, the volume of which should be limited in some measure with relation to the gold and foreign exchange resources of the country. They are further of the opinion that Cuba's gold and foreign exchange resources will be ample to provide the necessary reserves against deposits without any restriction of the legitimate credit activities of the Central Bank. On the basis of the January figures (shown in the appendix at the end of this report) 25 per cent reserves against peso deposits of the Central Bank would amount to 4 million pesos. A doubling of the peso deposits in the hands of the Cuban public would raise these required reserves of the Central Bank to only 8 million pesos. Owing to the large fiduciary issue of notes for which provision is

made in this report, required reserves of the Central Bank against notes are likely to be negligible when the Bank begins business. Virtually the only reserves required would be those against deposits. Since the Cuban Stabilization Fund already had 8 million dollars at the end of March, and there were possibly 30 million dollars of United States currency in the hands of the Cuban public most of which should, under the new system, be replaced with pesos and acquired by the Government; and since the prospects are that the Cuban balance of international payments during the war will lead to far greater acquisitions of dollars, these members of the Mission believe that Cuba is well able to adopt what appears to them to be a more rational system of reserve requirements. In this connection they are impressed by the fact that the reserve requirements are not absolute, but allow for a smooth adjustment in the unlikely event that reserves fall below the legal minimum.

The type of reserve requirement recommended (whether against notes only or against both notes and deposits) gives some warning when the volume of Central Bank credit is out of line with the resources of the Fund, and it provides for corrective action; but it does not rigidly force the Bank into action which may be inappropriate to the economic situation at the time. If the Bank's reserves are deficient, for instance, because a bad sugar crop and an adverse balance of trade are draining the Fund's resources, the Bank may well decide that the internal situation in Cuba requires support rather than further pressure toward contraction. In such a case, the Bank might extend credit freely as the best means of meeting the situation, pending the adoption of other measures to balance Cuba's international position. In pursuing this policy the Bank would, however, have to have the approval of the Advisory Council.

SIGNIFICANCE OF INTERNATIONAL RESERVES FOR CREDIT POLICY

The entire Mission agrees that the Bank should not expect to receive from the level of the

Fund's holdings of gold or foreign exchange its principal guidance either to expand or to contract credit. Developments of recent years cast serious doubt on the wisdom of determining domestic credit policy solely on the basis of a country's holdings of international reserves. Able and far-sighted central bank management should, under some conditions, encourage the expansion of bank loans even when there is only a small reserve of gold or foreign exchange and, under other conditions, a discriminating or restrictive credit policy may be desirable even though a country holds a large amount of gold or foreign exchange. It seems clearly possible that both of the hypothetical conditions just stated may sometime occur in Cuba. These problems are discussed further in Section VII.

V. RESERVE REQUIREMENTS OF COMMERCIAL BANKS

The Mission believes that the requirement of the Cuban Commercial Code that banks hold reserves of 25 per cent of their deposits should be continued subject to possible modification by the Central Bank under special, limited circumstances. The law should require that at least four-fifths of the 25 per cent be held in deposits at the Central Bank. The law should also require the same reserve against savings deposits subject to reduction at the discretion of the Central Bank to a minimum of 5 per cent. Coincident with this power to reduce these requirements, the Bank should have the power to define such deposits and issue regulations concerning them. The currency in which these reserves must be held is discussed in the next section.

In case of threatened over-extension of bank loans or investments, the Bank should have the power to require that commercial banks hold peso reserves higher than those regularly required.

In the interest of Cuban welfare as well as in justice to the banks, limitations should be written into the law designed to protect the banks against injury from application of this power. The higher reserve requirement ratio should apply only to demand deposits in excess of those held by each bank at the time the increase

is ordered. Furthermore, it should be required that the Central Bank make what provisions are necessary to allow banks to take care of any firm commitments to lend entered into before the increase is announced. It should also be clearly understood that banks will be permitted to levy charges on bank depositors sufficient to cover the costs of maintaining checking services, including among the costs a fair profit on the banks' capital in Cuba. These costs are ordinarily covered by the income from the banks' earning assets, but if they are not permitted to increase their earning assets as their deposits increase, the banks should be compensated through service charges. The Central Bank should also be authorized to make adjustments for new banks in order to permit them some degree of expansion of credit.

The Bank should have the power to cancel any increase in reserve requirements above 25 per cent. In periods of emergency the Bank should also have the power to reduce reserve requirements below 25 per cent.

VI. THE STATUS OF THE DOLLAR IN CUBA

Special problems are raised by the existence in Cuba of a large volume of bank deposits, bank loans, securities, and currency, all denominated in United States dollars, side by side with similar instruments denominated in pesos. An exact statement of the degree to which this dual monetary system is disadvantageous to Cuba will not be undertaken in this report. Nevertheless, the disadvantages seem clearly to preponderate.

The Mission believes that Cuba should progress from a dual peso-dollar system to an all-peso system by gradual, voluntary stages. Legislation to enforce an abrupt, compulsory conversion seems likely to do more harm than good. The transition should be brought about by increasing the prestige of the peso through careful and wise monetary policies.

The Mission recommends that the legal tender power of United States dollars be terminated at once. But it doubts that other impediments against their use or measures forcing dollars out of Cuba would be in Cuba's interest at this

time. Obligations denominated in dollars should be payable in dollars with full legal sanction. The Stabilization Fund and the Central Bank should then devote themselves to the task of winning full public confidence that pesos are more desirable than dollars for people in Cuba to hold and use.

At some future time, consideration should be given to imposing additional, mild deterrents to the internal use of dollars, possibly including taxation at a very low rate on all transfers from pesos into dollars, extra charges or taxes upon the keeping of dollar bank balances, and other measures.

Ending the legal tender power of dollars will probably render obsolete the provisions of the law of July 8, 1939, whereby banks are required to meet dollar liabilities in dollars but certain classes of bank borrowers (as well as other debtors) may repay dollar loans with a like number of pesos, regardless of the current exchange rate. Even though this provision of the law should have become ineffective, the Mission believes that it would be advisable that this provision of the law be specifically repealed. Obligations should be payable only in the currency in which they are denominated. With the peso at parity with the dollar, repeal of this law will cause no burden upon anyone.

The provision of this law which apparently results in penalizing any person quoting a foreign exchange rate for the peso lower than the previous quotation should also be repealed. It is now generally recognized that it is based upon a misconception of how an untrammelled foreign exchange market should work and prohibits banks, which are foreign exchange brokers, from responding to the forces of supply and demand in both directions. The repeal of this law would be more a matter of principle than of important effect, since the Stabilization Fund should succeed in eliminating all but trifling fluctuations in the rate of exchange.

DOLLAR POSITION OF BANKS

So long as dollar bank balances exist in Cuba, banks should be required by law to keep their dollar assets and their peso assets in substantial

balance with their respective dollar and peso liabilities. Such legislation will only make compulsory what is understood already to be the firm practice of the banks now in Cuba.

The Mission recommends further that banks be permitted to hold their legal reserves against dollar deposits in dollars for a period of five years. Peso reserves would have to be held against peso deposits. After five years, banks should be required to hold all their legal reserves in pesos. This provision will give ample warning of the change and should end uncertainty concerning the proportion of dollars and pesos required to be held as commercial bank reserves. It will also give the commercial banks ample opportunity to induce their customers to hold deposits in pesos rather than in dollars.

Against all its deposit liabilities denominated in dollars (including the member banks' reserve deposits referred to just above), the Central Bank should be required to keep a 100 per cent cover of high-grade, liquid dollar assets.

VII. THE STABILIZATION FUND AND ITS RELATION TO THE CENTRAL BANK

The Mission recommends that the Cuban Stabilization Fund be empowered to acquire gold and foreign exchange and to use those holdings to stabilize the foreign exchange value of the peso during periods when the balance of payments is adverse. In order to build up such holdings, the Fund should have at its disposal adequate peso financing, so that it can retain gold or foreign exchange until needed.

FUND'S PREVIOUS LACK OF PESO FINANCING

The Fund as now constituted has usually had to sell its acquisitions of dollars within a very short time. The Fund's principal source of foreign exchange has been the dollars which sugar and molasses exporters were required to deliver to the Fund at par. They were entitled to receive prompt payment of a like number of pesos. While the Fund had access to general Treasury funds, the Treasury has usually needed all its funds within brief intervals to meet budgetary expenditures. Some of the Fund's dollars were purchased by the Treasury at par to meet the Government's expenditures abroad.

The Fund was obliged to sell most of its remaining dollars in the foreign exchange market in order to obtain pesos with which to reimburse the exporters delivering dollars. The Fund could retain only whatever premium there was on the dollar. When the dollar was at par or at a small discount, as in the first quarter of 1942, there was no profit in such operations and there may have been a loss.

BALANCE OF INTER-CURRENCY PAYMENTS

Lack of adequate peso financing has not been the only factor preventing the Fund from building up a stock of gold or foreign exchange in the period prior to the last quarter of 1941. While the peso was at a discount, any attempt by the Fund to accumulate foreign exchange would have tended to depress it further.

In recent months, however, the peso has gone to a premium. Were the dollar not used directly as money in Cuba, the Fund would currently be engaged in acquiring dollars in exchange for pesos on a substantial scale. The Mission is recommending a peso system for Cuba with Fund operations on whatever scale is needed to maintain parity between the peso and the dollar.

LOCATION OF THE FUND

A good case exists either for placing a country's foreign exchange stabilization operations in the central bank or for establishing an independent fund. The difference between the two methods is perhaps more apparent than real.

If the central bank buys the gold or foreign exchange, each peso's worth that is acquired will ordinarily be financed by an increase of one peso in the central bank's outstanding bank-note or deposit liabilities. If the stabilization fund is independent or is a part of the Treasury, the acquisition of monetary gold or foreign exchange may be financed by issuing against the gold and foreign exchange acquired some obligation such as gold or foreign exchange certificates. These could be designed to serve either as circulating currency or as the means of obtaining a deposit in the central bank.

If, however, the monetary authorities desire to

finance the increase in the stock of gold or dollars without issuing new money, it is possible to do so, whether the fund is part of the bank or separate from it, by means which are discussed below.

The Mission feels that there is a preponderance of advantage at the present time in making the Cuban Stabilization Fund separate from the Central Bank, for the following reasons: (1) Responsibility for the foreign exchange value of the peso and operations to stabilize that value should be placed in an agency fully responsible to the Government. (2) Profits or losses arising from stabilization operations should be for the account of the Government and this accounting can be carried on more conveniently and understandably when the Fund is separate than when it is part of the Bank. (3) A separate Fund makes it easier to handle the financing of acquisitions of gold and foreign exchange by borrowing from the public. The significance of this measure is discussed further on in this section.

The management of the existing Stabilization Fund in Cuba is wholly within the Treasury. With the establishment of a Central Bank it appears advisable to the Mission that the Governor of the Bank should participate in the management of the Fund just as the Minister of Finance participates in the management of the Bank. The community of interests and problems is so close that this mingling of the managements should contribute to efficiency and unified policy. The Mission therefore recommends that the Stabilization Fund be administered by a committee composed of three members: the Minister of Finance, who should be chairman, an appointee of the Minister of Finance, and the Governor of the Central Bank.

OVERDRAFT METHOD OF FURNISHING PESOS

Probably the simplest method for financing the peso requirements of an independent Fund is to give it the right to incur a peso overdraft at the Central Bank up to the cost of any gold or foreign exchange added to the Fund's holdings. When the Fund buys gold or foreign

exchange—either in the open market or from exporters delivering dollars as the law now requires—the Fund can pay for it with a check drawn on the Central Bank, in pesos. The check being acceptable at any bank, the seller of the gold or foreign exchange will receive payment at his convenience. When the check is presented to the Central Bank in turn by a commercial bank, both the Central Bank's liabilities (either notes or deposits due to banks) and the Bank's assets—i.e. the overdraft of the Stabilization Fund—will increase by equal amounts.

Unless considerations of Central Bank credit policy dictate otherwise, the overdraft need not be repaid until the Fund wishes to use the gold or foreign exchange securing it. At that time the Fund will support the peso in the foreign exchange market by selling gold or foreign exchange in exchange for pesos. The pesos so obtained will be applied on the Fund's overdraft at the Bank.

The Mission recommends that when this Central Bank overdraft method is used to finance accumulation of gold and foreign exchange, the overdrafts bear no interest and have no maturity. This will give the Fund the approximate equivalent, so far as ability to obtain pesos is concerned, of the United States procedure of financing acquisitions of gold by issuing gold certificates to the Federal Reserve Banks.

The Fund should retain title to any gold or foreign exchange which it acquires, but the gold or foreign exchange could be held by the Central Bank as trustee.

EFFECT ON COMMERCIAL BANK RESERVES

As already stated, use of Central Bank overdrafts to pay for accumulations of gold and foreign exchange will increase, peso for peso, the currency or bank deposits held by the public, provided that offsetting changes do not take place. The public's monetary habits will automatically determine whether the increase occurs in currency or in deposits. To the extent that it occurs in deposits, the overdraft method will result also in increasing the reserves of the commercial banks by a like amount. These in turn

will be the legal basis for a multiple expansion of commercial bank credit, as discussed in Section III. Under some circumstances, increases of member bank reserves freely available for the expansion of bank loans and investments may be regarded as undesirable.

During the war, when Cuba's balance of international payments may result in very large net payments to Cuba, the financing of the Fund may be a major influence in the domestic credit situation. The Central Bank should be given power to regulate this financing in so far as possible so as not to cause undesirable effects on domestic credit conditions. If it should be made compulsory that the Bank finance the Fund without interest and without limit, the Bank would probably be unable to pursue a policy of moderating credit expansion in the years immediately ahead without at least resorting to strong emergency measures of control.

The Bank will not have ordinary loans, or assets suitable for sale in the open market, in nearly sufficient volume to absorb the member bank reserves created in financing the Fund. Cuba's favorable trade balance during the coming year will probably exceed 100 million dollars. Part of this balance may be left abroad or placed in dollar deposits in Cuba, but in addition to the trade balance there will be several other sources of dollars which may be offered to the Fund. More than 30 million dollars were estimated to be in public circulation in Cuba at the end of March, and this may be offered in large part to the Fund. To the extent that proceeds of the 25 million dollars credit from the Export-Import Bank and the 20 million dollars Reconstruction Finance Corporation advance for the development of Cuban nickel deposits are spent in Cuba rather than for imports from the United States, they will have to be converted into pesos. It would be unsafe not to reckon with a possible acquisition of at least 50 million dollars—perhaps several times that figure—by the Fund in the next year or two. The appendix to this report shows what might be the effect on the domestic credit situation of an acquisition of 50 million dollars by the Stabilization Fund.

TWO SPECIAL POWERS TO CONTROL BANK CREDIT

To deal with such a situation, the Mission recommends that the Bank be given two special powers: first, the power to raise the legal reserve requirements of commercial banks, as stated in Section V, and second, the power to compel the Fund to obtain its pesos outside the Central Bank. Other measures which may be necessary to prevent inflation in Cuba lie outside the usual functions of a central bank, though of course the Bank may give advice to the Government on their adoption.

By use of the power to raise reserve requirements the Central Bank could limit the further expansion of bank loans and investments to any degree desired, although frequent changes in reserve requirements would be inadvisable. The qualifying provisions recommended in Section V would make unnecessary any forced contraction of loans and investments already made. Each bank could continue to maintain its previous volume of loans and investments outstanding, with such further growth as the Central Bank and the conditions permitted. Furthermore, banks could continue to receive their previous income from loans and investments, possibly augmented by some increase in interest rates and income from service charges sufficient to compensate for the cost of deposits against which high reserves were required.

The second special control which the Mission recommends is that the Central Bank be given the power to require the Fund to cease drawing upon it, or even to reduce its overdraft to any extent and at any time the Central Bank deems it advisable. Exercise of this power by the Bank should require an affirmative vote of five directors. The effectiveness of this power as a credit-control device is readily apparent: buying gold or foreign exchange with pesos obtained from sources other than the Central Bank tends to prevent the growth of legal bank reserves.

To the extent that the Fund had to finance its acquisitions outside the Central Bank it could draw upon the general revenues of the Treasury, or it could sell a new type of credit instrument to the market. The Mission suggests that this

new instrument might be a short-term note of the Government secured by the gold and dollars of the Fund. The Mission has been informed that a note so secured would have exceptional credit standing in the Cuban market and under ordinary circumstances would sell readily at a very low rate of interest. Of course, if a firm money policy were being put into effect by the Central Bank, the rate of interest on these notes would reflect the general high level of interest rates, although it should still have a considerable differential in its favor.

The extent to which the gold and dollars acquired by the Fund should be prevented from having the effect of increasing the reserves of the commercial banks should be left for determination in the light of circumstances current at the time.

In all probability interest paid on these Fund notes to make them acceptable to lenders will ultimately have to be paid by the Government out of its general funds. The interest payments will probably exceed any profits which the Fund can make by stabilization operations around par of exchange. On the other hand, Stabilization Fund notes fully secured by gold or dollars should be salable at considerably lower interest cost than other obligations of the Cuban Government or of official credit agencies such as an agricultural bank. At any time when, for reasons of credit policy, only a limited amount of Central Bank credit can be made available to the Central Government, official credit agencies, and the Fund, combined, it may be a net saving to the Government as a whole if the Fund is financed partly in the open market, leaving the available Central Bank credit for the Government or the lending agencies. Thereby obligations bearing the lowest rates of interest would be sold to the open market while obligations bearing higher rates of interest would be bought by the Central Bank. Since the Government is the residual beneficiary of Central Bank earnings, this procedure would reduce the Government's net cost of borrowing.

CREDIT POLICY IN RELATION TO INTERNATIONAL RESERVES

A threatened excess of gold or foreign exchange in Cuba should probably be regarded as abnormal. In setting up the Central Bank attention must also be paid to the opposite possibility, that of the exchange stabilization authorities having difficulty in meeting an adverse balance of international payments.

The Mission fully recognizes the importance of protecting the exchange stabilizing operations of the Stabilization Fund from excessive credit expansion permitted by the Central Bank. The Fund is responsible for maintaining the foreign exchange value of the pesos issued by the Bank. Conceivably the Bank might render the Fund's task impossible if it allowed an expansion of credit without relation to the gold and foreign exchange resources of the Fund. Cuba's economy is markedly dependent on export markets for sale of its production and on imports for supplies of many types of goods. Accordingly the Bank's decision to stimulate domestic purchasing power must be guided by the danger of engendering a demand for imports larger than current exports can pay for, after meeting other necessary foreign payments. The Mission therefore recommends that Central Bank credit policies be determined with constant reference to the resources of the Fund and to the problem of maintaining the foreign exchange stability of the peso. The presence on the Bank's board of directors of two of the three members of the Fund's management should serve in large part to integrate their respective policies.

EMERGENCY EXCHANGE LICENSING

To provide for the possibility that Cuba may some day be faced with a net balance of foreign payments so adverse as to exhaust (or threaten to exhaust) the official holdings of gold and foreign exchange, the Mission recommends that the framework be set up within which it will be possible to subject all foreign exchange transactions to license. Such a step may be a

necessary preliminary to a basic adjustment of the exchange rate or other measures designed to permit reopening of a free exchange market on a secure basis. Or it might prove desirable under the circumstances of the time to continue the moderating influence exerted by a licensing system upon such foreign payments as excessive imports, speculation against the peso, heavy purchases of foreign securities, flight of capital, etc. The President should be authorized, on the advice of the Stabilization Fund Committee, to require licensing of foreign exchange transactions by the Minister of Finance. Whether or not this power is ever utilized is left to the judgment of the Cuban monetary authorities in power when the need may arise. It is an emergency power which should be used only when the Fund's capacity to stabilize exchange threatens to be inadequate.

DOUBTFUL USEFULNESS OF EXCHANGE DEPRECIATION

Although not wishing to restrict the judgment of those authorities acting in the light of actual future conditions, the Mission, as suggested in the previous paragraph, holds the view that for Cuba some measure of foreign exchange rationing is preferable to efforts to restore balance of payments equilibrium by wide or frequent fluctuations in the foreign exchange rate. In support of this view it may be argued, first, that Cuban exports will not be increased substantially by depreciation of the peso; second, that the value of Cuban imports will not be reduced to a sufficient degree or in a desirable manner by a depreciating peso; and third, that transfers of funds abroad may be so aggravated by depreciation or the fear of further depreciation that it will do considerably more harm than good. These suggestions, however, apply only to conditions which can now be foreseen.

The Mission fully recognizes the possibility that future events may cause the peso to become overvalued or undervalued in relation to other currencies. At such a time the foreign exchange authorities may conclude that this over-

valuation or undervaluation reflects enduring maladjustment in Cuban costs and prices in relation to those abroad. In this event, it would be appropriate to recommend to the Cuban Congress a change in the price of gold and hence in the par of exchange.

Under present and prospective conditions, however, the Mission believes that the statutory gold value of the peso should be set at parity with the United States gold dollar and that the Cuban Stabilization Fund should maintain the foreign exchange value of the peso within a range of minor, technical fluctuations around parity, i.e. within a range of not more than two per cent in either direction. Central Bank credit policy should be determined in full consideration of Cuba's exchange outlook, but, when appropriate domestic credit policy and other measures are unable to keep the balance of foreign payments in equilibrium, the Government should, in the opinion of the Mission, expect to achieve a more satisfactory adjustment by directly restraining certain types of international transactions, or by a basic revaluation of the peso, than by a policy of exchange depreciation.

SUMMARY OF RECOMMENDATIONS OF SECTION VII

Specifically, and in recapitulation, the Mission makes the following recommendations concerning the establishment and functioning of a Cuban Stabilization Fund and concerning the disposition of Cuba's gold and foreign exchange reserves:

(1) Cuba's stocks of monetary gold and foreign exchange should be segregated in a Stabilization Fund to be used for the stabilization of the peso. The Fund should be charged with the responsibility of purchasing, holding, and selling gold and foreign exchange to stabilize the peso. The Fund should stabilize the foreign exchange value of the peso at the equivalent of the gold value of the peso, allowing only minor, technical fluctuations around that level.

(2) Management of the Fund should rest with a committee of three, consisting of the Minister

of Finance, the Governor of the Central Bank, both *ex officio*, and one member selected by the Minister of Finance.

(3) The Fund should be authorized to obtain pesos from the Central Bank with which to purchase gold or foreign exchange on the basis of overdraft facilities bearing no interest and having no maturity but fully secured by gold or foreign exchange. In addition to incurring overdrafts at the Central Bank, the Fund should be authorized to borrow from the public (including the commercial banks) on interest-bearing notes secured by gold and foreign exchange. The Fund should be authorized to pledge its holdings of gold and foreign exchange to secure these notes. The Central Bank should have the power to require the Stabilization Fund to cease expanding its overdraft at the Bank or to reduce it to any extent the Bank deems advisable.

(4) Profits and losses from the operation of the Fund should be for the account of the Treasury.

(5) The Fund should be required to publish audited reports showing the disposition of profits and any disposition of foreign exchange or gold made at prices other than the prevailing market price at reasonable intervals after the transactions take place.

(6) The President of the Republic should have power to order, on the recommendations of the Fund Committee, that any or all foreign exchange transactions, imports, exports, and international movements of funds be subject to license by the Minister of Finance.

(7) The Fund should be authorized to hold pesos against its overdrafts at the Central Bank, in any form acceptable to the Bank.

The purpose of this provision is to make it possible, when desirable, not to reveal the time and the magnitude of the operations of the Stabilization Fund. Operations may be conducted in confidence much more successfully if, at a time when the Fund is selling its gold or dollars in order to support the peso, it can maintain its overdraft at the Central Bank rather than reduce it as soon as gold or dollars

are sold. Otherwise, the Fund's operations and the size of its holdings of gold and foreign exchange could readily be detected through an inspection of the changes in the size of the Fund's overdraft in the balance sheet of the Central Bank. The overdraft may be maintained unchanged if the Fund is permitted to secure its overdraft either with gold and foreign exchange or with pesos. As gold and foreign exchange are withdrawn, pesos obtained from their sale could be substituted. The security for the overdraft would still be complete. To preserve its control over bank reserves, the Bank should be given authority over the form in which the Fund may keep its peso holdings, as between currency, deposits in the Central Bank, or deposits elsewhere.

(8) The Fund should be permitted to invest in high-grade foreign securities any of its gold or foreign exchange not pledged as security for its liabilities with due regard to the need to have a considerable portion of its foreign exchange resources sufficiently liquid for immediate use.

VIII. MISCELLANEOUS PROVISIONS

The Bank should be authorized to hold deposits only of commercial banks, the Government, governmental institutions, and foreign governments and central banks. Deposits may be accepted in any currency at the discretion of the Bank.

The law might provide for the adoption of some symbol for the peso in order to facilitate its differentiation from the dollar.

The Bank should have the power to require examinations and statements of condition of banks in Cuba audited by public accountants acceptable to the Bank, and to authorize or prohibit the opening of new banks and branches.

The Bank should be authorized to conduct research, to publish bulletins and reports, and to obtain information necessary for the conduct and formation of its policies.

The Central Bank should be the fiscal agent of the Treasury of the Republic, and as such should perform such services as are typically

required of fiscal agents by the Minister of Finance. Expenses due directly to the carrying out of such services should be reimbursed to the Bank by the Treasury.

The Central Bank should be free of certain taxes (to be specified by Cuban tax specialists). It possibly should have the mail franking privilege, though this is not essential.

The Bank probably should have the power to establish branches and agencies.

SUMMARY OF PRINCIPAL RECOMMENDATIONS

I. CAPITAL

- 5 million pesos in cash of which about 3 million to be subscribed by member banks and about 2 million by the Government.
- 3 million pesos of capital surplus, to be contributed by the Government in the form of special Treasury obligations.

Dividends on member-bank shares to be limited to 4 per cent; the Government to receive no dividends, but to receive all earnings after provision for earned surplus, which accumulates on behalf of the Government.

II. MANAGEMENT

A Board of Directors of seven members to control the Bank. The members will include:

The Governor of the Bank, selected by the President.

The Finance Minister, *ex officio*.

The head of the Agricultural Bank or an additional Class B director.

Two Class A directors appointed by the President from panels nominated by the member banks.

Two Class B directors appointed by the President.

An Advisory Council on Monetary Policy, composed of Cabinet officers and Presidential appointees, to consult and advise with the Government and the Bank on major matters of credit policy.

III. LOANS AND INVESTMENTS

The Bank shall have the power to:

Rediscount for member banks 120 day commercial and 180 day agricultural paper or make 90 day advances secured by such paper.

Make direct emergency 90 day loans to member banks on any sound assets.

Extend loans to the Government, subject to specified limitations.

Extend loans to official credit agencies, subject to specified limitations.

Help finance the Stabilization Fund's accumulation of gold or foreign exchange.

Make direct loans to the public under specified emergency conditions.

Carry out open-market purchases and sales to implement credit policy.

IV. NOTE ISSUE AND THE RESERVE REQUIREMENTS OF THE CENTRAL BANK

The Bank to have the exclusive note issue power.

The Bank to assume the silver certificate liability and the silver peso reserves.

The Bank to maintain a reserve against its notes (and possibly its peso deposits) of 25 per cent in the gold- or dollar-secured overdrafts of the Stabilization Fund, subject to emergency relaxation. This reserve requirement not to apply against notes issued by the Bank to replace silver certificates.

The Bank to hold full dollar cover against dollar deposits.

V. RESERVE REQUIREMENTS OF COMMERCIAL BANKS

The commercial banks to hold reserves of 25 per cent of their deposits (in the currency of the deposit), of which four-fifths is to be maintained as a balance in the Central Bank.

The Bank to have power to vary reserve requirements of member banks as a means of credit control, with limitations on this power designed to protect the interest of the banks.

REPORT OF THE AMERICAN TECHNICAL MISSION TO CUBA

VI. STATUS OF THE DOLLAR IN CUBA

The legal tender power of the dollar to be terminated at once, but banks to be required to hold dollar assets substantially equal to their dollar liabilities.

At the end of five years all legal reserves to be held in pesos.

VII. THE STABILIZATION FUND AND ITS RELATION TO THE CENTRAL BANK

The stocks of monetary gold and foreign exchange to be segregated in a Stabilization Fund, to be administered, for the account of the Government, by the Finance

Minister, the Governor of the Bank, and an appointee of the Finance Minister.

The Fund to finance its operations by interest-free overdraft at the Central Bank unless the Bank, for reasons of credit policy, withdraws this privilege, in which case the Fund is to turn to the Treasury or the money market for accommodation.

The Fund to stabilize the foreign exchange value of the peso at the equivalent of the gold value of the peso, permitting only minor technical fluctuations.

Power to change the price of gold (and hence parity of the peso) to rest with Congress.

G. A. EDDY, Treasury Department

A. T. ESGATE, Farm Credit Administration

W. R. GARDNER, Board of Governors of the Federal Reserve System

F. A. SOUTHARD, JR., Treasury Department

H. R. SPIEGEL, Treasury Department

G. B. VEST, Board of Governors of the Federal Reserve System

H. D. WHITE, Chief of Mission, Treasury Department

APPENDIX

TENTATIVE BALANCE SHEETS OF THE PROPOSED CENTRAL BANK

Case I. The balance sheet of the Central Bank, set up in accordance with the terms of this report and on the basis of the Cuban currency and deposit figures of January 31, 1942, would look somewhat as follows:

[In millions of pesos or dollars: \$]			
Assets		Liabilities	
a. Silver coin.....	78	g. Silver certificates.....	79
b. Silver certificates.....	16	h. Bank's own notes.....	0
c. Fund overdraft.....	2	i. Government deposit.....	1
d. Securities without interest	3	j. Commercial banks: 20%	
e. Earning assets.....	2	of peso deposits.....	13
Total peso assets.....	101	k. Capital: Banks.....	3
f. Dollar currency.....	\$14	l. Government.....	2
Total assets.....	115	m. Capital Surplus.....	3
Related Items		n. Total peso liabilities.....	101
Peso notes outside banks..	58	of dollar deposits.....	\$14
Peso cash in commercial banks:		Total liabilities.....	115
o. Legal minimum (5% of peso deposits).....	3	Related Items	
p. Excess reserves.....	7	Required reserves of Central Bank:	
Commercial bank deposits:		25% of its notes.....	0
Peso.....	67	25% of its peso deposits (if required).....	4
Dollar.....	\$72	100% of its dollar deposits.....	\$14
Total.....	139		

Each of the items in the balance sheet above may be briefly explained. When the Bank assumes the liability for the 79 million pesos of silver certificates outstanding on January 31, 1942 (item *g*), it will receive the 78 million pesos of silver coin held against them (item *a*) and the 1 million pesos of gold so held. It is assumed that the Fund, which will hold the official gold and foreign exchange of Cuba, buys this 1 million pesos of gold by a corresponding overdraft on the Bank (item *c*). The overdraft is increased to 2 million pesos when the Fund buys the 1 million of dollar currency which the Government held on January 31, 1942, and which is assumed to be deposited with the Central Bank (item *i*). The 2 million of peso currency that the Government held on January 31, 1942, is assumed to be paid in as the Government's subscription to the capital stock of the Bank (item *l*), an operation which contributes 2 million pesos to the Bank's holdings of silver certificates (item *b*). The

remaining 14 million pesos of silver certificates in this item are deposited by the commercial banks. These banks had 24 million pesos of silver certificates and coin in their vaults on January 31, 1942. Under the plan proposed they could count only 3 million pesos of this (5 per cent of their peso deposits: item *o*) toward meeting their legal requirements. They might wish to hold another 7 million pesos (10 per cent of their peso deposits: item *p*) in excess of the legal minimum as working reserves. This would leave them only 14 million pesos of silver certificates to pay in to the Central Bank as a subscription to capital (item *k*: 3 million pesos) and toward providing the reserve balances (item *j*: 13 million pesos) which the law will require them to keep with the Central Bank. The 14 million pesos of silver certificates are thus 2 million pesos short of the 16 million required for capital and reserve balances. This 2 million pesos the commercial banks may borrow directly from the Central Bank or the Central Bank may put the funds out through loans to the Government or to the Agricultural Bank (if it is in existence) or possibly through open-market operations. Whatever the method, earning assets of the Bank (item *e*) will amount to 2 million pesos. The 3 million peso surplus of the Bank (item *m*) is contributed by the Government in the form of securities without interest (item *d*). This accounts for all the peso items. The dollar items reflect the fact that the commercial banks are required to pay in 20 per cent of their dollar deposits (item *n*) in the form of dollar currency (item *f*). Should the Central Bank in order to obtain earnings invest this currency in dollar securities abroad, which it has the right to do, item *f* would change its title accordingly; but the transaction would be without effect on the peso balance sheet and would add nothing to the Bank's power to influence the volume of peso credit through open-market operations.

Case II. The main report has called attention to the wide range of possibilities in Cuba's balance of international payments during the war. The surplus on merchandise trade may

be more than 100 million dollars a year. Some of this will be used in payment of dividends abroad and for other purposes and much of what is not used up may be held in the form of dollars instead of being converted into pesos. The outcome is unpredictable, but it would be reasonable to suppose that the Stabilization Fund will be called upon to buy at least 50 million dollars in the next year or two. If exporters and others generally convert their accruing dollars into pesos, Fund acquisitions may be several times this figure.

Should 50 million dollars be acquired by the Fund by means of an overdraft on the Central Bank, and should the resulting 50 million pesos go half into circulation and half into commercial bank deposits, the Central Bank's balance sheet and related items presented in Case I would be altered as shown below:

(In millions of pesos or dollars: \$)			
Assets		Liabilities	
Silver coin.....	78	Silver certificates.....	79
Silver certificates.....	0	Bank's own notes.....	29*
Fund overdraft.....	52	Government deposit.....	1
Securities without interest..	3	Commercial banks: 20% of	
Earning assets.....	2	peso deposits.....	18*
Total dollar assets.....	135	Capital: Banks.....	3
Dollar currency.....	\$14	Government.....	2
Total assets.....	149	Capital Surplus.....	3
Related Items		Total peso liabilities.....	135
Peso notes outside banks...	83	Commercial banks: 20% of	
Peso cash in commercial		dollar deposits.....	\$14
banks:		Total liabilities.....	149
Legal minimum (5% of		Related Items	
peso deposits).....	5	Required reserves of Cen-	
Excess reserves.....	25*	tral Bank:	
Commercial bank deposits:		25% of its notes.....	7*
Peso.....	92	25% of its peso deposits	
Dollar.....	\$72	(if required).....	5*
Total.....	164	100% of its dollar deposits. \$14	

* To the extent that excess reserves are kept in the form of balances at the Central Bank, the Bank's issue of its own notes will be reduced, and its required reserves will be altered accordingly.

Meanwhile dollar deposits of the commercial banks could grow rapidly without affecting the peso earning assets of the Central Bank. Their only effect on the peso balance sheet would be to increase capital subscriptions, which the banks are required to make at the rate of 2 per cent of their total deposits, and to cut down correspondingly the Central Bank's note issues. The reduction in note issues would occur because the commercial banks would use their idle excess reserves (in the form of currency in their vaults) to make the capital subscription.

Several comments may be made on this second balance sheet. There has been a primary expansion of 50 million pesos in the Cuban public's means of peso payment. Money in circulation outside the commercial banks has risen 43 per cent as compared with Case I. Peso deposits have risen 37 per cent and dollar deposits, although not shown as increasing in the table, could in fact increase by much greater percentages without material effect upon peso earning assets of the Bank. These peso loans or earning assets remain at the low figure of 2 million pesos (i.e. no additional loans have been made to the commercial banks, the Government, or the proposed agricultural bank). Should the Bank allow its loans to run off completely and should it convert its 3 million pesos of Government securities without interest into 90-day bills and sell them to the market, as it has the right to do, it would diminish the peso reserves of the commercial banks by only 5 million. The commercial banks hold 48 million pesos of reserves—25 million pesos more than the 23 million (25 per cent of 92 million of peso deposits) which the law requires them to keep either with the Central Bank or in their own vaults. This 25 million pesos of excess reserves would be reduced to 20 million if the Central Bank eliminated its earning assets and sold all its securities without interest; but the 20 million, amounting to 22 per cent of the expanded volume of peso deposits, would still be far greater than any reasonable working needs of the commercial banks, which in Case I were assumed to be 10 per cent of peso deposits—a generous figure.

On the basis of these excess reserves the commercial banks could expand their loans and deposits still further in an active business situation, the exact amount depending upon how much the public added to their pocket money instead of increasing their deposits at the banks. It is clear that if the Central Bank wished to prevent this secondary expansion of currency and deposits in Cuba, the only instrument it could employ would be that of requiring the Fund to reduce its overdraft.

To the extent that the Fund used Treasury revenues for this purpose or borrowed from the commercial banks (or from the depositors at these banks) excess reserves of the commercial banks would be drawn upon to pay off the Fund's overdraft at the Central Bank and hence would disappear.

While it is true that the only instrument the Central Bank could use to eliminate secondary expansion on the basis of excess reserves once they had accumulated (as in Case II) is that of requiring the Fund to repay a portion of its overdraft, the excess reserves might have been prevented from appearing at all had the commercial banks been required to hold 100 per cent reserves from the very first against any expansion of deposits. Even this extreme use of the power to raise reserve requirements, however, would not prevent the primary 50 million peso increase in Cuban currency and deposits resulting from a Fund purchase of 50 million dollars through overdraft at the Central Bank. It is also unlikely that a primary expansion of this sort could be wholly prevented by financing the Fund outside the Central Bank, but the expansion would be curtailed to the extent that (1) the Fund employed Treasury resources, (2) Fund notes were sold to others than the commercial banks, or (3) Fund notes, sold to the commercial banks, replaced maturing loans without expanding the total loan portfolio of these banks. It would hardly be possible to finance the Fund on such a scale by these three methods alone, and hence some primary expansion of commercial bank credit on reserves supplied by the Central Bank would appear to be inevitable. In Case II the full primary expansion of 50 million pesos has been assumed.

One further point may be noted in connection with the excess reserves of the commercial banks in Case II. It is assumed that they are all kept in the form of additional currency in the banks' own vaults. They could almost as well be kept in the form of an additional balance at the Central Bank. Were the whole 25 million pesos

thus transferred, the note issue of the Central Bank would drop from 29 million pesos to 4 million and commercial bank deposits at the Central Bank would rise from 18 million pesos to 43 million. The transfer would be without effect upon the assets of the Central Bank but, if the Central Bank were required to keep 25 per cent reserves against its note issue alone, its required reserves would be reduced by the discretionary action of the commercial banks from 7 million pesos to 1 million. If, however, the Central Bank were required to hold 25 per cent reserves against both its note issue and its peso deposits, its required reserves would be

the same whether the commercial banks decided to hold their own reserves as a balance with the Central Bank or as currency in their vaults.

Throughout Case II the assumption has been made that the Fund purchases 50 million dollars by overdraft on the Central Bank, and the effects of this operation on the credit situation have been traced. The discussion in the main report suggests the possibility that before the war is over the Fund may have to purchase a much larger amount of dollars than this. It is evident that the greater the scale of the Fund's operations, the greater the effects on the domestic credit situation will be.

CURRENT EVENTS

Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period June 16, 1942, to July 15, 1942, inclusive.

Illinois

Chicago—South Chicago Savings Bank
East Moline—State Bank of East Moline

Indiana

Corydon—Old Capital Bank and Trust Company

Kansas

Larned—The First State Bank of Larned

Maryland

Pikesville—The Peoples Bank

Michigan

Grand Rapids—Union Bank of Michigan

Missouri

Tipton—Tipton Farmers Bank

New York

Poughkeepsie—Poughkeepsie Trust Company

Ohio

Lewisburg—The Peoples Banking Company of
Lewisburg
Millersburg—The Commercial and Savings Bank
of Millersburg Ohio
West Alexandria—The Twin Valley Bank
West Manchester—The First State Bank of
West Manchester

South Carolina

Beaufort—The Peoples Bank

Texas

Hempstead—Citizens State Bank
Marion—Marion State Bank
Seguin—Seguin State Bank & Trust Co.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

Compiled July 23 and released for publication July 24. Figures shown on charts may differ from preliminary figures used in text.

Industrial activity continued to advance during June and the first half of July. Volume of goods distributed to consumers continued substantially below a year ago and commodity prices generally showed little change.

PRODUCTION

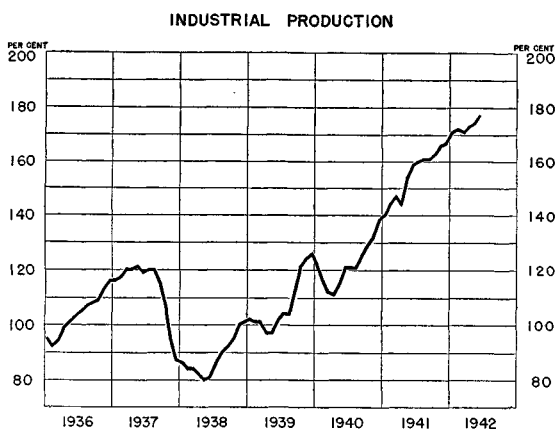
Industrial output increased further in June and the Board's seasonally adjusted index rose from 174 to 177 per cent of the 1935-39 average. Production in the machinery, transportation equipment, and other armament industries continued to advance, reflecting further progress toward meeting the requirements of the war production program. Steel production declined somewhat in June but increased to earlier high levels in the first three weeks of July. Lumber production increased seasonally in June, while in the furniture industry, where activity usually rises at this time of year, there was a decline, reflecting in part the fact that a number of plants in the industry are being converted to the manufacture of war products.

In industries manufacturing nondurable goods, output as a whole showed little change from May to June. Textile production declined

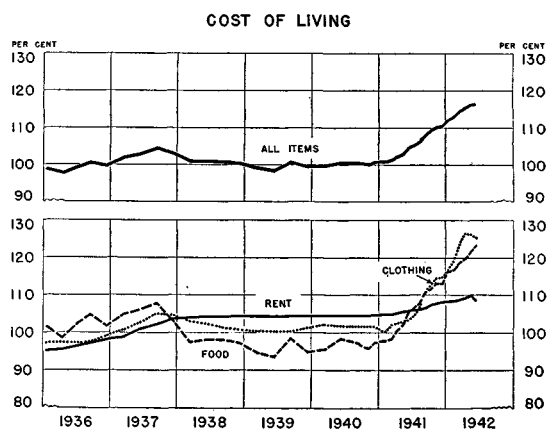
somewhat, reflecting a reduction in activity at cotton mills from earlier peak levels. Paper-board production decreased sharply further and there was also a decline in activity in the printing industry. On the other hand, output of manufactured food products increased and shoe production showed less than the customary seasonal decline.

Mineral production continued large in June. Coal production was maintained at peak levels; output of crude petroleum showed little change, following the sharp decline that occurred during March and April. Lake shipments of iron ore in June amounted to 12,600,000 gross tons and at the month end stocks at lower Lake ports totaled 31,000,000 tons as compared with 26,600,000 tons a year ago.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued to increase in June and was 57 per cent above the previous record high month of August 1941. The sharp rise in June reflected a continued increase in awards for public projects, which accounted for about 93 per cent of all contracts let during the month.



Federal Reserve monthly index of physical volume of production, adjusted for seasonal variation, 1935-39 average = 100. Latest figures shown are for June 1942.



Bureau of Labor Statistics' indexes, 1936-39 average = 100. Fifteenth of month figures. Last month in each calendar quarter through September 1940, monthly thereafter. Latest figures shown are for June 1942.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

DISTRIBUTION

Distribution of commodities to consumers declined somewhat further in June. Smaller sales were reported by both department stores and mail-order houses, while sales at variety stores were maintained at about the May rate. In the first half of July department store sales showed less than the customary sharp seasonal decline.

Volume of railroad freight traffic was maintained in large volume during June and the first half of July. The number of cars loaded was below the level that prevailed a year ago, however, reflecting a sharp reduction in carloadings in less-than-carload lots as a result of orders by the Coordinator of Transportation which raised the minimum permissible weights for such loadings and thereby effected a fuller utilization of existing equipment.

COMMODITY PRICES

Prices of most commodities both at wholesale and retail continued to show little change from the middle of June to the middle of July. Prices of cotton, wool, and some other agricultural commodities, which had declined in the early part of June, advanced in this period.

About twenty additional maximum price schedules were announced covering a wide variety of products and in some cases requiring price reductions. On the other hand, Federal approval was given for higher prices on various processed fruits and vegetables, textile products, petroleum products sold on the East Coast, and services supplied to consumers.

Retail prices of uncontrolled foods advanced sharply from May to June and the Bureau of Labor Statistics price index for all foods rose $1\frac{1}{2}$ points to 123 per cent of the 1935-39 average—an increase of one-fourth since the beginning of the current advance in March 1941.

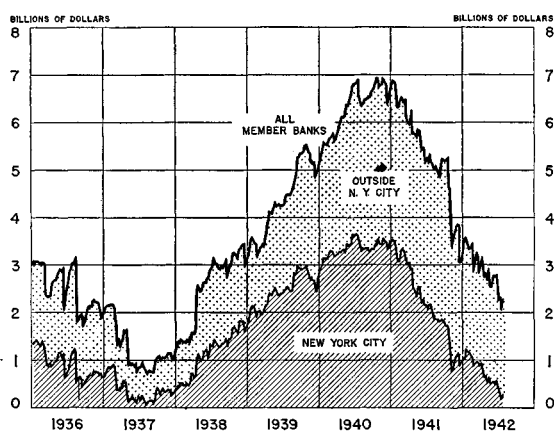
BANK CREDIT

Member banks in leading cities increased their holdings of Government securities sharply during the first half of July. Purchases included portions of increased Treasury bill issues and of the new 2 per cent 7- to 9-year bond. This followed a substantial growth in the second quarter of the year when member banks absorbed about 3.3 billion dollars, or more than half of the increase in Treasury open-market issues. All classes of banks showed large increases, the largest percentage increases being in Chicago and at reserve city banks.

Excess reserves of member banks have been at a lower level in July than in June, because of increased need for reserves arising out of deposit growth, the continued currency drain, and a large temporary increase in Treasury deposits at Reserve Banks. Substantial System open-market operations partially offset the loss of reserves from these sources. The decrease in excess reserves was concentrated in New York and Chicago, reducing excess funds in those cities to low levels. Adjusted demand deposits continued to rise at reporting banks in leading cities except in New York.

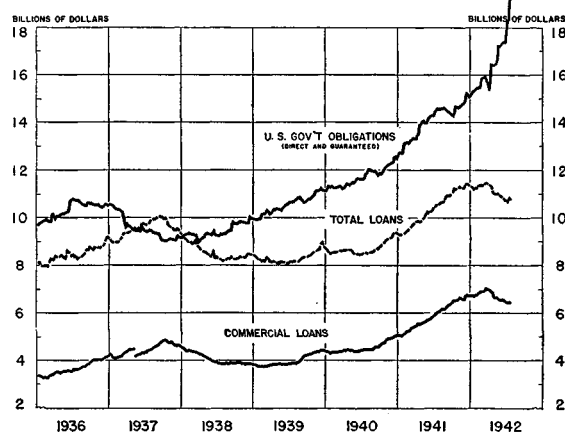
Yields on United States Government securities and other money rates have shown little change in recent weeks.

EXCESS RESERVES OF MEMBER BANKS



Wednesday figures, partly estimated. Latest figures shown are for July 22, 1942.

MEMBER BANKS IN 101 LEADING CITIES



Wednesday figures. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937 so-called "other loans" as then reported. Latest figures shown are for July 22, 1942.

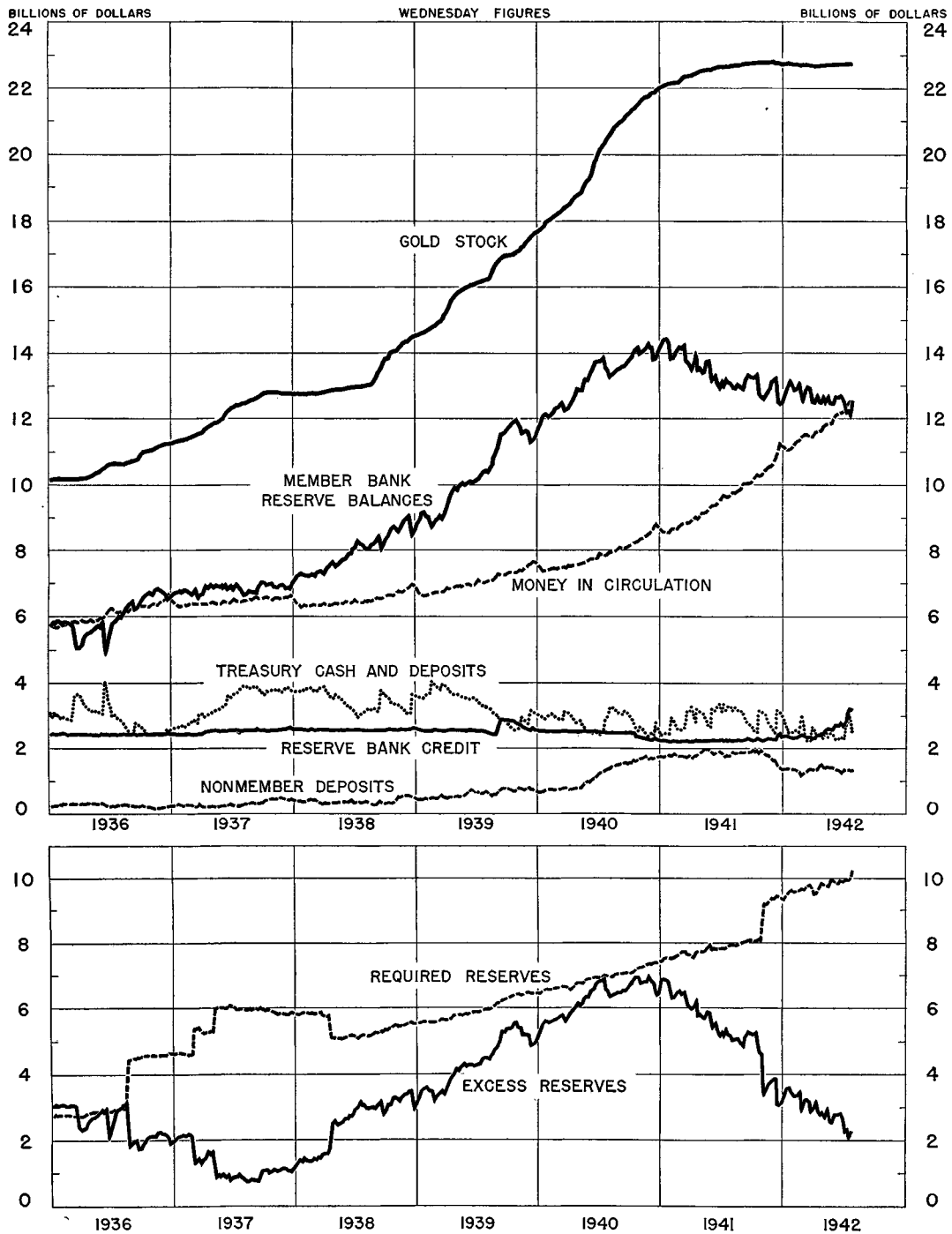
FINANCIAL, INDUSTRIAL, AND COMMERCIAL STATISTICS

UNITED STATES

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Tables on the following pages include the principal available statistics of current significance relating to financial and business developments in the United States. The data relating to the Federal Reserve Banks and the member banks of the Federal Reserve System are derived from regular reports made to the Board; index numbers of production are compiled by the Board on the basis of material collected by other agencies; figures for gold stock, money in circulation, Treasury finance, and operations of Government credit agencies are obtained principally from statements of the Treasury, or of the agencies concerned; data on money and security markets and commodity prices and other series on business activity are obtained largely from other sources. Back figures may in most cases be obtained from earlier BULLETINS and from Annual Reports of the Board of Governors for 1937 and earlier years.

MEMBER BANK RESERVES AND RELATED ITEMS



Latest figures for July 22. See page 807.

MEMBER BANK RESERVES, RESERVE BANK CREDIT, AND RELATED ITEMS

[In millions of dollars]

Reserve Bank credit outstanding															
Date	Bills dis- count- ed	U. S. Government securities				Total	Gold stock	Treas- ury cur- rency out- stand- ing	Money in cir- cu- la- tion	Treas- ury cash hold- ings	Treas- ury de- posits with Federal Reserve Banks	Non- mem- ber de- posits	Other Federal Reserve ac- counts	Member bank reserve balances	
		Total	Treas- ury bills and cer- tifi- cates	All other	All other ¹									Total	Ex- ces s ²
Monthly averages of daily figures:															
1941—Apr.....	2	2,184		2,184	85	2,272	22,441	3,115	8,995	2,277	892	1,774	288	13,600	5,883
May.....	2	2,184		2,184	75	2,262	22,547	3,129	9,193	2,264	618	1,926	287	13,650	5,831
June.....	2			2,184	94	2,280	22,602	3,141	9,442	2,249	987	1,856	290	13,201	5,351
1942—Apr.....	7	2,275	29	2,246	150	2,432	22,679	3,281	11,645	2,178	197	1,428	295	12,649	2,951
May.....	7	2,457	161	2,296	150	2,614	22,706	3,296	11,898	2,191	317	1,407	294	12,510	2,667
June.....	5	2,580	258	2,322	176	2,761	22,725	3,310	12,213	2,192	136	1,334	297	12,624	2,704
End of month figures:															
1941—Apr. 30.....	2	2,184		2,184	48	2,234	22,506	3,122	9,071	2,283	865	1,830	288	13,524	5,771
May 31.....	4	2,184		2,184	92	2,280	22,575	3,134	9,357	2,215	443	1,965	285	13,724	5,801
June 30.....	2			2,184	81	2,267	22,624	3,149	9,612	2,275	980	1,831	290	13,051	5,210
1942—Apr. 30.....	7	2,357	91	2,265	105	2,468	22,691	3,289	11,767	2,182	201	1,345	295	12,658	2,791
May 31.....	7	2,489	183	2,406	138	2,634	22,714	3,305	12,074	2,192	261	1,429	292	12,405	2,486
June 30.....	3	2,645	310	2,336	126	2,775	22,737	3,313	12,383	2,187	290	1,362	297	12,305	2,362
Wednesday figures:															
1941—Sept. 3.....	12	2,184		2,184	45	2,241	22,722	3,180	10,034	2,400	708	1,834	284	12,884	4,857
Sept. 10.....	14	2,184		2,184	58	2,255	22,733	3,185	10,036	2,397	456	1,843	283	13,158	5,111
Sept. 17.....	11	2,184		2,184	121	2,316	22,741	3,188	10,046	2,408	334	1,836	293	13,328	5,249
Sept. 24.....	12	2,184		2,184	83	2,279	22,749	3,194	10,070	2,350	379	1,856	293	13,273	5,202
Oct. 1.....	11	2,184		2,184	49	2,244	22,761	3,196	10,183	2,259	309	1,918	292	13,240	5,193
Oct. 8.....	11	2,184		2,184	70	2,265	22,772	3,203	10,237	2,241	304	1,877	291	13,290	5,209
Oct. 15.....	8	2,184		2,184	121	2,313	22,778	3,207	10,283	2,222	259	1,920	292	13,321	5,234
Oct. 22.....	4	2,184		2,184	103	2,291	22,786	3,214	10,278	2,195	977	1,800	292	12,749	4,655
Oct. 29.....	5	2,184		2,184	61	2,250	22,796	3,219	10,307	2,209	915	1,910	292	12,632	4,602
Nov. 5.....	6	2,184		2,184	57	2,247	22,788	3,221	10,421	2,195	933	1,821	291	12,594	3,409
Nov. 12.....	6	2,184		2,184	72	2,263	22,793	3,222	10,472	2,213	807	1,790	290	12,707	3,540
Nov. 19.....	5	2,184		2,184	118	2,307	22,778	3,228	10,535	2,184	598	1,764	290	12,942	3,692
Nov. 26.....	6	2,184		2,184	94	2,284	22,781	3,230	10,567	2,195	440	1,678	288	13,126	3,799
Dec. 3.....	6	2,184		2,184	100	2,289	22,770	3,233	10,717	2,180	321	1,609	288	13,178	3,860
Dec. 10.....	4	2,196	12	2,184	85	2,286	22,774	3,236	10,834	2,185	157	1,614	287	13,219	3,842
Dec. 17.....	5	2,240	10	2,229	188	2,433	22,747	3,238	11,023	2,193	925	1,483	297	12,497	3,085
Dec. 24.....	7	2,243	10	2,233	249	2,499	22,750	3,244	11,224	2,195	908	1,422	297	12,447	3,056
Dec. 31.....	3	2,254	10	2,244	104	2,361	22,737	3,247	11,160	2,215	867	1,360	291	12,450	3,085
1942—Jan. 7.....	4	2,254	10	2,244	128	2,386	22,742	3,248	11,109	2,220	663	1,376	291	12,717	3,385
Jan. 14.....	4	2,254	10	2,244	133	2,390	22,740	3,252	11,062	2,224	419	1,395	291	12,992	3,561
Jan. 21.....	3	2,250	6	2,244	130	2,383	22,750	3,255	11,077	2,204	284	1,387	291	13,145	3,584
Jan. 28.....	4	2,243		2,243	92	2,339	22,744	3,256	11,097	2,196	302	1,379	290	13,075	3,479
Feb. 4.....	4	2,243		2,243	70	2,316	22,738	3,259	11,231	2,201	376	1,367	289	12,849	3,326
Feb. 11.....	3	2,243		2,243	86	2,331	22,741	3,263	11,319	2,194	319	1,310	288	12,905	3,357
Feb. 18.....	3	2,250		2,250	151	2,404	22,712	3,264	11,339	2,181	264	1,251	288	13,058	3,460
Feb. 25.....	4	2,262		2,262	125	2,392	22,715	3,266	11,422	2,189	798	1,154	288	12,521	2,878
Mar. 4.....	6	2,262		2,262	134	2,402	22,705	3,269	11,518	2,180	287	1,270	286	12,835	3,208
Mar. 11.....	6	2,253		2,253	88	2,347	22,709	3,271	11,520	2,176	60	1,317	286	12,968	3,266
Mar. 18.....	6	2,249		2,249	96	2,351	22,686	3,273	11,474	2,168	59	1,373	297	12,939	3,161
Mar. 25.....	6	2,244		2,244	76	2,326	22,684	3,274	11,462	2,175	472	1,352	296	12,527	2,847
Apr. 1.....	9	2,244		2,244	86	2,339	22,672	3,277	11,593	2,187	362	1,354	295	12,496	2,999
Apr. 8.....	7	2,243		2,243	134	2,384	22,675	3,279	11,610	2,177	190	1,350	295	12,715	3,169
Apr. 15.....	9	2,254	10	2,244	152	2,415	22,678	3,280	11,624	2,166	301	1,485	295	12,502	2,886
Apr. 22.....	4	2,296	48	2,247	100	2,400	22,686	3,284	11,642	2,189	243	1,531	296	12,470	2,752
Apr. 29.....	7	2,350	89	2,261	86	2,443	22,689	3,286	11,723	2,186	128	1,421	297	12,662	2,815
May 6.....	8	2,436	137	2,299	128	2,572	22,703	3,291	11,845	2,193	376	1,413	295	12,444	2,691
May 13.....	8	2,484	185	2,299	119	2,612	22,706	3,294	11,861	2,191	158	1,440	295	12,667	2,925
May 20.....	5	2,445	145	2,299	128	2,578	22,709	3,299	11,888	2,188	304	1,427	293	12,486	2,565
May 27.....	6	2,489	183	2,306	89	2,584	22,712	3,302	11,971	2,197	239	1,430	293	12,467	2,535
June 3.....	6	2,532	226	2,306	185	2,723	22,715	3,306	12,141	2,188	110	1,358	293	12,653	2,783
June 10.....	6	2,568	252	2,316	135	2,708	22,717	3,310	12,176	2,213	92	1,333	293	12,629	2,782
June 17.....	5	2,579	257	2,322	220	2,803	22,729	3,311	12,208	2,189	160	1,277	304	12,706	2,791
June 24.....	5	2,583	254	2,329	110	2,698	22,735	3,313	12,231	2,191	139	1,358	303	12,523	2,648
July 1.....	3	2,728	391	2,337	142	2,873	22,739	3,314	12,416	2,195	485	1,341	297	12,192	2,259
July 8.....	3	2,909	553	2,356	157	3,069	22,740	3,315	12,489	2,190	548	1,353	297	12,246	2,322
July 15.....	4	3,038	673	2,365	185	3,227	22,742	3,319	12,502	2,201	946	1,302	295	12,042	2,065
July 22.....	5	3,047	679	2,367	144	3,196	22,745	3,321	12,546	2,223	298	1,347	295	12,551	2,296

¹ Includes industrial advances shown separately in subsequent tables.² End of month and Wednesday figures estimated.

NOTE.—For description of figures in this table and discussion of their significance, see BULLETIN for July 1935, pp. 419-429. Reprints of article together with available back figures, may be obtained upon request. Back figures are also shown in Annual Report for 1937 (tables 3 and 4) and for excess reserves in BULLETIN for August 1935, pp. 499-500. Back figures for end of month and Wednesday dates since January 6, 1937 on maturity distribution of security holdings will be supplied on request.

FEDERAL RESERVE BANK DISCOUNT RATES

[In effect July 31, 1942. Per cent per annum.]

Federal Reserve Bank	Discounts for and advances to member banks						Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of the U. S. (maturities not exceeding 90 days—last par. Sec. 13)			
	Advances secured by direct obligations of the U. S. (maturities not exceeding 90 days—last par. Sec. 13) ¹		Discounts of and advances secured by eligible paper (maturities not exceeding 90 days—Sec. 13 and 13a) ²		Other secured advances (maturities not exceeding 4 mos.—Sec. 10(b))		To nonmember banks		To others	
	Rate	Effective	Rate	Effective	Rate	Effective				
Boston.....	1	Sept. 1, 1939	1	Sept. 1, 1939	2	Sept. 2, 1937	1	Sept. 1, 1939	2½	Apr. 29, 1938
New York.....	1	Aug. 25, 1939	1	Aug. 27, 1937	2	Oct. 10, 1935	1	Aug. 25, 1939	3½	Feb. 8, 1934
Philadelphia.....	1	Mar. 21, 1942	1	Mar. 21, 1942	2	Sept. 4, 1937	1	Mar. 21, 1942	2½	Sept. 1, 1939
Cleveland.....	1	Apr. 11, 1942	1	Apr. 11, 1942	2	Oct. 19, 1935	1	Apr. 11, 1942	3½	May 11, 1935
Richmond.....	1	Mar. 14, 1942	1	Mar. 14, 1942	2	Sept. 10, 1937	1	Mar. 14, 1942	4	Feb. 19, 1934
Atlanta.....	1	Sept. 16, 1939	1	Mar. 21, 1942	2	Aug. 21, 1937	1	Sept. 16, 1939	2½	Apr. 23, 1938
Chicago.....	1	Sept. 1, 1939	1	Feb. 28, 1942	2	Aug. 21, 1937	1	Sept. 1, 1939	4	Oct. 16, 1933
St. Louis.....	1	Sept. 16, 1939	1	Mar. 14, 1942	1½	Mar. 14, 1942	1	Sept. 16, 1939	3	Mar. 14, 1942
Minneapolis.....	1	Mar. 28, 1942	1	Mar. 28, 1942	2	Aug. 24, 1937	1	Mar. 28, 1942	3	Oct. 8, 1938
Kansas City.....	1	Sept. 16, 1939	1	Apr. 11, 1942	2	Sept. 3, 1937	1	Sept. 16, 1939	2½	Apr. 16, 1938
Dallas.....	1	Sept. 16, 1939	1	Mar. 21, 1942	2	Aug. 31, 1937	1	Sept. 16, 1939	2½	Apr. 16, 1938
San Francisco.....	1	Apr. 4, 1942	1	Apr. 4, 1942	2	Sept. 17, 1937	1	Apr. 4, 1942	4	Oct. 19, 1933

¹ Rates shown also apply to advances with maturities not exceeding 15 days secured by fully guaranteed obligations of the F.F.M.C. or the H.O.L.C.

² Discounts of certain bankers' acceptances and of agricultural paper may have maturities not exceeding six months and nine months, respectively. Rates shown also apply to advances with maturities not exceeding 15 days secured by obligations of Federal Intermediate Credit Banks maturing within six months.

FEDERAL RESERVE BANK BUYING RATES ON BILLS

[Per cent per annum]

Maturity	Rate on July 31	In effect beginning—	Previous rate
Treasury bills ¹	¾	Apr. 30, 1942	—
Bankers' acceptances: ²			
1-90 days.....	1½	Oct. 20, 1933	1
91-120 days.....	¾	do.....	1
121-180 days.....	1	do.....	1½

¹ Established rate at which Federal Reserve Banks stand ready to buy all Treasury bills offered.

² Minimum buying rates on prime bankers' acceptances.

MEMBER BANK RESERVE REQUIREMENTS

[Per cent of deposits]

Classes of deposits and banks	Aug. 16, 1936—Feb. 28, 1937	Mar. 1, 1937—Apr. 30, 1937	May 1, 1937—Apr. 15, 1938 ²	Apr. 16, 1938—Oct. 31, 1941	Effective Nov. 1, 1941 ²
On net demand deposits: ¹					
Central reserve city....	19½	22½	26	22½	26
Reserve city.....	15	17½	20	17½	20
Country.....	10½	12½	14	12	14
On time deposits:					
All member banks.....	4½	5½	6	5	6

¹ See footnote to table on p. 814 for explanation of method of computing net demand deposits.

² Percentages in this column are double the basic statutory requirements, which were in effect June 21, 1917-Aug. 15, 1936.

MARGIN REQUIREMENTS¹

[Per cent of market value]

Prescribed by Board of Governors of the Federal Reserve System in accordance with Securities Exchange Act of 1934	Apr. 1, 1936—Oct. 31, 1937	Nov. 1, 1937 and after
For extensions of credit by brokers and dealers on listed securities, under Regulation T.....	55	40
For short sales, under Regulation T.....	(²)	50
For loans by banks on stocks, under Regulation U.....	55	40

¹ Reg. T and U limit the amount of credit that may be extended on a security by prescribing a maximum loan value, which is a specified percentage of its market value at the time of the extension; the "margin requirements" shown in this table are the difference between the market value (100%) and the maximum loan value.

² Requirement under Reg. T was the margin "customarily required" by the broker. ³ Reg. U became effective May 1, 1936.

NOTE.—Regulations T and U also provide special margin requirements on "omnibus" accounts and loans to brokers and dealers.

FEDERAL RESERVE BANK RATES ON INDUSTRIAL ADVANCES AND COMMITMENTS UNDER SECTION 13b OF THE FEDERAL RESERVE ACT

Maturities not exceeding five years

[In effect July 31. Per cent per annum]

Federal Reserve Bank	To industrial or commercial businesses		To financing institutions		
	On advances ¹	On commitments	Discounts or Purchases		On commitments
			On portion for which institution is obligated	On remaining portion	
Boston.....	2½-5	1½-1	(²)	(³)	1½-1
New York.....	2½-5	1½-1¼	(²)	(³)	1½-1¼
Philadelphia.....	2½-5	1½-1¼	(²)	(³)	1½-1¼
Cleveland.....	2½-5	1½-1¼	(²)	(³)	(⁴) 1½-1¼
Richmond.....	2½-5	1½-1¼	(²)	(³)	1½-1¼
Atlanta.....	2½-5	1½-1¼	(²)	(³)	(⁴) 1½-1¼
Chicago.....	2½-5	1½-1¼	2½-5	2½-5	1½-1¼
St. Louis.....	2½-5	1½-1¼	1-1½	(³)	1½-1¼
Minneapolis.....	2½-5	1½-1¼	(²)	(³)	1½-1¼
Kansas City.....	2½-5	1½-1¼	(²)	(³)	1½-1¼
Dallas.....	2½-5	1½-1¼	(²)	(³)	(⁴) 1½-1¼
San Francisco.....	2½-5	1½-1¼	(²)	(³)	(⁴) 1½-1¼

¹ Including loans made in participation with financing institutions.

² Rate charged borrower less commitment rate.

³ Rate charged borrower.

⁴ May charge same rate as charged borrower by financing institution, if lower.

⁵ Financing institution is charged ¼ per cent on undisbursed portion of loan under commitment.

MAXIMUM RATES ON TIME DEPOSITS

Maximum rates that may be paid by member banks as established by the Board of Governors under provisions of Regulation Q

[Per cent per annum]

	Nov. 1, 1933—Jan. 31, 1935	Feb. 1, 1935—Dec. 31, 1935	Effective Jan. 1, 1936
Savings deposits.....	3	2½	2½
Postal savings deposits....	3	2½	2½
Other deposits payable:			
In 6 months or more....	3	2½	2½
In 90 days to 6 months....	3	2½	2
In less than 90 days.....	3	2½	1

NOTE.—Maximum rates that may be paid by insured nonmember banks as established by the F. D. I. C., effective February 1, 1936, are the same as those in effect for member banks. Under Regulation Q the rate payable by a member bank may not in any event exceed the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located.

PRINCIPAL ASSETS AND LIABILITIES OF ALL FEDERAL RESERVE BANKS

[In thousands of dollars]

	Wednesday figures								End of month		
	1942								1942		1941
	July 22	July 15	July 8	July 1	June 24	June 17	June 10	June 3	June	May	June
Assets											
Gold certificates on hand and due from U. S. Treasury.....	20,549,626	20,549,627	20,550,626	20,550,627	20,550,627	20,556,027	20,517,629	20,516,130	20,550,625	20,506,128	20,312,731
Redemption fund—F. R. notes..	13,102	14,232	14,017	15,042	16,148	14,352	14,442	15,039	15,222	15,539	8,878
Other cash.....	269,365	270,162	260,907	259,247	286,246	274,766	274,925	268,093	263,756	277,477	261,307
Total reserves.....	20,832,093	20,834,021	20,825,550	20,824,916	20,853,021	20,845,145	20,806,996	20,799,262	20,829,603	20,799,144	20,582,916
Bills discounted:											
For member banks.....	3,387	2,921	1,824	1,843	3,634	4,149	5,416	5,376	1,792	6,565	1,772
For nonmember banks, etc.	1,500	1,500	1,500	1,500	1,500	500	500	500	1,500	500	.....
Total bills discounted....	4,887	4,421	3,324	3,343	5,134	4,649	5,916	5,876	3,292	7,065	1,772
Industrial advances.....	10,985	10,884	10,598	10,550	10,596	10,617	10,537	10,935	10,473	10,798	9,227
U.S. Government securities:											
Direct											
Bonds.....	1,641,236	1,638,696	1,637,220	1,618,081	1,610,781	1,604,594	1,601,344	1,606,332	1,616,631	1,606,332	1,359,200
Notes.....	721,300	721,300	714,100	714,100	713,600	712,600	709,600	692,500	714,100	692,500	820,300
Certificates.....	195,731	178,231	102,252	72,752	34,102	32,092	32,092	32,092	66,252	26,650	.....
Bills.....	483,647	494,549	450,327	318,730	219,475	224,483	219,733	194,389	243,475	156,409	.....
Guaranteed.....	4,775	4,775	4,775	4,775	4,775	4,775	4,775	6,775	4,775	6,775	4,600
Total U.S. Government securities, direct and guaranteed.....	3,046,689	3,037,551	2,908,674	2,728,438	2,582,733	2,578,544	2,567,544	2,532,088	2,645,233	2,488,666	2,184,100
Other Reserve Bank credit outstanding.....	133,303	174,065	146,414	130,944	99,183	209,013	123,706	173,669	115,654	127,438	71,590
Total Reserve Bank credit outstanding....	3,195,864	3,226,921	3,069,010	2,873,275	2,697,646	2,802,823	2,707,703	2,722,568	2,774,652	2,633,967	2,266,689
Liabilities											
F.R. notes in actual circulation.....	9,563,231	9,507,771	9,479,922	9,409,142	9,253,669	9,228,700	9,194,716	9,134,237	9,376,313	9,071,307	6,723,567
Deposits:											
Member bank—reserve account.....	12,551,313	12,041,702	12,246,368	12,191,553	12,523,343	12,706,484	12,628,910	12,653,093	12,305,385	12,404,790	13,050,968
U. S. Treasurer—general account.....	298,331	945,965	547,783	485,364	138,585	159,719	91,658	109,868	289,960	260,981	980,403
Foreign.....	886,555	870,645	872,227	886,029	965,028	961,478	978,308	942,555	901,639	944,944	1,233,273
Other deposits.....	460,139	430,868	481,156	455,401	393,182	315,414	354,751	415,556	460,345	483,610	598,028
Total deposits.....	14,196,338	14,289,180	14,147,534	14,018,347	14,020,138	14,143,095	14,053,627	14,121,072	13,957,329	14,094,325	15,862,672
Ratio of total reserves to deposit and F.R. note liabilities combined (per cent).....	87.7	87.5	88.1	88.9	89.6	89.2	89.5	89.4	89.3	89.8	91.1

MATURITY DISTRIBUTION OF BILLS AND U. S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

[In thousands of dollars]

	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 year to 2 years	2 years to 5 years	Over 5 years
Bills discounted:										
June 24.....	5,134	3,371	94	107	1,562	.....	.....	.....	.....	.....
July 1.....	3,343	1,692	55	531	1,065	.....	.....	.....	.....	.....
July 8.....	3,324	1,582	120	607	1,015	.....	.....	.....	.....	.....
July 15.....	4,421	2,696	96	584	1,045	.....	.....	.....	.....	.....
July 22.....	4,887	2,794	475	559	1,054	5	.....	.....	.....	.....
Industrial advances:										
June 24.....	10,596	5,558	460	689	217	534	705	1,413	1,020	.....
July 1.....	10,550	5,670	280	665	249	546	742	1,400	998	.....
July 8.....	10,598	5,534	908	101	171	792	675	1,443	974	.....
July 15.....	10,884	5,613	909	153	158	916	783	1,408	944	.....
July 22.....	10,985	6,264	338	170	167	792	772	1,560	922	.....
U. S. Government securities, direct and guaranteed:										
June 24.....	2,582,733	.....	74,371	44,187	167,117	64,902	136,700	287,175	353,000	1,455,281
July 1.....	2,728,438	35,568	61,587	62,233	159,567	159,027	147,200	287,175	353,500	1,462,581
July 8.....	2,908,674	74,371	49,754	106,913	230,676	147,865	176,700	287,175	353,500	1,481,720
July 15.....	3,037,551	63,587	46,759	128,591	290,952	152,781	223,810	277,175	370,700	1,483,196
July 22.....	3,046,689	53,398	37,811	217,996	240,642	126,921	236,310	277,175	370,700	1,485,736

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS, BY WEEKS

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Assets													
Gold Certificates on hand and due from U. S. Treasury:													
June 24.....	20,550,627	1,167,659	7,675,776	1,241,016	1,697,956	846,826	603,019	3,521,209	648,862	381,782	597,671	400,783	1,768,068
July 1.....	20,550,627	1,128,924	7,748,255	1,244,036	1,668,365	864,005	627,819	3,511,933	642,294	395,552	600,801	416,451	1,702,192
July 8.....	20,550,626	1,152,981	7,635,276	1,260,765	1,659,857	887,734	620,538	3,520,410	636,723	396,845	605,848	422,812	1,750,837
July 15.....	20,549,627	1,159,353	7,426,208	1,265,803	1,694,173	896,673	671,955	3,537,705	642,200	403,322	623,009	414,971	1,814,255
July 22.....	20,549,626	1,136,266	7,586,875	1,247,867	1,675,308	861,588	626,482	3,557,487	641,938	395,738	611,914	421,635	1,786,528
Redemption Fund—Federal Reserve Notes:													
June 24.....	16,148	2,845	1,845	1,173	1,037	1,942	787	1,158	768	178	344	773	3,298
July 1.....	15,042	2,791	1,623	1,104	979	1,559	751	1,086	749	169	330	764	3,137
July 8.....	14,017	2,743	1,427	1,032	922	1,094	715	1,016	733	162	317	749	3,107
July 15.....	14,232	2,704	1,255	976	876	1,769	686	951	721	157	309	741	3,087
July 22.....	13,102	2,647	1,019	888	808	1,303	643	874	701	149	283	728	3,059
Other cash:													
June 24.....	286,246	24,410	67,958	16,265	22,454	13,527	20,277	46,517	14,170	5,922	12,858	12,431	29,457
July 1.....	259,247	20,721	62,132	14,769	22,977	10,193	17,728	43,450	12,504	6,051	11,690	11,684	25,348
July 8.....	260,907	20,970	62,743	14,460	20,200	13,123	17,310	44,136	13,319	5,940	11,744	12,215	24,747
July 15.....	270,162	23,564	65,429	13,763	21,284	11,890	16,478	45,135	13,198	6,564	12,265	13,647	26,945
July 22.....	269,365	23,298	65,283	13,845	19,303	14,050	17,493	43,878	13,585	6,783	11,636	12,478	27,733
Total reserves:													
June 24.....	20,853,021	1,194,914	7,745,579	1,258,454	1,721,447	862,295	624,083	3,568,884	663,800	387,882	610,873	413,987	1,800,823
July 1.....	20,824,916	1,152,436	7,812,010	1,259,909	1,692,321	875,757	646,298	3,556,469	655,547	401,772	612,821	428,899	1,730,677
July 8.....	20,825,550	1,176,694	7,699,446	1,276,257	1,680,979	901,951	638,563	3,565,562	650,775	402,947	617,909	435,776	1,778,691
July 15.....	20,834,021	1,185,621	7,492,892	1,280,542	1,716,333	910,332	689,119	3,583,791	656,119	410,043	635,583	429,359	1,844,287
July 22.....	20,832,093	1,162,211	7,653,177	1,262,600	1,695,419	876,941	644,618	3,602,239	656,224	402,670	623,833	434,841	1,817,320
Bills discounted:													
Secured by U. S. Government obligations, direct and guaranteed:													
June 24.....	3,445	365	1,901	655	.....	50	.....	.....	300	30	80	14	50
July 1.....	1,780	215	700	410	.....	100	.....	.....	300	.....	5	.....	50
July 8.....	1,760	65	875	350	.....	75	.....	.....	345	.....	.....	.....	50
July 15.....	2,860	250	785	370	.....	50	1,000	.....	345	.....	.....	10	50
July 22.....	3,280	200	935	290	50	.....	1,000	.....	345	.....	.....	410	50
Other bills discounted:													
June 24.....	1,689	.....	687	144	158	66	53	183	45	33	66	140	114
July 1.....	1,563	.....	657	144	158	66	53	183	45	33	66	44	114
July 8.....	1,564	.....	653	144	158	66	53	183	45	33	71	44	114
July 15.....	1,561	.....	652	144	158	66	52	183	45	33	71	43	114
July 22.....	1,607	.....	652	144	208	66	52	183	45	33	52	58	114
Total bills discounted:													
June 24.....	5,134	365	2,588	799	158	116	53	183	345	63	146	154	164
July 1.....	3,343	215	1,357	554	158	166	53	183	345	33	71	44	164
July 8.....	3,324	65	1,528	494	158	141	53	183	390	33	71	44	164
July 15.....	4,421	250	1,437	514	158	116	1,052	183	390	33	71	53	164
July 22.....	4,887	200	1,587	434	258	66	1,052	183	390	33	52	468	164
Industrial advances:													
June 24.....	10,596	1,170	1,046	5,266	238	618	990	309	8	606	59	210	76
July 1.....	10,550	1,171	1,046	5,396	228	617	993	309	8	441	56	209	76
July 8.....	10,598	1,171	1,046	5,385	251	592	1,065	285	8	455	56	208	76
July 15.....	10,884	1,168	1,046	5,367	293	767	1,107	318	8	470	56	208	76
July 22.....	10,985	1,164	1,046	5,419	310	837	1,107	277	8	503	56	208	50
U. S. Government securities, direct and guaranteed:													
Bonds:													
June 24.....	1,612,381	119,971	446,265	128,156	164,030	95,587	68,816	198,412	75,325	47,899	67,533	61,912	138,475
July 1.....	1,619,681	114,442	446,854	116,827	148,379	101,033	70,439	213,336	82,286	41,901	69,891	62,737	151,536
July 8.....	1,638,820	116,035	453,420	119,274	150,960	101,312	71,149	215,973	82,744	42,885	71,224	63,473	152,371
July 15.....	1,640,296	116,291	454,627	120,040	151,611	100,834	71,138	212,996	82,498	43,227	71,606	63,514	151,914
July 22.....	1,642,836	116,487	455,416	120,297	151,900	100,929	71,240	213,200	82,594	43,326	71,750	63,610	152,087
Notes:													
June 24.....	716,775	53,334	198,386	56,969	72,920	42,491	30,591	88,201	33,485	21,294	30,022	27,524	61,558
July 1.....	717,273	50,681	197,889	51,737	65,709	44,742	31,194	94,477	36,440	18,534	30,951	27,793	67,108
July 8.....	717,273	50,787	198,452	52,202	66,072	44,341	31,141	93,651	36,215	18,769	31,175	27,781	66,689
July 15.....	724,475	51,363	200,796	53,021	66,960	44,537	31,421	94,073	36,439	19,091	31,626	28,051	67,097
July 22.....	724,475	51,369	200,835	53,050	66,985	44,510	31,417	94,020	36,422	19,106	31,641	28,051	67,069
Certificates:													
June 24.....	34,102	2,537	9,439	2,711	3,469	2,022	1,456	4,196	1,593	1,013	1,428	1,309	2,929
July 1.....	72,752	5,140	20,072	5,248	6,665	4,538	3,164	9,582	3,696	1,882	3,139	2,819	6,807
July 8.....	102,252	7,240	28,291	7,442	9,419	6,321	4,439	13,350	5,163	2,676	4,444	3,960	9,507
July 15.....	178,231	12,636	49,399	13,043	16,474	10,956	7,730	23,144	8,964	4,697	7,780	6,901	16,507
July 22.....	195,731	13,879	54,259	14,332	18,098	12,025	8,488	25,401	9,840	5,162	8,548	7,579	18,120
Bills:													
June 24.....	219,475	16,330	60,745	17,444	22,328	13,011	9,367	27,008	10,253	6,520	9,193	8,427	18,849
July 1.....	318,730	22,520	87,934	22,990	29,199	19,882	13,861	41,982	16,193	8,246	13,753	12,350	29,820
July 8.....	450,327	31,885	124,594	32,775	41,482	27,839	19,551	58,797	22,737	11,784	19,572	17,442	41,869
July 15.....	494,549	34,730	135,776	35,950	45,279	30,114	21,245	63,612	28,620	12,910	21,385	19,558	45,370
July 22.....	483,647	34,294	134,073	35,415	44,719	29,713	20,973	62,766	24,315	12,755	21,123	18,727	44,774

Federal Reserve Banks—Continued

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Assets—Continued													
U. S. Government securities, direct and guaranteed:													
June 24.....	2,582,733	192,172	714,835	205,280	262,747	153,111	110,230	317,817	120,656	76,726	108,176	99,172	221,811
July 1.....	2,728,438	192,783	752,749	196,802	249,952	170,195	118,658	359,377	138,615	70,583	117,734	105,719	255,271
July 8.....	2,908,674	205,947	804,757	211,693	267,933	179,813	126,280	379,771	146,859	76,114	126,415	112,656	270,436
July 15.....	3,037,551	215,020	840,598	222,054	280,324	186,441	131,534	393,825	156,521	79,925	132,397	118,024	280,888
July 22.....	3,046,689	216,029	844,583	223,094	281,702	187,177	132,118	395,387	153,171	80,349	133,062	117,967	282,050
Total bills and securities:													
June 24.....	2,598,463	193,707	718,469	211,345	263,143	153,845	111,273	318,309	121,009	77,395	108,381	99,536	222,051
July 1.....	2,742,331	194,169	755,152	202,752	250,338	170,978	119,704	359,869	138,968	71,057	117,861	105,972	255,511
July 8.....	2,922,596	207,183	807,331	217,572	268,342	180,546	127,398	380,239	147,257	76,602	126,542	112,908	270,676
July 15.....	3,052,856	216,438	843,081	227,935	280,775	187,324	133,693	394,326	156,919	80,428	132,524	118,285	281,128
July 22.....	3,062,561	217,393	847,216	228,947	282,270	188,080	134,277	395,847	153,569	80,885	133,170	118,643	282,264
Due from foreign banks:													
June 24.....	47	3	18	5	4	2	2	6	1	*	1	1	4
July 1.....	47	3	18	5	4	2	2	6	1	*	1	1	4
July 8.....	47	3	18	5	4	2	2	6	1	*	1	1	4
July 15.....	47	3	18	5	4	2	2	6	1	*	1	1	4
July 22.....	47	3	18	5	4	2	2	6	1	*	1	1	4
Federal Reserve notes of other banks:													
June 24.....	25,849	585	2,918	1,742	2,036	2,197	2,763	3,541	2,515	1,552	1,902	813	3,285
July 1.....	25,832	880	2,674	1,568	1,894	1,498	2,650	3,394	2,188	1,905	2,296	717	4,168
July 8.....	29,342	692	3,364	1,624	1,847	1,927	3,283	3,887	2,709	1,611	3,221	988	4,189
July 15.....	31,536	1,017	3,861	1,890	1,511	2,573	3,703	3,854	2,633	2,613	3,165	1,133	3,583
July 22.....	27,330	905	2,966	1,733	1,856	2,337	2,928	3,139	2,432	2,721	2,616	854	2,843
Uncollected items:													
June 24.....	1,095,926	113,491	250,763	79,092	133,691	87,035	43,481	157,841	44,420	25,278	43,121	35,743	81,970
July 1.....	1,145,248	125,313	263,061	78,772	156,192	89,581	45,962	161,422	47,746	24,622	50,232	35,472	66,873
July 8.....	1,104,961	124,257	248,344	78,355	122,702	88,539	49,435	157,127	54,131	28,115	43,476	36,863	73,617
July 15.....	1,341,708	142,771	304,305	88,201	174,405	101,133	54,919	201,905	60,742	30,357	50,565	39,943	92,462
July 22.....	1,084,672	121,971	243,102	71,943	127,901	84,864	49,783	140,667	46,455	25,779	49,369	40,003	82,835
Bank premises:													
June 24.....	40,483	2,754	10,415	4,802	4,383	3,074	1,960	2,957	2,135	1,326	2,843	1,105	2,729
July 1.....	40,425	2,750	10,397	4,802	4,383	3,066	1,957	2,950	2,132	1,324	2,837	1,098	2,729
July 8.....	40,447	2,750	10,397	4,802	4,383	3,066	1,957	2,972	2,132	1,324	2,837	1,098	2,729
July 15.....	40,446	2,750	10,397	4,802	4,382	3,066	1,957	2,972	2,132	1,324	2,837	1,098	2,729
July 22.....	40,477	2,750	10,397	4,837	4,373	3,072	1,956	2,972	2,132	1,324	2,837	1,098	2,729
Other assets:													
June 24.....	40,732	2,691	11,090	3,141	4,665	2,575	1,660	4,677	1,723	1,277	1,662	1,521	4,050
July 1.....	42,638	2,745	11,445	3,063	4,496	2,773	1,770	5,224	1,967	1,181	1,852	1,597	4,525
July 8.....	43,485	2,747	11,836	3,182	4,548	2,831	1,808	5,244	1,984	1,152	1,920	1,603	4,630
July 15.....	44,781	3,010	12,157	3,233	4,591	2,849	1,926	5,431	2,027	1,204	1,930	1,711	4,712
July 22.....	45,302	2,894	12,248	3,321	4,651	2,938	1,885	5,553	2,076	1,234	1,953	1,747	4,802
Total assets:													
June 24.....	24,654,521	1,508,145	8,739,252	1,558,581	2,129,369	1,111,023	785,222	4,056,215	835,603	494,710	768,783	552,706	2,114,912
July 1.....	24,821,437	1,478,296	8,854,757	1,550,871	2,109,628	1,143,655	818,343	4,089,334	848,549	501,861	787,900	573,756	2,064,487
July 8.....	24,966,428	1,514,326	8,780,736	1,581,797	2,082,805	1,178,862	822,446	4,115,037	858,989	511,751	795,906	589,237	2,134,536
July 15.....	25,345,395	1,551,610	8,666,711	1,606,608	2,182,001	1,207,279	885,319	4,192,285	880,573	525,969	826,605	591,530	2,228,905
July 22.....	25,092,482	1,508,127	8,769,124	1,573,386	2,116,474	1,158,234	835,449	4,150,423	862,889	514,613	813,779	597,187	2,192,797
Liabilities													
Federal Reserve notes in actual circulation:													
June 24.....	9,253,669	706,678	2,316,849	662,918	886,765	501,859	350,084	1,917,649	361,562	230,634	301,552	157,043	860,076
July 1.....	9,409,142	702,163	2,356,026	670,411	897,095	515,865	366,071	1,937,995	371,024	232,975	309,257	165,503	884,757
July 8.....	9,479,922	711,856	2,360,153	674,743	906,813	522,154	367,535	1,952,178	373,375	234,689	312,762	167,157	896,507
July 15.....	9,507,771	713,191	2,360,501	678,687	910,348	522,452	366,809	1,962,190	374,287	235,017	313,845	165,390	905,054
July 22.....	9,563,231	718,206	2,364,896	679,567	916,334	528,637	365,234	1,970,990	375,294	235,756	317,177	166,775	924,365
Deposits:													
Member bank—reserve account:													
June 24.....	12,523,343	630,056	5,292,125	687,981	936,261	468,202	349,379	1,812,837	371,858	194,698	386,845	322,712	1,070,389
July 1.....	12,191,553	573,537	5,209,290	673,848	880,275	467,852	356,564	1,779,126	363,142	182,610	382,024	326,770	996,515
July 8.....	12,246,368	600,665	5,097,794	691,551	871,444	496,722	353,817	1,820,896	353,811	196,033	388,418	329,617	1,045,600
July 15.....	12,041,702	583,909	4,987,853	666,291	867,904	466,784	364,695	1,832,766	357,256	182,154	383,592	322,261	1,026,237
July 22.....	12,551,313	615,091	5,232,292	689,835	913,573	476,371	370,402	1,868,235	368,828	195,383	402,629	346,938	1,071,736

* Less than \$500

Federal Reserve Banks—Continued

[In thousands of dollars]

	Total	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Franc- isco
Liabilities—Continued													
U. S. Treasurer—general account:													
June 24.....	138,585	13,761	42,039	4,907	8,581	5,018	3,506	23,251	12,839	10,200	4,686	3,553	6,244
July 1.....	485,364	35,331	140,396	26,945	47,529	23,497	16,482	79,338	23,409	31,086	18,557	16,866	25,928
July 8.....	547,783	39,511	207,572	32,223	43,833	24,188	20,479	55,869	33,955	24,600	16,855	25,559	23,139
July 15.....	945,965	85,844	183,403	71,175	99,297	73,974	68,313	79,308	45,599	49,222	44,247	30,612	114,971
July 22.....	298,331	23,004	53,745	24,226	20,840	23,892	17,243	30,133	27,443	26,930	11,065	15,230	24,580
Foreign:													
June 24.....	965,028	23,847	504,831	72,839	69,804	33,384	26,556	92,566	22,762	16,692	22,003	22,003	57,741
July 1.....	886,029	23,680	471,070	65,314	62,592	29,936	23,812	83,003	20,411	14,968	19,730	19,730	51,783
July 8.....	872,227	26,568	464,336	63,642	60,991	29,169	23,203	80,879	19,868	14,585	19,225	19,225	50,516
July 15.....	870,645	22,101	467,635	63,581	60,931	29,141	23,180	80,800	19,889	14,571	19,207	19,207	50,422
July 22.....	886,555	23,945	473,930	64,875	62,172	29,735	23,653	82,446	20,274	14,867	19,598	19,598	51,462
Other deposits:													
June 24.....	393,182	9,918	234,547	8,762	71,152	7,080	3,526	4,716	11,383	12,101	1,761	2,438	25,798
July 1.....	455,401	14,705	317,224	7,004	45,790	6,627	3,836	3,406	12,969	10,136	4,639	1,710	27,355
July 8.....	481,156	14,647	327,403	10,559	54,759	7,241	3,046	2,986	12,795	9,865	3,270	1,879	32,706
July 15.....	430,868	11,600	272,063	9,026	62,509	7,101	2,925	4,601	13,851	9,870	2,825	1,848	32,649
July 22.....	460,139	14,547	315,243	9,107	49,494	7,239	2,701	3,072	14,108	10,392	4,049	1,101	29,086
Total deposits:													
June 24.....	14,020,138	677,582	6,073,542	774,489	1,085,798	513,684	382,967	1,933,370	418,842	233,691	415,295	350,706	1,160,172
July 1.....	14,018,347	647,253	6,137,980	773,111	1,036,186	527,912	400,694	1,944,873	419,931	238,800	424,950	365,076	1,101,581
July 8.....	14,147,534	681,391	6,097,105	797,975	1,031,027	557,320	400,545	1,960,630	420,449	245,083	427,768	376,280	1,151,961
July 15.....	14,289,180	703,454	5,910,954	810,073	1,090,641	577,000	459,113	1,997,475	436,575	255,817	449,871	373,928	1,224,279
July 22.....	14,196,338	676,587	6,075,210	788,043	1,046,079	537,237	413,999	1,983,886	430,653	247,572	437,341	382,867	1,176,864
Deferred availability items:													
June 24.....	996,790	97,430	216,311	86,160	121,246	78,709	38,044	155,718	43,064	20,392	40,212	33,060	66,444
July 1.....	1,014,351	102,693	229,845	72,629	141,252	83,355	37,533	157,486	45,610	20,192	42,065	31,468	50,223
July 8.....	958,594	94,839	192,327	74,350	109,784	82,818	40,251	153,115	53,139	22,065	43,760	34,064	58,082
July 15.....	1,167,690	108,633	263,876	83,134	145,821	91,229	45,287	183,515	57,699	25,234	51,234	40,455	71,573
July 22.....	951,416	86,782	197,608	71,017	118,815	75,716	42,055	146,345	44,895	21,356	47,544	35,746	63,537
Other liabilities, including accrued dividends:													
June 24.....	6,322	632	1,879	439	626	440	304	743	204	181	212	279	383
July 1.....	1,876	389	197	135	165	248	143	208	57	75	114	92	53
July 8.....	2,440	435	386	142	244	283	163	303	69	97	105	117	96
July 15.....	2,684	520	533	140	236	275	155	258	81	84	180	134	88
July 22.....	3,084	721	489	151	268	296	178	336	77	102	207	157	102
Total liabilities:													
June 24.....	24,276,919	1,482,322	8,608,581	1,524,006	2,094,435	1,094,692	771,399	4,007,480	823,672	484,898	757,271	541,088	2,087,075
July 1.....	24,443,716	1,452,498	8,724,048	1,516,286	2,074,698	1,127,380	804,441	4,040,562	836,622	492,042	776,386	562,139	2,036,614
July 8.....	24,588,490	1,488,521	8,649,971	1,547,210	2,047,868	1,162,575	808,494	4,066,226	847,032	501,934	784,395	577,618	2,106,646
July 15.....	24,967,325	1,525,798	8,535,864	1,572,034	2,147,046	1,190,956	871,364	4,143,438	868,642	516,152	815,130	579,907	2,200,994
July 22.....	24,714,069	1,482,296	8,638,203	1,538,778	2,081,496	1,141,886	821,466	4,101,557	850,919	504,786	802,269	585,545	2,164,868
Capital accounts													
Capital paid in:													
June 24.....	144,743	9,430	53,436	11,791	14,808	5,819	4,970	15,918	4,482	3,059	4,666	4,435	11,929
July 1.....	144,884	9,430	53,442	11,785	14,810	5,819	5,068	15,921	4,484	3,059	4,671	4,436	11,959
July 8.....	144,987	9,438	53,447	11,785	14,818	5,823	5,115	15,939	4,489	3,060	4,674	4,436	11,963
July 15.....	145,064	9,440	53,468	11,786	14,828	5,827	5,115	15,962	4,493	3,062	4,677	4,438	11,968
July 22.....	145,100	9,440	53,465	11,782	14,835	5,829	5,130	15,963	4,494	3,065	4,685	4,444	11,968
Surplus (section 7)													
June 24.....	157,502	10,949	56,651	15,171	14,346	5,236	5,725	22,925	4,966	3,152	3,613	3,976	10,792
July 1.....	157,502	10,949	56,651	15,171	14,346	5,236	5,725	22,925	4,966	3,152	3,613	3,976	10,792
July 8.....	157,502	10,949	56,651	15,171	14,346	5,236	5,725	22,925	4,966	3,152	3,613	3,976	10,792
July 15.....	157,502	10,949	56,651	15,171	14,346	5,236	5,725	22,925	4,966	3,152	3,613	3,976	10,792
July 22.....	157,502	10,949	56,651	15,171	14,346	5,236	5,725	22,925	4,966	3,152	3,613	3,976	10,792
Surplus (section 13b)													
June 24.....	26,781	2,874	7,070	4,393	1,007	3,244	713	1,429	530	1,000	1,137	1,263	2,121
July 1.....	26,781	2,874	7,070	4,393	1,007	3,244	713	1,429	530	1,000	1,137	1,263	2,121
July 8.....	26,781	2,874	7,070	4,393	1,007	3,244	713	1,429	530	1,000	1,137	1,263	2,121
July 15.....	26,781	2,874	7,070	4,393	1,007	3,244	713	1,429	530	1,000	1,137	1,263	2,121
July 22.....	26,781	2,874	7,070	4,393	1,007	3,244	713	1,429	530	1,000	1,137	1,263	2,121
Other capital accounts:													
June 24.....	48,576	2,570	13,514	3,220	4,773	2,032	2,415	8,463	1,953	2,601	2,096	1,944	2,995
July 1.....	48,554	2,545	13,546	3,236	4,767	1,976	2,396	8,497	1,947	2,608	2,093	1,942	3,001
July 8.....	48,668	2,544	13,597	3,238	4,766	1,984	2,399	8,518	1,972	2,605	2,087	1,944	3,014
July 15.....	48,723	2,549	13,658	3,224	4,774	2,016	2,402	8,531	1,942	2,603	2,048	1,946	3,030
July 22.....	49,030	2,568	13,735	3,262	4,790	2,039	2,415	8,549	1,980	2,610	2,075	1,959	3,048
Total liabilities and capital accounts:													
June 24.....	24,654,521	1,508,145	8,739,252	1,558,581	2,129,369	1,111,023	785,222	4,056,215	835,603	494,710	768,783	552,706	2,114,912
July 1.....	24,821,437	1,478,296	8,854,757	1,550,871	2,109,628	1,143,655	818,343	4,089,334	848,549	501,861	787,900	573,756	2,064,487
July 8.....	24,966,428	1,514,326	8,780,736	1,581,797	2,082,805	1,178,862	822,446	4,115,037	858,989	511,751	795,906	589,237	2,134,536
July 15.....	25,345,395	1,551,610	8,666,711	1,606,608	2,182,001	1,207,279	885,319	4,192,285	880,573	525,969	826,605	591,530	2,228,905
July 22.....	25,092,482	1,508,127	8,769,124	1,573,386	2,116,474	1,158,234	835,449	4,150,423	862,889	514,613	813,779	597,187	2,192,797
Commitments to make industrial advances:													
June 24.....	16,832	756	455	1,002	779	2,063	668	2,101	2,028	.....	3,324	.....	3,656
July 1.....	17,100	756	448	1,376	685	1,972	665	2,101	2,118	.....	3,324	.....	3,655
July 8.....	17,709	756	448	1,484	755	1,875	731	2,101	2,287	.....	3,324	.....	3,948
July 15.....	17,105	756	442	1,518	641	1,476	723	2,100	2,197	.....	3,324	.....	3,928
July 22.....	17,139	754	440	1,605	626	1,461	718	2,099	2,197	.....	3,322	.....	3,917

INDUSTRIAL ADVANCES BY FEDERAL RESERVE BANKS

[Amounts in thousands of dollars]

Date (last Wednesday of each month)	Applications received		Applications under consideration		Applications approved		Advances outstanding ¹ (amount)	Commitments outstanding (amount)	Approved but not completed ² (amount)	Repaid, expired, or withdrawn by applicant, etc. (amount)	Participations outstanding ³ (amount)
	Number	Amount	Number	Amount	Number	Amount					
1934-Dec. 26	4,386	146,972	71	2,955	984	49,634	13,589	8,225	20,966	5,558	1,296
1935-June 26	6,325	237,581	68	11,349	1,646	88,778	27,518	20,579	11,248	24,900	4,533
Dec. 31 ⁴	7,437	293,084	28	2,823	1,993	124,493	32,493	27,649	11,548	44,025	8,778
1936-June 24	8,006	314,471	12	1,880	2,183	133,343	30,484	24,454	9,381	61,425	7,599
Dec. 30	8,247	328,998	5	1,245	2,280	139,829	25,526	20,959	8,226	77,910	7,208
1937-Mar. 31	8,344	333,300	9	1,322	2,323	141,545	23,059	18,611	7,898	85,210	6,767
June 30	8,430	339,509	10	1,263	2,361	145,758	23,019	16,331	1,470	97,663	7,275
Sept. 29	8,474	341,842	7	800	2,381	146,724	21,415	14,880	537	102,588	7,304
Dec. 29	8,534	350,551	7	550	2,406	150,987	20,216	12,780	3,369	107,384	7,238
1938-Mar. 30	8,708	358,936	19	1,299	2,464	154,918	19,371	13,110	3,419	111,193	7,825
June 29	8,976	369,853	8	476	2,566	161,158	18,444	13,649	3,084	117,555	8,426
Sept. 28	9,102	378,974	8	146	2,617	168,380	17,567	13,597	5,737	122,447	9,032
Dec. 28	9,188	387,490	5	247	2,653	175,013	17,345	14,161	1,946	128,339	12,722
1939-Mar. 29	9,249	392,230	14	344	2,683	177,895	15,798	12,647	1,975	135,004	12,471
June 28	9,308	395,499	5	255	2,721	179,778	15,255	11,175	2,067	139,281	12,000
Sept. 27	9,366	402,305	2	370	2,752	185,234	14,454	10,517	1,938	146,156	12,169
Dec. 27	9,418	405,225	2	41	2,781	188,222	13,683	9,220	2,659	151,679	10,981
1940-Mar. 27	9,476	410,192	7	199	2,814	192,665	12,723	8,224	2,471	158,110	11,137
June 26	9,512	413,646	2	33	2,838	195,739	10,988	8,762	2,195	162,612	11,182
Sept. 25	9,556	417,260	1	10	2,865	198,966	10,778	8,078	2,315	167,046	10,749
Dec. 31 ⁴	9,609	431,236	2	222	2,908	212,510	9,152	5,226	13,954	177,792	6,386
1941-Jan. 29	9,633	435,474	4	1,929	2,923	214,800	9,483	5,207	12,325	179,021	8,764
Feb. 26	9,659	442,712	1	600	2,945	223,226	9,451	5,066	20,424	179,569	8,716
Mar. 26	9,682	448,506	3	823	2,959	228,732	9,526	7,315	19,986	180,989	10,916
Apr. 30	9,719	444,985	2	35	2,987	225,849	9,157	8,464	13,035	183,646	11,547
May 28	9,793	455,868	5	1,725	3,046	234,714	9,639	12,342	14,134	186,062	12,537
June 25	9,817	458,092	2	35	3,067	238,505	10,549	13,072	8,090	192,783	14,011
July 30	9,855	471,035	3	145	3,096	248,867	10,761	11,697	11,626	202,287	12,496
Aug. 27	9,891	481,255	2	70	3,120	258,154	10,359	12,928	11,520	208,279	15,068
Sept. 24	9,912	498,017	3	2,220	3,132	267,606	9,808	13,551	10,251	216,258	17,738
Oct. 29	9,950	504,144	1	5	3,161	274,739	10,612	13,238	12,317	219,598	18,974
Nov. 26	9,974	506,320	3	375	3,179	276,499	10,836	14,735	9,774	221,421	19,733
Dec. 31	10,007	510,443	4	150	3,202	279,860	10,337	14,597	8,294	227,032	19,600
1942-Jan. 28	10,035	512,449	4	135	3,224	281,617	9,752	14,272	7,612	230,593	19,388
Feb. 25	10,056	525,432	1	600	3,241	292,905	9,227	14,921	15,751	233,082	19,924
Mar. 25	10,081	530,556	1	300	3,261	297,945	9,312	14,364	17,698	237,485	19,086
Apr. 29	10,129	546,600	4	424	3,300	313,660	10,699	11,673	18,473	250,105	22,710
May 27	10,171	558,821	2	400	3,337	325,507	11,464	14,378	22,480	253,801	23,384
June 24	10,191	572,411	3	600	3,352	338,822	11,265	16,832	26,346	257,949	26,430
July 22 ⁵	10,218	578,234	2	850	3,374	343,708	11,659	17,139	22,079	267,121	25,710

¹ Includes industrial advances past due 3 months or more which are not included in industrial advances outstanding in weekly statement of condition of Federal Reserve Banks.

² Includes applications approved conditionally by the Federal Reserve Banks and under consideration by applicant.

³ Does not include financing institution guaranties of advances and commitments made by Federal Reserve Banks, which amounted to \$1,309,000, July 22, 1942.

⁴ Tuesday.

⁵ Latest date for which figures are available.

FEDERAL RESERVE NOTES—FEDERAL RESERVE AGENTS' ACCOUNTS, BY WEEKS

[In thousands of dollars]

	Total	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
Federal Reserve Notes:													
Issued to F.R. Banks by F.R. agents:													
June 24	9,701,861	732,435	2,425,865	684,158	920,975	541,474	383,909	1,963,338	380,974	236,851	313,709	172,734	945,439
July 1	9,824,376	739,869	2,450,898	695,022	930,267	547,523	391,188	1,982,508	394,287	238,684	317,928	179,202	957,000
July 8	9,916,387	746,563	2,467,852	699,438	939,219	556,193	394,680	2,000,154	400,243	239,932	324,049	182,065	965,999
July 15	9,988,398	751,626	2,476,121	705,611	946,895	561,432	396,334	2,012,577	404,727	240,771	325,857	183,660	982,787
July 22	10,058,338	757,402	2,478,105	726,085	948,025	571,684	397,699	2,022,117	403,554	241,394	329,059	183,085	1,000,629
Held by Federal Reserve Bank:													
June 24	448,192	25,757	109,016	21,240	34,210	39,615	33,825	45,689	19,412	6,217	12,157	15,691	85,363
July 1	415,234	37,706	94,872	24,611	33,172	31,658	25,117	44,513	23,263	5,709	8,671	13,699	72,243
July 8	436,465	34,707	107,699	24,695	32,406	34,039	27,145	47,976	26,868	5,243	11,287	14,908	69,492
July 15	480,627	38,435	115,620	26,924	36,547	38,980	29,525	50,387	30,440	5,754	12,012	18,270	77,733
July 22	495,107	39,196	113,209	46,518	31,691	43,047	32,465	51,127	27,760	5,638	11,882	16,310	76,264
In actual circulation:¹													
June 24	9,253,669	706,678	2,316,849	662,918	886,765	501,859	350,084	1,917,649	361,562	230,634	301,552	157,043	860,076
July 1	9,409,142	702,163	2,356,026	670,411	897,095	515,865	366,071	1,937,995	371,024	232,975	309,257	165,503	884,757
July 8	9,479,922	711,856	2,360,153	674,743	906,813	522,154	367,535	1,952,178	373,375	234,689	312,762	167,157	896,507
July 15	9,507,771	713,191	2,360,501	678,687	910,348	522,452	366,809	1,962,190	374,287	235,017	313,845	165,390	905,054
July 22	9,563,231	718,206	2,364,896	679,567	916,334	528,637	365,234	1,970,990	375,294	235,756	317,177	166,775	924,365
Collateral held by agent as security for notes issued to bank:													
Gold certificates on hand and due from U. S. Treasury:													
June 24	9,808,000	740,000	2,435,000	690,000	930,000	550,000	395,000	1,980,000	390,000	241,000	320,000	178,000	959,000
July 1	9,954,000	750,000	2,465,000	715,000	935,000	575,000	395,000	2,000,000	404,000	241,000	320,000	185,000	969,000
July 8	10,057,500	760,000	2,475,000	715,000	945,000	575,000	415,000	2,020,000	410,345	241,000	325,027	187,500	989,000
July 15	10,119,500	760,000	2,495,000	715,000	950,000	575,000	415,000	2,020,000	420,000	241,000	330,000	189,500	1,009,000
July 22	10,223,500	770,000	2,495,000	740,000	950,000	600,000	415,000	2,040,000	420,000	245,000	330,000	189,500	1,029,000
Eligible paper:													
June 24	1,502	365	655	50	50	50	300	30	102	27	27	27	27
July 1	1,472	215	720	410	100	100	345	345	27	27	27	27	27
July 8	1,752	65	890	350	75	75	345	345	27	27	27	27	27
July 15	1,842	250	800	370	50	50	345	345	27	27	27	27	27
July 22	1,594	950	950	290	50	50	345	345	27	27	27	27	27
Total collateral:													
June 24	9,809,502	740,365	2,435,000	690,655	930,000	550,050	395,000	1,980,000	390,300	241,030	320,102	178,000	959,000
July 1	9,955,472	750,215	2,465,720	715,410	935,000	575,100	395,000	2,000,000	404,000	241,000	320,027	185,000	969,000
July 8	10,059,252	760,065	2,475,890	715,350	945,000	575,075	415,000	2,020,000	410,345	241,000	325,027	187,500	989,000
July 15	10,121,342	760,250	2,495,800	715,370	950,000	575,050	415,000	2,020,000	420,345	241,000	330,027	189,500	1,009,000
July 22	10,225,094	770,000	2,495,950	740,290	950,000	600,000	415,000	2,040,000	420,345	245,000	330,009	189,500	1,029,000

¹ Includes Federal Reserve notes held by U. S. Treasury or by a Federal Reserve Bank other than the issuing bank.

August 1942

RESERVE POSITION OF MEMBER BANKS, JUNE, 1942

[Averages of daily figures. In millions of dollars]

Classes of banks and districts	Gross demand deposits	Net demand deposits ¹	Time deposits	Reserves with Federal Reserve Banks		
				Required	Held	Excess
All member banks.....	51,102	42,488	12,147	9,920	12,624	2,704
Central reserve city banks:						
New York.....	17,196	16,380	742	4,303	4,859	556
Chicago.....	3,748	3,317	456	890	979	89
Reserve city banks:						
Boston district.....	1,477	1,332	79	271	340	69
New York district.....	308	260	142	60	69	9
Philadelphia district.....	1,773	1,517	141	312	477	166
Cleveland district.....	2,617	2,161	675	473	710	238
Richmond district.....	1,182	933	233	201	313	112
Atlanta district.....	1,131	820	170	174	212	38
Chicago district.....	2,249	1,724	702	387	523	136
St. Louis district.....	1,245	974	167	205	275	70
Minneapolis district.....	556	412	79	87	104	17
Kansas City district.....	1,446	971	148	203	279	76
Dallas district.....	1,059	704	127	149	197	49
San Francisco district.....	3,442	2,845	2,092	695	947	252
Total.....	18,481	14,654	4,756	3,216	4,448	1,232
Country banks:						
Boston district.....	1,321	1,029	548	177	271	94
New York district.....	2,036	1,634	1,471	317	475	158
Philadelphia district.....	918	685	834	146	210	64
Cleveland district.....	1,026	721	731	145	247	102
Richmond district.....	972	609	397	109	162	53
Atlanta district.....	890	559	258	94	142	48
Chicago district.....	1,442	979	853	188	301	113
St. Louis district.....	629	410	255	73	107	35
Minneapolis district.....	455	296	279	58	91	33
Kansas City district.....	646	379	156	62	105	43
Dallas district.....	798	493	99	75	121	46
San Francisco district.....	546	342	312	67	104	38
Total.....	11,677	8,136	6,193	1,511	2,338	827

¹ Gross demand deposits minus demand balances with domestic banks (except private banks and American branches of foreign banks) and cash items in process of collection.

NOTE.—See table on p. 808 for percentages of deposits required to be held as reserves.

MEMBER BANK RESERVE BALANCES BY CLASSES OF BANK

[Averages of daily figures. In millions of dollars]

	All member banks ¹	Central reserve city banks		Reserve city banks	Country banks ¹
		New York	Chicago		
Total reserves held:					
1941—June.....	13,201	5,958	1,144	4,184	1,914
July.....	13,120	5,875	1,120	4,198	1,927
August.....	13,004	5,600	1,140	4,287	1,978
September.....	13,184	5,554	1,218	4,335	2,076
October.....	13,097	5,314	1,243	4,391	2,149
November.....	12,900	5,053	1,210	4,424	2,213
December.....	12,812	5,142	1,143	4,317	2,210
1942—January.....	12,936	5,248	1,085	4,365	2,238
February.....	12,908	5,266	1,086	4,356	2,199
March.....	12,827	5,188	1,157	4,279	2,204
April.....	12,649	5,028	1,140	4,293	2,188
May.....	12,510	4,870	1,049	4,325	2,265
June.....	12,624	4,859	979	4,448	2,338
Week ending (Friday):					
1942—June 5.....	12,556	4,874	978	4,391	2,313
June 12.....	12,657	4,832	948	4,541	2,336
June 19.....	12,787	4,917	995	4,504	2,371
June 26.....	12,610	4,862	1,001	4,412	2,335
July 3.....	12,262	4,717	973	4,272	2,299
July 10.....	12,261	4,568	980	4,363	2,349
July 17.....	12,346	4,513	988	4,465	2,379
Excess reserves:					
1941—June.....	5,351	2,238	424	1,820	870
July.....	5,193	2,150	388	1,789	866
August.....	5,017	1,898	403	1,824	892
September.....	5,116	1,834	478	1,836	968
October.....	5,001	1,626	512	1,845	1,017
November.....	3,611	945	367	1,456	844
December.....	3,390	989	295	1,303	804
1942—January.....	3,446	1,083	225	1,330	809
February.....	3,309	1,071	204	1,279	755
March.....	3,147	962	255	1,190	740
April.....	2,951	795	262	1,175	718
May.....	2,667	546	178	1,171	772
June.....	2,704	556	89	1,232	827
Week ending (Friday):					
1942—June 5.....	2,670	541	107	1,218	803
June 12.....	2,740	529	67	1,320	824
June 19.....	2,870	627	105	1,278	860
June 26.....	2,713	585	105	1,197	826
July 3.....	2,263	394	58	1,021	790
July 10.....	2,309	307	66	1,096	841
July 17.....	2,298	227	61	1,139	871

² Preliminary.

¹ Weekly figures of excess reserves of all member banks and of country banks are estimates.

DEPOSITS OF MEMBER BANKS IN LARGER AND SMALLER CENTERS

[Averages of daily figures. In millions of dollars]

Federal Reserve district	All member banks				Member banks in larger centers (places over 15,000)				Member banks in smaller centers (places under 15,000)			
	Gross demand		Time		Gross demand		Time		Gross demand		Time	
	June	May	June	May	June	May	June	May	June	May	June	May
Boston.....	2,797	2,758	626	623	2,632	2,597	508	506	165	161	118	118
New York.....	19,539	19,608	2,354	2,363	11,942	11,930	1,103	1,104	401	394	510	504
Philadelphia.....	2,690	2,664	976	979	2,347	2,327	531	534	344	337	445	446
Cleveland.....	3,643	3,533	1,406	1,407	3,263	3,162	1,060	1,064	380	372	346	343
Richmond.....	2,154	2,096	630	632	1,873	1,820	426	428	281	276	204	204
Atlanta.....	2,020	1,999	427	427	1,811	1,791	342	342	209	208	85	84
Chicago.....	7,439	7,295	2,011	1,997	13,150	13,051	1,211	1,201	540	528	344	339
St. Louis.....	1,873	1,861	423	423	1,499	1,495	299	299	374	366	123	124
Minneapolis.....	1,011	956	358	355	793	745	190	188	218	211	168	166
Kansas City.....	2,091	2,035	304	303	1,656	1,605	197	196	435	429	107	107
Dallas.....	1,857	1,821	227	228	1,431	1,402	184	185	425	419	43	43
San Francisco.....	3,988	3,861	2,404	2,381	3,821	3,701	2,299	2,277	167	160	105	104
Total.....	51,102	50,487	12,147	12,118	126,219	125,624	18,350	18,324	3,940	3,862	2,599	2,583

¹ Excluding central reserve city banks, for which figure for latest month are shown in table above.

KINDS OF MONEY IN CIRCULATION
[Outside Treasury and Federal Reserve Banks. In millions of dollars]

End of month	Total	Gold certificates	Silver dollars	Silver certificates	Treasury notes of 1890	Subsidiary silver coin	Minor coin	United States notes	Federal Reserve notes	Federal Reserve Bank notes	National bank notes
1941—May.....	9,357	63	52	1,697	1	426	191	286	6,468	20	152
June.....	9,612	63	53	1,714	1	434	194	300	6,684	20	150
July.....	9,732	63	54	1,691	1	438	196	307	6,813	20	149
August.....	9,995	62	55	1,723	1	445	199	313	7,027	20	148
September.....	10,163	62	56	1,724	1	455	202	314	7,181	20	147
October.....	10,364	62	57	1,715	1	463	205	317	7,378	20	146
November.....	10,640	61	59	1,737	1	474	208	321	7,615	20	145
December.....	11,160	61	60	1,733	1	481	209	313	8,138	19	144
1942—January.....	11,175	61	61	1,657	1	471	206	302	8,253	19	143
February.....	11,485	61	61	1,695	1	475	206	309	8,514	19	143
March.....	11,566	60	62	1,697	1	482	208	307	8,587	19	142
April.....	11,767	60	64	1,707	1	488	209	309	8,769	19	141
May.....	12,074	60	65	1,745	1	496	211	316	9,022	19	140
June.....	12,383	59	66	1,754	1	504	213	317	9,310	19	139

Back figures.—See Annual Report for 1937 (table 35).

PAPER CURRENCY, BY DENOMINATIONS, AND COIN IN CIRCULATION
[Outside Treasury and Federal Reserve Banks. In millions of dollars]

End of month	Total in circulation ¹	Coin and small denomination currency ²							Large denomination currency ²						Unas-sorted ²	
		Total	Coin	\$1 ³	\$2	\$5	\$10	\$20	Total	\$50	\$100	\$500	\$1,000	\$5,000		\$10,000
1941—May.....	9,357	6,683	669	615	40	1,176	2,211	1,972	2,675	587	1,218	242	546	24	57	2
June.....	9,612	6,890	681	625	41	1,207	2,289	2,047	2,725	607	1,244	244	548	24	57	2
July.....	9,732	6,992	688	626	40	1,215	2,334	2,090	2,742	615	1,257	244	544	24	58	3
August.....	9,995	7,237	700	641	42	1,257	2,430	2,169	2,760	630	1,274	244	543	24	46	3
September.....	10,163	7,378	713	658	42	1,270	2,469	2,227	2,787	645	1,293	243	537	24	46	3
October.....	10,364	7,537	725	663	41	1,287	2,527	2,293	2,830	658	1,316	245	539	25	47	3
November.....	10,640	7,769	738	675	43	1,318	2,610	2,383	2,874	674	1,343	248	538	24	47	4
December.....	11,160	8,120	751	695	44	1,355	2,731	2,545	3,044	724	1,433	261	556	24	46	4
1942—January.....	11,175	8,053	738	656	42	1,309	2,713	2,595	3,126	745	1,481	265	566	24	46	4
February.....	11,485	8,326	743	668	42	1,344	2,825	2,704	3,163	767	1,511	266	565	21	33	4
March.....	11,566	8,396	752	673	42	1,351	2,834	2,744	3,174	779	1,528	268	561	9	29	5
April.....	11,767	8,560	757	680	43	1,362	2,898	2,820	3,204	792	1,549	268	558	9	29	1
May.....	12,074	8,841	771	696	44	1,402	3,004	2,924	3,235	801	1,566	260	570	9	28	1
June.....	12,383	9,083	783	704	45	1,427	3,099	3,024	3,301	824	1,602	262	576	8	29	2

¹ Total of amounts of coin and paper currency shown by denominations less unassorted currency in Treasury and Federal Reserve Banks.

² Includes unassorted currency held in Treasury and Federal Reserve Banks and currency of unknown denominations reported by the Treasury as destroyed.

³ Paper currency only; \$1 silver coins reported under coin.

Back figures.—See Annual Report for 1937 (table 36).

TREASURY CURRENCY OUTSTANDING

[Held by Treasury and Federal Reserve Banks and in circulation. In millions of dollars]

End of month	Total	Silver dollars and silver bullion ¹	Subsidiary silver coin	Minor coin	United States notes	Federal Reserve Bank notes	National bank notes
1941—May.....	3,134	1,977	440	196	347	21	153
June.....	3,149	1,983	447	199	347	21	152
July.....	3,166	1,991	455	202	347	20	151
August.....	3,181	1,998	462	204	347	20	150
September.....	3,198	2,006	469	207	347	20	149
October.....	3,219	2,013	482	210	347	20	148
November.....	3,231	2,017	489	212	347	20	146
December.....	3,247	2,023	497	215	347	20	146
1942—January.....	3,259	2,029	501	218	347	20	144
February.....	3,268	2,033	505	220	347	20	144
March.....	3,277	2,038	509	221	347	19	143
April.....	3,289	2,044	514	222	347	19	142
May.....	3,305	2,050	524	224	347	19	141
June.....	3,313	2,053	530	225	347	19	140

¹ Includes silver held against silver certificates amounting to \$1,970,000,000 on June 30, 1942 and \$1,914,000,000 on June 30, 1941.

SHIPMENTS AND RECEIPTS OF UNITED STATES PAPER CURRENCY

[By selected banks and financial institutions in New York City. In millions of dollars]

Year or month	Shipments to Europe	Receipts from Europe	Net shipments	Net receipts
1937.....	21.5	47.6	.....	26.1
1938.....	33.1	34.4	.....	1.3
1939.....	110.2	9.8	.....	.....
1940.....	17.7	.7	.....	17.0
1941.....	.3	.5	.....	.2
1941—July.....	.....	(1)	.....	(1)
August.....	.....	(1)	.....	(1)
September.....	.....	.....	.....	.....
October.....	.....	(1)	.....	(1)
November.....	.....	(1)	.....	(1)
December.....	.....	.2	.....	.2
1942—January.....	.2	(1)	.1	(1)
February.....	.....	.....	.....	.....
March.....	.....	.....	.....	.....
April.....	.1	.....	.1	.....
May.....	.....	.....	.....	.....
June.....	.....	.....	.....	.....

¹ Less than \$50,000.

Back figures.—See Annual Report for 1937 (table 38).

Description.—See BULLETIN for January 1932, pp. 7-8.

ANALYSIS OF CHANGES IN GOLD STOCK OF UNITED STATES [In millions of dollars]

Period	Gold stock at end of period	Increase in gold stock	Net gold import	Earmarked gold: decrease or increase (—)	Domestic gold production ¹
1934 ²	8,238	4,202.5	1,133.9	82.6	92.9
1935	10,125	1,887.2	1,739.0	.2	110.7
1936	11,258	1,132.3	1,116.6	-85.9	131.6
1937	12,760	1,502.5	1,585.5	-200.4	143.9
1938	14,512	1,751.5	1,973.6	-333.5	148.6
1939	17,644	3,132.0	3,574.2	-534.4	161.7
1940	21,995	4,351.2	4,744.5	-644.7	170.2
1941	22,737	741.8	(4)	-407.7	167.8
1941—May	22,575	69.1	34.8	-3.8	12.7
June	22,624	49.2	30.7	4.0	14.5
July	22,675	50.5	37.0	-27.7	13.7
August	22,719	44.7	37.0	-31.2	12.5
September	22,761	41.5	65.7	-46.8	17.9
October	22,800	38.8	40.4	-32.2	15.8
November	22,785	-14.4	50.4	-60.9	18.1
December	22,737	-48.8	(4)	-99.7	11.4
1942—January	22,747	10.6		-38.5	14.7
February	22,705	-42.4		-109.3	10.0
March	22,687	-17.3		-65.5	11.0
April	22,691	3.3		-20.1	11.1
May	22,714	23.6		-38.2	10.8
June	22,737	22.3		-14.8	9.9
Jan.-June	22,737	.1		-286.4	66.5

² Preliminary.

¹ Annual figures are estimates of the United States Mint. Monthly figures are those published in table on page 854, adjusted to exclude Philippine Islands production received in United States.

² Figures based on rate of \$20.67 a fine ounce in January 1934 and \$35 a fine ounce thereafter.

³ Includes gold in the Inactive Account amounting to 27 million dollars on Dec. 31, 1936, and 1,228 million on Dec. 31, 1937.

⁴ Beginning December 4, 1941, the Department of Commerce suspended publication of gold import and export statistics.

⁵ Gold held under earmark at Federal Reserve Banks for foreign account amounted to 2,501.7 million dollars on June 30, 1942.

NOTE.—For back figures through 1937, see Annual Report for 1937 (table 29).

BANK SUSPENSIONS¹

	Total, all banks	Member banks		Nonmember banks	
		National	State	Insured ²	Not insured
Number of banks suspended:					
1934	57	1		8	48
1935	34	4		22	8
1936	44	4		40	3
1937	59	4	2	47	6
1938	55	1	1	47	6
1939	42	4	3	25	10
1940	22	1		18	3
1941	8	4		3	1
1942—Jan.-June	4			3	1
Deposits of suspended banks (in thousands of dollars): ³					
1934	36,937	40		1,912	34,985
1935	10,015	5,313		3,763	939
1936	11,306	507		10,207	592
1937	19,723	7,379	1,708	10,156	480
1938	13,012	36	211	11,721	1,044
1939	34,998	1,341	24,629	6,589	2,439
1940	5,943	256		5,341	346
1941	3,726	3,144		503	79
1942—Jan.-June	498			316	182

¹ Represents banks which, during the periods shown, closed temporarily or permanently on account of financial difficulties; does not include banks whose deposit liabilities were assumed by other banks at the time of closing (in some instances with the aid of Federal Deposit Insurance Corporation loans).

² Federal deposit insurance became operative January 1, 1934.

³ Deposits of member banks and insured nonmember banks suspended are as of dates of suspension, and deposits of noninsured nonmember banks are based on the latest data available at the time the suspensions were reported.

Back figures.—See Annual Report for 1937 (table 76).

MOVEMENT OF GOLD TO AND FROM UNITED STATES¹ [In thousands of dollars]

From or to—	1941					
	Nov. ²		Oct.		Jan.-Nov.	
	Im-ports	Ex-ports ³	Im-ports	Ex-ports ³	Im-ports	Ex-ports ³
France						1
Portugal	24		34			378
Sweden						1,747
Switzerland						899
United Kingdom	121		55			3,616
U. S. S. R.	5,615		5,550			31,459
Canada	24,921		16,074			391,714
Mexico	6,336		1,020			15,526
Central America	939		960			9,987
West Indies and Bermuda	77		66			814
Argentina	18		10			177
Bolivia	8		10			94
Brazil	5					22
Chile	441		323			7,627
Colombia	2,110		2,107			22,211
Ecuador	218		253			2,822
Peru	436		583			8,441
Venezuela	227		608			4,212
British Guiana	91		75			986
Australia	5,980		6,151			63,779
New Zealand	156		77			2,364
British Oceania	314		652			3,583
British India			2,327			8,954
Netherlands Indies			25			855
China and Hong Kong						3,697
Japan						9,444
Philippine Islands	1,832		3,143			37,178
South Africa	40		200			292,703
All other countries	473		140			4,255
Total	50,382	8	40,444	3	929,545	63

¹ Figures represent customs valuations which, with some exceptions, are at rate of \$35 a fine ounce.

² Beginning December 4, 1941, the Department of Commerce suspended publication of gold import and export statistics.

³ Beginning May 1941, the Department of Commerce suspended publication of export statistics by country of destination.

NOTE.—For back figures for selected countries beginning in 1934, see table on p. 854.

BANK DEBITS

Debits to deposit accounts except interbank accounts

[In millions of dollars]

Year and month	Total, all reporting centers	New York City	140 other centers ¹	133 other reporting centers ²
1929	982,531	603,089	331,938	47,504
1936	461,889	208,936	219,670	33,283
1937	469,463	197,836	235,206	36,421
1938	405,929	168,778	204,745	32,406
1939	423,932	171,382	218,298	34,252
1940	445,863	171,582	236,952	37,329
1941	537,343	197,724	293,925	45,694
1941—May	43,661	16,124	23,808	3,729
June	45,937	17,282	24,666	3,789
July	44,804	16,288	24,673	3,843
August	42,853	15,079	24,045	3,729
September	43,866	15,654	24,322	3,890
October	50,869	19,148	27,329	4,392
November	45,076	16,077	25,087	3,912
December	56,582	20,598	31,133	4,850
1942—January	48,605	17,247	27,028	4,330
February	41,545	14,242	23,543	3,760
March	49,161	17,056	27,764	4,341
April	46,613	16,023	26,451	4,138
May	48,343	16,985	27,242	4,116
June	50,110	17,394	28,295	4,421

¹ National series, for which bank debit figures are available beginning with 1919.

² Except that 1929 figure is for 128 centers only.

Revised figures.—1941 and 1942 figures revised to reflect changes in number of reporting banks in 2 centers.

Back figures.—Annual report for 1937, page 157. Annual totals, beginning with 1919, by Federal Reserve districts and for individual centers, are available for distribution and will be furnished upon request.

ALL BANKS IN THE UNITED STATES

Comprises all national banks in the continental United States and all State commercial banks, trust companies, mutual and stock savings banks and such private and industrial banks as are included in abstracts issued by State banking departments. Also includes, during the period June 1934-June 1935, private banks which, pursuant to the provisions of sec. 21 (a) of the Banking Act of 1933, submitted condition reports to the Comptroller of the Currency. Under the amended provision of sec. 21 (a) private banks no longer report to the Comptroller of the Currency. For comparative figures of private banks included in the figures from June 1934 to December 1935, see Federal Reserve Bulletin for December 1935, p. 883, and July 1936, p. 535. Figures for nonmember banks are for dates indicated or nearest thereto for which figures are available.

NUMBER OF BANKS

Call date	Total	Member banks ²			Nonmember banks	
		Total	National	State	Mutual savings banks	Other non-member banks
1929-June 29.....	25,110	8,707	7,530	1,177	611	15,792
Dec. 31.....	24,630	8,522	7,403	1,119	609	15,499
1933-June 30.....	14,519	5,606	4,897	709	576	8,337
Dec. 30.....	15,011	6,011	5,154	857	579	8,421
1938-June 30.....	15,287	6,338	5,242	1,096	563	8,386
Dec. 31.....	15,206	6,338	5,224	1,114	556	8,312
1939-June 30.....	15,082	6,330	5,203	1,127	553	8,199
Dec. 30.....	15,037	6,362	5,187	1,175	552	8,123
1940-June 29.....	14,953	6,398	5,164	1,234	551	8,004
Dec. 31.....	14,895	6,486	5,144	1,342	551	7,858
1941-Apr. 4.....	14,871	6,528	5,138	1,390	550	7,793
June 30.....	14,855	6,556	5,130	1,426	547	7,752
Sept. 24.....	14,852	6,596	5,125	1,471	546	7,710
Dec. 31.....	14,825	6,619	5,117	1,502	545	7,661
1942-June 30 ³	6,647	5,101	1,546			

For footnotes see table below.

DEPOSITS, EXCLUSIVE OF INTERBANK DEPOSITS¹

[In millions of dollars]

Call date	All banks	Member banks ²			Nonmember banks	
		Total	National	State	Mutual savings banks	Other non-member banks
1929-June 29.....	53,852	32,284	19,411	12,873	8,983	12,584
Dec. 31.....	55,289	33,865	20,290	13,575	8,916	12,508
1933-June 30.....	37,998	23,338	14,772	8,566	9,713	4,946
Dec. 30.....	38,505	23,771	15,386	8,385	9,708	5,026
1938-June 30.....	52,195	34,745	22,553	12,193	10,296	7,153
Dec. 31.....	54,054	36,211	23,497	12,714	10,365	7,478
1939-June 30.....	55,992	38,027	24,534	13,493	10,521	7,444
Dec. 30.....	58,344	39,930	25,661	14,269	10,613	7,801
1940-June 29.....	60,582	42,039	26,931	15,108	10,631	37,912
Dec. 31.....	65,021	46,007	29,214	16,793	10,658	8,356
1941-Apr. 4.....	65,211	46,179	29,467	16,712	10,684	8,347
June 30.....	67,172	48,076	30,684	17,392	10,641	8,456
Sept. 24.....	68,449	49,160	31,500	17,660	10,643	8,646
Dec. 31.....	70,792	51,192	32,672	18,520	10,525	9,075
1942-June 30 ³						

For footnotes see table below.

LOANS AND INVESTMENTS

[In millions of dollars]

Call date	All banks			Member banks ²			Nonmember banks					
	Total	Loans	Investments	Total	Loans	Investments	Mutual savings banks			Other nonmember banks		
							Total	Loans	Investments	Total	Loans	Investments
1929-June 29.....	58,474	41,531	16,943	35,711	25,658	10,052	9,556	5,892	3,664	13,207	9,981	3,227
Dec. 31.....	58,417	41,918	16,499	35,934	26,150	9,784	9,463	5,945	3,518	13,020	9,823	3,197
1933-June 30.....	40,076	22,203	17,872	24,786	12,858	11,928	10,044	5,941	4,103	5,246	3,404	1,841
Dec. 30.....	40,319	21,977	18,342	25,220	12,833	12,386	9,985	5,906	4,079	5,115	3,238	1,877
1938-June 30.....	47,381	21,130	26,252	30,721	12,938	17,783	10,196	4,961	5,235	6,465	3,231	3,234
Dec. 31.....	48,929	21,354	27,575	32,070	13,208	18,863	10,255	4,930	5,325	6,604	3,217	3,387
1939-June 30.....	49,616	21,318	28,299	32,603	13,141	19,462	10,342	4,931	5,411	6,671	3,245	3,425
Dec. 30.....	50,885	22,169	28,716	33,941	13,962	19,979	10,314	4,961	5,353	6,630	3,246	3,384
1940-June 29.....	51,335	22,341	28,995	34,451	13,969	20,482	10,188	4,926	5,262	6,696	3,445	3,251
Dec. 31.....	54,188	23,741	30,448	37,126	15,321	21,805	10,248	4,959	5,289	6,815	3,461	3,353
1941-Apr. 4.....	56,147	24,322	31,825	38,983	15,878	23,104	10,276	4,954	5,322	6,889	3,490	3,399
June 30.....	57,945	25,312	32,633	40,659	16,729	23,930	10,314	4,955	5,360	6,972	3,628	3,344
Sept. 24.....	59,296	26,187	33,109	41,943	17,546	24,397	10,348	4,949	5,399	7,005	3,692	3,313
Dec. 31.....	61,098	26,616	34,483	43,521	18,021	25,500	10,372	4,903	5,470	7,205	3,692	3,313
1942-June 30 ³				46,804	16,944	29,860						

¹ Preliminary.

² Prior to December 1933, member bank figures include interbank deposits not subject to immediate withdrawal, which aggregated \$103,000,000 on that date. Prior to June 1940, the nonmember bank figures on some call dates included some interbank deposits not shown separately in a few State bank abstracts.

³ Includes, subsequent to April 4, 1941, two mutual savings banks in Wisconsin and one in Indiana.

⁴ One bank (with deposits, excluding interbank deposits, of \$90,000,000 and total loans and investments of \$96,000,000 on Dec. 30, 1939) which, prior to March 1940, was classified as a mutual savings bank, is now included in figures in the "Other nonmember banks" column.

⁵ Prior to December 1938 the figures include loans and investments indirectly representing bank premises or other real estate, now reported separately in condition reports. The amounts of such loans and investments in December 1938, were approximately \$50,000,000 and \$100,000,000, respectively.

NOTE.—Beginning with the April 4, 1942 call, spring and fall figures are not being compiled for "All banks." April 4, 1942 figures for member banks are shown on the following pages.

Back figures.—See Annual Report for 1937 (tables 48-49).

CONDITION OF ALL MEMBER BANKS—LOANS AND INVESTMENTS

[In millions of dollars]

Call date	Total loans and investments	Loans ¹										Investments ¹									
		Total ¹	Com- mer- cial and indus- trial ²	Agi- cul- tur- al ²	Open mar- ket paper	Loans for purchasing or carrying securities		Real estate loans	Loans to banks	Other loans ⁴	Total	U. S. Government obligations					Obliga- tions of States and politi- cal sub- divi- sions	Other secu- rities			
						To brok- ers and deal- ers	To oth- ers ³					Total	Direct			Guar- an- teed					
													Bills ⁵	Notes	Bonds						
Total—All Member Banks																					
1929—Dec. 31.....	35,934	26,150			583	2,463	7,685	3,191	714	11,515	9,784	3,863						1,393	4,528		
1933—June 30.....	24,786	12,858			595	953	3,752	2,372	330	4,857	11,928	6,887	1,113	2,049	3,725			1,744	3,297		
1939—Dec. 30.....	33,941	13,962	5,386	730	455	790	700	2,957	56	2,888	19,979	14,328	563	2,223	8,398	3,144		2,692	2,959		
1940—June 29.....	34,451	13,969	5,538	736	450	447	668	3,069	42	3,020	20,482	14,722	797	2,543	8,261	3,121		2,888	2,873		
Dec. 31.....	37,126	15,321	6,204	865	456	642	652	3,228	43	3,230	21,805	15,823	652	2,594	9,091	3,486		3,013	2,970		
1941—Apr. 4 ⁶	38,983	15,878									23,104	16,988						3,487	2,911		
June 30.....	40,659	16,729	7,270	738	537	575	635	3,365	44	3,565	23,930	18,078	1,127	2,631	10,481	3,839		2,984	2,867		
Sept. 24 ⁶	41,943	17,546									24,397	18,338						3,981	2,899		
Dec. 31.....	43,521	18,021	8,064	972	607	594	598	3,494	39	3,653	25,500	19,539	971	3,007	11,729	3,832		3,090	2,871		
1942—Apr. 4 ⁶	44,287	17,834									26,453	20,449						3,173	2,831		
June 30 ⁷	46,804	16,944									29,860	24,086						2,934	2,840		
New York City ¹																					
1929—Dec. 31.....	8,774	6,683			195	1,257	2,145	169	322	2,595	2,091	1,112	58	166	889			222	758		
1933—June 30.....	7,133	3,424			364	759	1,044	157	162	937	3,709	2,551	638	987	926			478	680		
1939—Dec. 30.....	9,339	3,296	1,768	7	120	611	188	133	44	425	6,043	4,772	315	797	2,385	1,275		579	693		
1940—June 29.....	9,829	3,014	1,801	6	103	320	188	137	32	426	6,815	5,486	421	1,092	2,650	1,324		634	695		
Dec. 31.....	10,910	3,384	2,025	6	100	465	190	130	25	443	7,527	6,044	207	1,245	2,977	1,615		695	788		
1941—Apr. 4 ⁶	11,696	3,502									8,194	6,625						771	798		
June 30.....	12,493	3,778	2,405	3	97	422	186	129	33	503	8,715	7,268	577	1,526	3,415	1,751		651	796		
Sept. 24 ⁶	12,930	3,939									8,991	7,331				1,920		819	841		
Dec. 31.....	12,896	4,072	2,716	8	91	412	169	123	32	522	8,823	7,265	311	1,623	3,652	1,679		729	830		
1942—Apr. 4 ⁶	13,123	4,173									8,950	7,381				1,515		773	796		
June 30 ⁷	14,018	4,065									9,953	8,550						623	781		
City of Chicago ¹																					
1929—Dec. 31.....	1,757	1,448			19	251	533	21	88	535	309	116	3	19	94			96	96		
1933—June 30.....	1,287	677			69	61	251	30	30	237	610	384	206	82	97			87	138		
1939—Dec. 30.....	2,105	569	365	6	17	41	66	13		60	1,536	1,203	153	176	701	172		162	170		
1940—June 29.....	2,205	603	417	8	16	23	61	16		62	1,602	1,258	254	161	710	134		177	167		
Dec. 31.....	2,377	696	476	5	17	42	54	19		84	1,681	1,307	297	145	752	112		188	186		
1941—Apr. 4 ⁶	2,649	780									1,869	1,466				125		226	177		
June 30.....	2,707	846	609	5	21	36	55	20		101	1,861	1,483	417	125	803	138		190	188		
Sept. 24 ⁶	2,573	918									1,655	1,304				159		175	176		
Dec. 31.....	2,760	954	711	6	21	48	52	22	1	95	1,806	1,430	256	153	903	119		182	193		
1942—Apr. 4 ⁶	2,806	923									1,883	1,490				108		207	187		
June 30 ⁷	3,116	906									2,210	1,858						164	188		
Reserve City Banks																					
1929—Dec. 31.....	12,029	9,084			168	664	2,775	1,538	258	3,679	2,944	1,368	91	165	1,112			448	1,128		
1933—June 30.....	8,492	4,482			126	108	1,340	1,131	99	1,678	4,011	2,483	205	681	1,597			598	930		
1939—Dec. 30.....	12,272	5,329	2,100	221	155	119	222	1,335	9	1,168	6,943	5,194	63	819	3,339	972		890	860		
1940—June 29.....	12,160	5,365	2,134	176	156	87	210	1,372	6	1,224	6,795	4,947	87	839	3,052	969		981	868		
Dec. 31.....	13,013	5,931	2,436	263	153	115	207	1,436	15	1,307	7,081	5,204	103	771	3,281	1,049		984	893		
1941—Apr. 4 ⁶	13,494	6,165									7,328	5,440				1,047		1,034	855		
June 30.....	14,013	6,498	2,879	175	202	100	198	1,477	9	1,457	7,515	5,700	73	606	3,858	1,162		979	836		
Sept. 24 ⁶	14,588	6,861									7,727	5,914				1,246		975	838		
Dec. 31.....	15,347	7,105	3,206	300	250	114	194	1,527	4	1,508	8,243	6,467	295	751	4,248	1,173		956	820		
1942—Apr. 4 ⁶	15,605	6,989									8,616	6,832				1,051		941	844		
June 30 ⁷	16,531	6,557									9,973	8,189						926	859		
Country Banks																					
1929—Dec. 31.....	13,375	8,936			201	291	2,231	1,462	45	4,705	4,439	1,267	97	171	999			627	2,546		
1933—June 30.....	7,873	4,275			35	25	1,117	1,055	38	2,005	3,598	1,469	64	299	1,106			581	1,549		
1939—Dec. 30.....	10,224	4,768	1,151	495	163	20	224	1,477	4	1,234	5,456	3,159	31	431	1,972	725		1,061	1,236		
1940—June 29.....	10,257	4,987	1,187	546	174	17	208	1,544	3	1,308	5,270	3,030	36	451	1,849	695		1,097	1,144		
Dec. 31.....	10,826	5,309	1,267	590	187	21	201	1,644	3	1,397	5,517	3,269	45	433	2,081	710		1,146	1,102		
1941—Apr. 4 ⁶	11,144	5,431									5,713	3,456				694		1,176	1,081		
June 30.....	11,446	5,607	1,377	555	216	17	195	1,739	3	1,504	5,839	3,627	60	374	2,404	788		1,165	1,047		
Sept. 24 ⁶	11,852	5,828									6,024	3,789				919		1,191	1,044		
Dec. 31.....	12,518	5,890	1,431	659	245	20	183	1,823	2	1,528	6,628	4,377	110	481	2,926	861		1,222	1,028		
1942—Apr. 4 ⁶	12,753	5,749									7,004	4,746				797		1,253	1,005		
June 30 ⁷	13,139	5,416									7,723	5,488						1,222	1,012		

¹ Preliminary.

² Classifications indicated were revised as of Dec. 31, 1938; for explanation see BULLETIN for January, 1939, pp. 22-23, and BULLETIN for April, 1939, pp. 259-264, 332. Beginning June 30, 1939, detailed classifications available on June and December dates only.

³ Not shown in call reports prior to December 1938, but the total amount of agricultural loans was reported separately on some dates, and the total amount of "Commercial, industrial and agricultural paper" has been reported by weekly reporting banks since May, 1937.

⁴ Figures in this column prior to Dec. 31, 1938, represent all loans on securities, regardless of purpose, excepting only loans on securities to banks and to brokers and dealers.

⁵ This is a residual item and, because of the revised loan classifications, figures beginning Dec. 31, 1938, are not comparable with earlier figures.

⁶ Includes Treasury certificates of indebtedness through 1934.

⁷ Breakdown of loans and investments not reported separately.

⁸ Central reserve city banks.

Back figures—See Annual Report for 1937 (tables 52-58).

CONDITION OF ALL MEMBER BANKS—RESERVES AND LIABILITIES

[In millions of dollars]

Call date	Re-serves with Federal Reserve Banks	Cash in vault	Bal-ances with do-mestic banks ¹	De-mand de-posits ad-justed ²	Demand deposits, except interbank				Time deposits, except interbank			Interbank deposits			Bor-rowings	Capital ac-counts
					Indi-viduals, partner-ships, and cor-pora-tions	States and political sub-di-visions	Certi-fied and offi-cers' checks etc. ³	U. S. Gov-ernment	Indi-viduals, partner-ships, and cor-pora-tions	States and polit-ical sub-di-visions	U. S. Gov-ernment and postal sav-ings ⁴	Domestic banks		For-foreign banks		
												De-mand	Time			
Total—All Member Banks																
1929—Dec. 31	2,374	558	2,168	16,647	17,526	1,335	1,681	143	12,267	595	122	3,517	95	698	879	6,709
1933—June 30	2,235	405	2,008	12,089	11,830	1,087	657	806	7,803	300	788	3,057	89	146	191	4,837
1939—Dec. 30	11,604	841	5,506	25,681	24,604	2,321	563	743	11,215	432	51	8,507	144	759	3	5,522
1940—June 29	13,751	789	5,751	27,877	26,397	2,529	475	711	11,459	410	59	8,852	134	703	3	5,608
Dec. 31	13,992	991	6,185	30,429	29,576	2,724	913	616	11,687	435	56	9,581	135	706	3	5,698
1941—Apr. 4	13,531	837	6,340	31,576	29,752	2,957	662	523	11,837	392	54	9,873	6137	6635	3	5,754
June 30	12,959	999	6,293	32,678	31,429	2,940	738	619	11,898	397	55	9,610	138	688	3	5,800
Sept. 24	13,246	1,061	6,562	33,822	32,149	3,090	730	781	11,980	382	50	10,176	6140	6628	13	5,852
Dec. 31	12,396	1,087	6,246	33,754	33,061	3,066	1,009	1,709	11,878	418	50	9,714	133	678	4	5,886
1942—Apr. 4	12,725	884	6,276	34,670	32,602	3,285	589	2,164	11,520	395	49	9,650	6118	6641	14	5,930
New York City ⁵																
1929—Dec. 31	827	68	179	4,750	5,847	128	1,180	20	1,112	33	18	1,198	40	597	179	2,105
1933—June 30	846	46	101	4,358	4,676	96	461	332	671	4	110	1,255	22	128	8	1,582
1939—Dec. 30	5,915	89	125	8,899	9,030	251	178	74	693	43	.....	3,542	1	695	.....	1,592
1940—June 29	7,072	88	119	10,235	10,283	258	147	67	732	29	.....	3,840	.....	650	.....	1,599
Dec. 31	7,057	102	122	11,062	11,357	370	471	48	768	51	.....	4,032	.....	646	.....	1,615
1941—Apr. 4	6,715	85	6154	11,645	11,629	302	302	29	806	38	.....	64,021	.....	6577	.....	1,623
June 30	5,857	136	131	11,619	11,895	319	306	32	778	27	.....	3,948	.....	623	.....	1,625
Sept. 24	5,534	96	6114	11,506	11,595	300	342	135	810	29	.....	64,040	.....	6563	10	1,635
Dec. 31	5,105	93	141	10,761	11,282	319	450	866	778	29	.....	3,595	.....	612	.....	1,648
1942—Apr. 4	5,236	81	6192	11,335	11,235	296	154	967	751	25	.....	63,383	.....	6576	4	1,655
City of Chicago ⁶																
1929—Dec. 31	169	13	133	957	1,041	42	32	8	332	58	2	310	19	33	41	316
1933—June 30	232	34	203	912	870	87	16	46	358	1	6	259	.....	2	.....	204
1939—Dec. 30	993	42	283	1,739	1,676	167	24	80	483	10	3	879	.....	9	.....	250
1940—June 29	1,187	39	242	1,898	1,782	199	17	79	489	15	5	949	.....	7	.....	260
Dec. 31	1,051	42	319	1,941	1,905	174	27	90	496	8	5	997	.....	8	.....	270
1941—Apr. 4	815	20	6283	1,755	1,685	181	26	108	486	10	4	61,151	.....	67	.....	270
June 30	1,062	41	262	2,205	2,109	213	33	95	480	17	5	1,010	.....	8	.....	279
Sept. 24	1,278	39	6271	2,228	2,112	228	29	95	469	22	.....	61,081	.....	68	.....	279
Dec. 31	1,021	43	298	2,215	2,152	233	34	127	476	.....	.....	1,027	.....	8	.....	288
1942—Apr. 4	1,088	27	6285	1,919	1,886	203	31	296	455	.....	.....	61,253	.....	69	.....	289
Reserve City Banks																
1929—Dec. 31	751	156	947	5,229	5,547	423	300	76	4,433	371	41	1,604	30	64	292	2,029
1933—June 30	705	122	1,002	3,764	3,708	349	108	312	2,941	208	388	1,315	59	15	16	1,533
1939—Dec. 30	3,118	348	2,485	8,176	8,002	813	190	435	4,362	240	14	3,516	117	53	.....	1,828
1940—June 29	3,759	334	2,679	8,774	8,372	956	147	422	4,422	219	18	3,526	105	44	.....	1,873
Dec. 31	4,027	396	2,741	9,581	9,468	995	228	327	4,506	226	19	3,919	106	51	.....	1,904
1941—Apr. 4	4,107	361	62,859	10,137	9,552	1,206	171	273	4,540	202	19	4,023	6108	649	.....	1,917
June 30	4,125	385	2,793	10,480	10,142	1,139	209	341	4,590	211	19	4,000	108	55	.....	1,940
Sept. 24	4,359	425	62,885	11,060	10,637	1,221	190	383	4,591	186	19	4,324	6108	655	.....	1,948
Dec. 31	4,060	425	2,590	11,117	11,127	1,144	286	491	4,542	243	20	4,302	103	55	.....	1,967
1942—Apr. 4	4,221	348	62,705	11,689	11,105	1,313	202	633	4,366	224	18	4,235	690	654	6	1,981
Country Banks																
1929—Dec. 31	627	321	908	5,711	5,091	742	169	39	6,390	133	61	405	6	3	367	2,258
1933—June 30	452	203	702	3,054	2,576	555	72	116	3,833	86	285	228	7	1	167	1,517
1939—Dec. 30	1,578	363	2,614	6,866	5,896	1,090	172	154	5,677	140	35	571	26	2	3	1,851
1940—June 29	1,733	328	2,711	6,969	5,960	1,115	164	143	5,816	147	37	538	29	2	3	1,876
Dec. 31	1,857	452	3,002	7,845	6,846	1,184	187	151	5,917	150	33	633	29	2	3	1,909
1941—Apr. 4	1,894	372	63,044	8,039	6,886	1,269	163	114	6,006	142	31	677	629	62	3	1,943
June 30	1,914	437	3,106	8,374	7,282	1,269	190	151	6,049	143	31	652	30	2	3	1,956
Sept. 24	2,075	501	63,293	9,023	7,805	1,341	169	168	6,110	145	30	672	632	62	3	1,990
Dec. 31	2,210	526	3,216	9,661	8,500	1,370	239	225	6,082	146	31	790	30	2	4	1,982
1942—Apr. 4	2,180	429	63,093	9,726	8,376	1,473	202	269	5,948	145	30	6779	628	62	4	2,005

¹ Prior to Dec. 31, 1935, excludes balances with private banks to the extent that they were then reported in "Other assets." Since Oct. 25, 1933, includes time balances with domestic banks which on that date amounted to \$69,000,000 and which prior to that time were reported in "Other assets."

² Demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection and, prior to Dec. 31, 1935, less cash items reported on hand but not in process of collection.

³ Includes "Due to Federal Reserve Banks (transit account)," known as "Due to Federal Reserve Banks (deferred credits)" prior to Dec. 31, 1935.

⁴ U. S. Treasurer's time deposits, open account, are combined with postal savings (time) deposits.

⁵ Central reserve city banks.

⁶ Partly estimated.

Back figures.—See Annual Report for 1937 (tables 52-58).

WEEKLY REPORTING MEMBER BANKS—NEW YORK CITY AND OUTSIDE

LOANS AND INVESTMENTS

(Monthly data are averages of Wednesday figures. In millions of dollars)

Date or month	Total loans and investments	Loans							Investments									
		Total	Com- mer- cial, indus- trial, and agri- cultural	Open mar- ket paper	Loans for purchasing or carrying securities		Real estate loans	Loans to banks	Other loans	Total	U. S. Government obligations							
					To brok- ers and deal- ers	To others					Total	Bills	Certi- ficate of in- debt- ed- ness	Notes	Bonds	Guar- an- teed	Other secu- rities	
Total—101 Cities																		
1941—June.....	28,157	10,252	5,772	370	483	447	1,243	40	1,897	17,905	14,253	1,033	.....	2,234	7,952	3,034	3,652	
1942—February.....	30,570	11,331	6,860	423	451	408	1,250	35	1,904	19,239	15,542	1,247	.....	2,335	9,243	2,717	3,697	
March.....	30,941	11,408	6,976	426	435	409	1,246	28	1,888	19,533	15,803	1,107	.....	2,348	9,637	2,711	3,730	
April.....	31,095	11,288	6,905	418	434	402	1,244	28	1,857	19,807	16,090	1,000	365	2,360	9,684	2,681	3,717	
May.....	31,493	10,996	6,622	403	481	402	1,245	27	1,816	20,497	16,859	1,170	678	2,344	9,998	2,669	3,638	
June.....	31,670	10,811	6,537	366	471	402	1,240	29	1,766	20,859	17,324	1,360	672	2,753	10,336	2,203	3,535	
1942—Apr. 29.....	31,205	11,094	6,726	409	441	395	1,246	30	1,847	20,111	16,405	1,058	611	2,356	9,705	2,675	3,706	
May 6.....	31,135	11,008	6,649	407	456	393	1,245	25	1,833	20,127	16,471	1,068	676	2,352	9,696	2,679	3,656	
May 13.....	31,222	11,001	6,669	412	433	395	1,244	24	1,824	20,221	16,576	1,150	676	2,348	9,736	2,666	3,645	
May 20.....	31,888	11,012	6,613	400	502	415	1,246	24	1,812	20,876	17,210	1,236	687	2,350	10,276	2,661	3,666	
May 27.....	31,726	10,962	6,557	393	533	405	1,246	34	1,794	20,764	17,180	1,226	674	2,327	10,283	2,670	3,584	
June 3.....	31,679	10,905	6,542	382	528	403	1,243	28	1,779	20,774	17,226	1,281	672	2,297	10,309	2,667	3,548	
June 10.....	31,736	10,844	6,532	372	475	404	1,242	29	1,770	20,892	17,346	1,388	675	2,912	10,318	2,053	3,546	
June 17.....	31,677	10,776	6,546	360	433	405	1,238	27	1,767	20,901	17,364	1,390	672	2,909	10,347	2,046	3,537	
June 24.....	31,587	10,718	6,505	350	448	396	1,238	32	1,749	20,869	17,361	1,384	670	2,893	10,369	2,045	3,508	
July 1.....	32,382	10,740	6,469	341	519	393	1,236	36	1,746	21,642	18,232	1,447	1,471	2,899	10,383	2,032	3,410	
July 8.....	32,366	10,661	6,456	344	485	382	1,234	24	1,736	21,705	18,313	1,526	1,482	2,908	10,364	2,033	3,392	
July 15.....	33,338	10,846	6,481	346	609	414	1,232	47	1,717	22,492	19,110	1,633	1,461	2,888	11,086	2,042	3,382	
July 22.....	33,396	10,764	6,430	342	623	411	1,231	27	1,700	22,632	19,218	1,751	1,454	2,876	11,097	2,040	3,414	
New York City																		
1941—June.....	11,794	3,412	2,213	94	349	161	114	30	451	8,382	7,003	582	.....	1,456	3,242	1,723	1,379	
1942—February.....	12,267	3,830	2,697	79	317	149	103	32	453	8,437	6,981	413	.....	1,447	3,642	1,479	1,456	
March.....	12,471	3,893	2,775	79	308	148	103	26	454	8,578	7,097	334	.....	1,457	3,821	1,485	1,481	
April.....	12,592	3,851	2,733	79	316	147	103	26	447	8,741	7,273	347	162	1,461	3,846	1,457	1,468	
May.....	12,696	3,756	2,604	78	363	148	103	24	436	8,940	7,559	358	329	1,431	3,996	1,445	1,381	
June.....	12,625	3,718	2,594	65	355	151	103	26	424	8,907	7,584	391	297	1,605	4,090	1,201	1,323	
1942—Apr. 29.....	12,581	3,721	2,610	76	316	142	104	28	445	8,860	7,411	371	273	1,452	3,862	1,453	1,449	
May 6.....	12,568	3,738	2,614	81	336	141	104	23	439	8,830	7,447	335	335	1,445	3,881	1,451	1,383	
May 13.....	12,587	3,728	2,625	82	316	143	103	22	437	8,859	7,478	344	340	1,437	3,913	1,444	1,381	
May 20.....	12,848	3,773	2,595	76	386	158	103	21	434	9,075	7,678	383	325	1,427	4,107	1,436	1,397	
May 27.....	12,782	3,786	2,581	73	413	151	103	32	433	8,996	7,633	368	315	1,415	4,085	1,450	1,363	
June 3.....	12,734	3,771	2,588	70	407	150	103	25	428	8,963	7,630	392	300	1,397	4,088	1,453	1,333	
June 10.....	12,668	3,737	2,600	67	359	155	103	27	426	8,931	7,600	408	300	1,695	4,079	1,118	1,331	
June 17.....	12,560	3,684	2,598	63	319	154	103	24	423	8,876	7,550	375	294	1,672	4,089	1,120	1,326	
June 24.....	12,538	3,678	2,587	60	335	145	103	28	420	8,860	7,557	389	292	1,657	4,105	1,114	1,303	
July 1.....	12,864	3,738	2,576	58	405	144	102	34	419	9,126	7,877	414	616	1,646	4,100	1,101	1,249	
July 8.....	12,807	3,686	2,580	56	374	136	102	22	416	9,121	7,877	434	615	1,639	4,094	1,095	1,244	
July 15.....	13,246	3,848	2,585	59	483	159	103	45	414	9,398	8,164	475	590	1,650	4,350	1,099	1,234	
July 22.....	13,251	3,833	2,573	58	504	159	103	25	411	9,418	8,153	534	556	1,644	4,324	1,095	1,265	
Outside																		
New York City																		
1941—June.....	16,363	6,840	3,559	276	134	286	1,129	10	1,446	9,523	7,250	451	.....	778	4,710	1,311	2,273	
1942—February.....	18,303	7,501	4,163	344	134	259	1,147	3	1,451	10,802	8,561	834	.....	888	5,601	1,238	2,241	
March.....	18,470	7,515	4,201	347	127	261	1,143	2	1,434	10,955	8,706	773	.....	891	5,816	1,226	2,249	
April.....	18,503	7,437	4,172	339	118	255	1,141	2	1,410	11,066	8,817	653	203	899	5,838	1,224	2,249	
May.....	18,797	7,240	4,018	325	118	254	1,142	3	1,380	11,557	9,300	812	349	913	6,002	1,224	2,257	
June.....	19,045	7,093	3,943	301	116	251	1,137	3	1,342	11,952	9,740	969	375	1,148	6,246	1,002	2,212	
1942—Apr. 29.....	18,624	7,373	4,116	333	125	253	1,142	2	1,402	11,251	8,994	687	338	904	5,843	1,222	2,257	
May 6.....	18,567	7,270	4,035	326	120	252	1,141	2	1,394	11,297	9,024	733	341	907	5,815	1,228	2,273	
May 13.....	18,635	7,273	4,044	330	117	252	1,141	2	1,387	11,362	9,098	806	336	911	5,823	1,222	2,264	
May 20.....	19,040	7,239	4,018	324	116	257	1,143	3	1,378	11,801	9,532	853	362	923	6,169	1,225	2,269	
May 27.....	18,944	7,176	3,976	320	120	254	1,143	2	1,361	11,768	9,547	858	359	912	6,198	1,220	2,221	
June 3.....	18,945	7,134	3,954	312	121	253	1,140	3	1,351	11,811	9,596	889	372	900	6,221	1,214	2,215	
June 10.....	19,068	7,107	3,952	305	116	249	1,139	2	1,344	11,961	9,746	980	375	1,217	6,239	935	2,215	
June 17.....	19,117	7,092	3,948	297	114	251	1,135	3	1,344	12,025	9,814	1,015	378	1,237	6,258	926	2,211	
June 24.....	19,049	7,040	3,918	290	113	251	1,135	4	1,329	12,009	9,804	995	378	1,236	6,264	931	2,205	
July 1.....	19,518	7,002	3,893	283	114	249	1,134	2	1,327	12,516	10,355	1,033	855	1,253	6,283	931	2,161	
July 8.....	19,559	6,975	3,876	288	111	246	1,132	2	1,320	12,584	10,436	1,092	867	1,269	6,270	938	2,148	
July 15.....	20,092	6,998	3,896	287	126	255	1,129	2	1,303	13,094	10,946	1,158	871	1,238	6,736	943	2,148	
July 22.....	20,145	6,931	3,857	284	119	252	1,128	2	1,289	13,214	11,065	1,217	898	1,232	6,773	945	2,149	

NOTE.—For description of figures see BULLETIN for November 1935 (pp. 711-738) or reprint, and BULLETIN for June 1937 (pp. 530-531). For back figures see BULLETIN for November 1935 (pp. 711-738) or reprint, BULLETIN for December 1935 (p. 876), Annual Report for 1937 (tables 65-67) and corresponding tables in previous Annual Reports.

WEEKLY REPORTING MEMBER BANKS—NEW YORK CITY AND OUTSIDE RESERVES AND LIABILITIES

[Monthly data are averages of Wednesday figures. In millions of dollars]

Date or month	Re-serves with Federal Reserve Banks	Cash in vault	Bal-ances with domestic banks ¹	De-mand de-posits ad-justed ²	Demand deposits, except interbank				Time deposits, except interbank			Interbank deposits			Bor-row-ings	Cap-ital ac-counts	Bank deb-its ⁴
					Indi-vid-u-als, part-nerships, and cor-pora-tions	States and polit-ical sub-divi-sions	Certi-fied and offi-cers' checks etc.	U. S. Gov-ernment	Indi-vid-u-als, part-nerships, and cor-pora-tions	States and polit-ical sub-divi-sions	U. S. Gov-ernment and postal sav-ings ³	Domestic banks		For-ign banks			
												De-mand ¹	Time				
Total 101 Cities																	
1941—June.....	10,925	585	3,479	23,969	23,509	1,741	518	456	5,233	175	26	9,059	114	663	1	3,873	9,100
1942—February.....	10,223	540	3,280	24,714	24,343	1,799	552	1,460	5,010	185	20	9,017	97	637	1	3,927	8,713
March.....	10,195	530	3,283	24,882	24,400	1,813	538	1,815	4,976	170	20	8,846	93	635	1	3,932	9,679
April.....	9,936	514	3,277	24,845	24,304	1,963	533	1,810	4,942	173	20	8,739	91	639	5	3,935	9,166
May.....	9,711	514	3,335	25,250	24,582	2,068	521	1,510	4,921	189	20	8,806	88	660	4	3,947	9,688
June.....	9,759	510	3,398	25,878	25,393	1,905	485	846	4,924	166	20	9,080	87	667	2	3,949	9,348
1942—Apr. 29.....	9,902	535	3,217	25,358	24,636	2,096	544	1,506	4,929	189	20	8,597	90	652	8	3,929	9,373
May 6.....	9,646	516	3,248	24,854	23,997	2,102	550	1,393	4,927	197	20	8,802	90	660	4	3,947	10,640
May 13.....	9,794	541	3,369	25,241	24,752	2,061	466	1,292	4,920	193	20	8,908	88	660	2	3,948	8,587
May 20.....	9,709	485	3,297	25,395	24,752	2,080	526	1,834	4,918	192	20	8,687	86	659	3	3,947	10,161
May 27.....	9,695	514	3,428	25,511	24,825	2,030	543	1,521	4,918	174	20	8,826	87	664	8	3,946	9,364
June 3.....	9,812	488	3,415	25,483	24,922	1,971	485	1,301	4,914	175	20	9,088	87	667	2	3,953	9,066
June 10.....	9,754	524	3,357	26,022	25,433	1,902	492	824	4,916	175	20	8,993	87	663	2	3,952	8,668
June 17.....	9,821	510	3,481	26,058	25,755	1,879	486	608	4,927	177	20	9,227	87	671	2	3,949	10,161
June 24.....	9,650	517	3,339	25,948	25,462	1,865	478	652	4,939	138	20	9,012	85	665	3	3,943	9,497
July 1.....	9,351	475	3,290	25,502	25,343	1,803	657	1,442	4,955	137	20	9,005	85	673	15	3,950	11,174
July 8.....	9,308	503	2,675	25,654	25,321	1,718	487	1,094	4,956	129	20	8,541	84	679	1	3,954	8,213
July 15.....	9,207	491	2,740	25,822	25,936	1,730	699	1,914	4,957	121	20	8,470	83	684	36	3,948	9,766
July 22.....	9,638	493	2,687	26,313	25,942	1,772	465	2,053	4,969	119	20	8,313	80	679	6	3,953	9,386
New York City																	
1941—June.....	5,667	123	97	10,986	11,086	291	305	19	699	22	.....	3,860	.....	600	.....	1,519	3,873
1942—February.....	4,955	78	84	10,430	10,627	249	320	736	699	28	.....	3,461	.....	572	.....	1,538	3,466
March.....	4,879	76	109	10,559	10,727	241	276	872	690	21	.....	3,338	.....	573	.....	1,539	3,863
April.....	4,682	78	111	10,519	10,687	282	281	940	680	20	.....	3,250	.....	573	1	1,541	3,557
May.....	4,482	80	84	10,347	10,459	296	288	998	656	20	.....	3,224	.....	592	1	1,546	3,898
June.....	4,438	79	77	10,621	10,797	238	256	506	647	18	.....	3,280	.....	599	.....	1,548	3,618
1942—Apr. 29.....	4,574	85	82	10,571	10,702	300	271	848	670	20	.....	3,193	.....	581	.....	1,537	3,715
May 6.....	4,401	79	80	10,169	10,225	292	302	959	664	20	.....	3,230	.....	591	2	1,547	4,507
May 13.....	4,551	82	81	10,332	10,494	283	236	925	660	20	.....	3,271	.....	591	.....	1,546	3,239
May 20.....	4,515	77	77	10,429	10,553	321	293	1,155	652	21	.....	3,165	.....	590	1	1,547	4,108
May 27.....	4,461	83	98	10,456	10,562	288	322	953	649	21	.....	3,232	.....	596	.....	1,544	3,740
June 3.....	4,482	79	79	10,489	10,626	268	256	800	647	21	.....	3,284	.....	597	.....	1,550	3,442
June 10.....	4,401	80	74	10,691	10,835	245	283	498	646	21	.....	3,235	.....	595	.....	1,548	3,459
June 17.....	4,485	79	78	10,685	10,896	234	230	354	647	20	.....	3,330	.....	602	.....	1,549	3,991
June 24.....	4,382	79	78	10,620	10,830	204	255	374	648	12	.....	3,273	.....	599	.....	1,543	3,581
July 1.....	4,276	75	81	10,391	10,727	234	388	790	654	12	.....	3,281	.....	603	14	1,541	4,719
July 8.....	4,130	79	34	10,484	10,640	189	254	592	650	12	.....	3,137	.....	610	.....	1,542	3,123
July 15.....	4,048	73	31	10,357	10,753	197	445	987	649	11	.....	3,188	.....	612	35	1,541	3,963
July 22.....	4,297	73	27	10,665	10,820	234	244	1,083	651	11	.....	3,065	.....	612	5	1,543	3,444
Outside New York City																	
1941—June.....	5,258	462	3,382	12,983	12,423	1,450	213	437	4,534	153	26	5,199	114	63	1	2,354	5,227
1942—February.....	5,268	462	3,196	14,284	13,716	1,550	232	724	4,311	157	20	5,556	97	65	1	2,389	5,247
March.....	5,316	454	3,174	14,323	13,673	1,572	262	943	4,286	149	20	5,508	93	62	1	2,393	5,816
April.....	5,254	436	3,166	14,326	13,617	1,681	252	870	4,262	153	20	5,489	91	66	4	2,394	5,609
May.....	5,229	434	3,251	14,903	14,123	1,772	233	512	4,265	169	20	5,582	88	68	3	2,401	5,790
June.....	5,321	431	3,321	15,257	14,596	1,667	229	340	4,277	148	20	5,800	87	68	2	2,401	5,730
1942—Apr. 29.....	5,328	450	3,135	14,787	13,934	1,796	273	658	4,259	169	20	5,404	90	71	8	2,392	5,658
May 6.....	5,245	437	3,168	14,685	13,772	1,810	248	434	4,263	177	20	5,572	90	69	2	2,400	6,133
May 13.....	5,243	459	3,288	14,909	14,258	1,778	230	367	4,260	173	20	5,637	88	69	2	2,402	5,348
May 20.....	5,194	408	3,220	14,966	14,199	1,759	233	679	4,266	171	20	5,522	86	69	2	2,400	6,053
May 27.....	5,234	431	3,330	15,055	14,263	1,742	221	568	4,269	153	20	5,594	87	68	8	2,402	5,624
June 3.....	5,330	409	3,336	14,994	14,296	1,703	229	501	4,267	154	20	5,804	87	70	2	2,403	5,624
June 10.....	5,353	444	3,283	15,331	14,598	1,657	209	326	4,270	154	20	5,758	87	68	2	2,404	5,209
June 17.....	5,336	431	3,403	15,373	14,859	1,645	256	254	4,280	157	20	5,897	87	69	2	2,400	6,170
June 24.....	5,268	438	3,261	15,328	14,632	1,661	223	278	4,291	126	20	5,739	85	66	3	2,400	5,916
July 1.....	5,075	400	3,209	15,111	14,616	1,569	269	652	4,301	125	20	5,724	85	70	1	2,409	6,455
July 8.....	5,178	424	2,641	15,170	14,681	1,529	233	502	4,306	117	20	5,404	84	69	1	2,412	5,090
July 15.....	5,159	418	2,709	15,465	15,183	1,533	254	927	4,308	110	20	5,282	83	72	1	2,407	5,803
July 22.....	5,341	420	2,660	15,648	15,122	1,538	221	970	4,318	108	20	5,248	80	67	1	2,410	5,942

¹ Reciprocal bank balances reported gross before July 8, 1942, now reported net. The July 1 figures include \$46,000,000 of such balances in New York City and \$528,000,000 at all reporting member banks.

² Demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection.

³ U. S. Treasurer's time deposits, open account, are combined with postal savings (time) deposits.

⁴ Debits to demand deposit accounts except interbank and U. S. Government accounts.

WEEKLY REPORTING MEMBER BANKS—BY FEDERAL RESERVE DISTRICTS
LOANS AND INVESTMENTS
(In millions of dollars)

Federal Reserve district and date (1942)	Total loans and investments	Loans								Investments							
		Total	Com-mer-cial, in-dus-trial, and agri-cultural	Open mar-ket paper	Loans for purchasing or carrying securities		Real estate loans	Loans to banks	Other loans	Total	U. S. Government obligations						Other securities
					To brok-ers and dealers	To others					Total	Bills	Certi-ficate of in-debted-ness	Notes	Bonds	Guar-an-teed	
<i>Boston (6 cities)</i>																	
June 24.....	1,697	787	449	100	14	14	74	1	135	910	773	102	45	62	513	51	137
July 1.....	1,746	785	450	98	13	14	74	1	135	961	823	105	90	62	516	50	138
July 8.....	1,755	786	451	100	12	14	74	1	134	969	833	112	91	63	516	51	136
July 15.....	1,780	788	452	99	15	14	74	1	133	992	857	105	92	64	545	51	135
July 22.....	1,772	775	444	98	11	15	74	1	132	997	863	110	92	61	550	50	134
<i>New York (8 cities)*</i>																	
June 24.....	13,641	4,062	2,739	66	338	186	191	28	514	9,579	8,124	408	303	1,752	4,483	1,178	1,455
July 1.....	13,957	4,120	2,727	64	409	184	190	34	512	9,837	8,464	433	648	1,741	4,477	1,165	1,373
July 8.....	13,903	4,066	2,729	62	378	176	190	22	509	9,837	8,469	457	647	1,734	4,472	1,159	1,368
July 15.....	14,380	4,227	2,735	64	487	199	190	45	507	10,153	8,794	509	623	1,744	4,755	1,163	1,359
July 22.....	14,390	4,213	2,720	63	512	199	190	25	504	10,177	8,784	569	588	1,739	4,729	1,159	1,393
<i>Philadelphia (4 cities)</i>																	
June 24.....	1,436	533	286	34	26	32	49	2	104	903	647	34	13	51	486	63	256
July 1.....	1,450	526	285	32	25	32	49		103	924	674	37	33	50	491	63	250
July 8.....	1,460	524	282	32	27	32	49		102	936	686	49	33	50	491	63	250
July 15.....	1,499	521	284	31	26	32	48		100	978	729	58	33	49	526	63	249
July 22.....	1,504	516	279	32	27	31	48		99	988	738	66	34	49	526	63	250
<i>Cleveland (10 cities)</i>																	
June 24.....	2,543	856	432	21	13	16	182		192	1,687	1,411	53	65	237	919	137	276
July 1.....	2,598	850	428	20	13	16	182		191	1,748	1,471	58	113	240	924	136	277
July 8.....	2,599	848	425	22	12	16	181		192	1,751	1,476	63	121	241	914	137	275
July 15.....	2,656	850	427	23	15	16	182		187	1,806	1,533	70	122	238	967	136	273
July 22.....	2,655	843	423	24	15	15	182		184	1,812	1,540	75	127	238	962	138	272
<i>Richmond (12 cities)</i>																	
June 24.....	940	311	150	16	3	11	53		78	629	562	24	12	91	383	52	67
July 1.....	958	308	147	16	3	11	52		79	650	583	27	30	94	380	52	67
July 8.....	960	307	143	17	3	11	52		81	653	586	29	31	94	380	52	67
July 15.....	994	303	142	17	3	11	52		78	691	625	35	31	72	435	52	66
July 22.....	999	298	141	16	3	11	52		75	701	635	40	31	69	441	54	66
<i>Atlanta (8 cities)</i>																	
June 24.....	862	368	209	6	4	8	30	1	110	494	383	45	18	73	205	42	111
July 1.....	886	364	205	7	4	8	30	1	109	522	413	48	47	74	203	41	109
July 8.....	888	363	203	7	4	8	30	1	110	525	417	50	48	74	203	42	108
July 15.....	906	364	203	8	4	8	30	1	110	542	434	47	46	72	225	44	108
July 22.....	904	357	200	7	5	8	29	1	107	547	438	50	46	72	226	44	109
<i>Chicago (12 cities)*</i>																	
June 24.....	4,698	1,371	936	36	31	57	147		164	3,327	2,755	457	122	298	1,636	242	572
July 1.....	4,850	1,370	935	35	33	56	146		165	3,480	2,913	471	267	295	1,637	243	567
July 8.....	4,847	1,366	937	35	30	56	146		162	3,481	2,915	467	266	294	1,640	248	566
July 15.....	4,999	1,390	950	35	40	58	146		161	3,609	3,043	488	272	291	1,743	249	566
July 22.....	5,013	1,376	947	35	32	58	146		158	3,637	3,069	505	282	287	1,746	249	568
<i>St. Louis (5 cities)</i>																	
June 24.....	969	398	233	19	4	10	60		72	571	453	54	28	63	275	33	118
July 1.....	997	393	229	18	4	10	60		72	604	486	45	70	63	275	33	118
July 8.....	1,017	394	230	18	4	10	61		71	623	506	62	70	65	276	33	117
July 15.....	1,042	394	231	18	4	10	61		70	648	529	65	70	64	296	34	119
July 22.....	1,047	391	229	17	4	10	61		70	656	538	62	80	64	297	35	118
<i>Minneapolis (8 cities)</i>																	
June 24.....	520	229	126	2	1	5	16		79	291	253	41	10	24	158	20	38
July 1.....	539	227	124	2	1	5	16		79	312	274	47	25	24	158	20	38
July 8.....	546	228	123	3	1	5	16		80	318	280	51	25	25	159	20	38
July 15.....	566	228	123	3	1	5	16		80	338	300	56	25	24	175	20	38
July 22.....	575	225	121	3	1	3	16		81	350	312	60	24	24	184	20	38
<i>Kansas City (12 cities)</i>																	
June 24.....	893	377	222	32	3	9	35		76	516	391	50	17	89	170	65	125
July 1.....	924	377	223	31	3	8	35		77	547	423	53	39	94	172	65	124
July 8.....	931	377	223	31	3	8	35		77	554	430	57	36	102	170	65	124
July 15.....	959	380	226	31	3	9	35		76	579	456	60	36	100	196	64	123
July 22.....	968	382	227	31	3	9	35		77	586	464	64	36	101	199	64	122
<i>Dallas (9 cities)</i>																	
June 24.....	703	334	239	3	3	14	21		54	369	308	46	13	44	169	36	61
July 1.....	734	333	236	3	3	15	22		54	401	341	47	44	45	169	36	60
July 8.....	723	325	234	3	3	13	21		51	398	340	49	42	45	169	35	58
July 15.....	755	328	232	3	3	18	21		51	427	369	55	41	45	192	36	58
July 22.....	759	325	229	2	3	19	21		51	434	376	60	41	45	194	36	58
<i>San Francisco (7 cities)</i>																	
June 24.....	2,685	1,092	484	15	8	34	380		171	1,593	1,301	70	24	109	972	126	292
July 1.....	2,743	1,087	480	15	8	34	380		170	1,656	1,367	76	65	117	981	128	289
July 8.....	2,737	1,077	476	14	8	33	379		167	1,660	1,375	80	72	121	974	128	285
July 15.....	2,802	1,073	476	14	8	34	377		164	1,729	1,441	85	70	125	1,031	130	288
July 22.....	2,810	1,063	470	14	7	33	377		162	1,747	1,461	90	73	127	1,043	128	286
<i>City of Chicago*</i>																	
June 24.....	3,048	902	704	16	27	50	24		81	2,146	1,790	380	78	164	1,077	91	356
July 1.....	3,141	904	704	16	29	50	24		81	2,237	1,884	369	181	163	1,080	91	353
July 8.....	3,141	903	707	16	25	50	24		81	2,238	1,886	365	180	162	1,083	96	352
July 15.....	3,261	925	718	16	35	51	24		81	2,336	1,983	380	186	159	1,161	97	353
July 22.....	3,267	915	717	17	28	51	24		78	2,352	1,998	400	189	156	1,156	97	354

* Separate figures for New York City are shown in the immediately preceding table, and for the city of Chicago in this table. The figures for the New York and Chicago districts, as shown in this table, include New York City and Chicago, respectively.

*Reciprocal bank balances reported gross before July 8, 1942, now reported net. The July 1 figures include such balances as follows: Boston District 23 million, New York 59, Philadelphia 64, Cleveland 42, Richmond 51, Atlanta 54, Chicago 59, St. Louis 36, Minneapolis 11, Kansas City 36, Dallas 29, San Francisco 64, and City of Chicago 44.

**WEEKLY REPORTING MEMBER BANKS—BY FEDERAL RESERVE DISTRICT'S
RESERVES AND LIABILITIES**
[In millions of dollars]

Federal Reserve district and date (1942)	Re-serves with Federal Reserve Banks	Cash in vault	Bal-ances with do-mestic banks ¹	De-mand deposits ad-justed ¹	Demand deposits, except interbank				Time deposits, except interbank			Interbank deposits			Bor-rowings	Cap-ital ac-counts	Bank deb-its ²
					Indi-vid-uals, part-nerships, and cor-pora-tions	States and polit-ical sub-divi-sions	Certi-fied and offi-cers' checks etc.	U. S. Gov-ernment	Indi-vid-uals, part-nerships, and cor-pora-tions	States and polit-ical sub-divi-sions	U. S. Gov-ernment and postal sav-ings ³	Domestic banks		For-foreign banks			
												De-mand ⁴	Time				
Boston (6 cities)																	
June 24.....	470	88	169	1,597	1,559	109	28	12	216	1	1	360	.....	22	1	252	577
July 1.....	421	71	163	1,565	1,544	108	31	31	216	1	1	353	.....	21	1	252	613
July 8.....	444	73	144	1,590	1,564	104	35	24	217	1	1	346	.....	23	1	253	498
July 15.....	425	75	145	1,590	1,580	101	31	46	218	1	1	335	.....	23	1	252	580
July 22.....	456	74	140	1,611	1,577	103	25	51	218	1	1	328	.....	20	1	253	570
New York (8 cities)*																	
June 24.....	4,577	107	190	11,595	11,575	462	275	389	1,002	18	7	3,350	7	600	.....	1,669	3,870
July 1.....	4,479	102	212	11,292	11,489	407	413	825	1,008	19	7	3,362	7	605	14	1,667	5,200
July 8.....	4,323	109	142	11,373	11,399	352	274	619	1,005	19	7	3,211	7	611	.....	1,667	3,395
July 15.....	4,238	102	135	11,250	11,520	363	471	1,042	1,004	18	7	3,259	7	614	35	1,666	4,254
July 22.....	4,489	102	130	11,557	11,585	393	265	1,139	1,007	18	7	3,135	7	613	5	1,668	3,737
Philadelphia (4 cities)																	
June 24.....	493	27	192	1,373	1,320	139	13	8	166	2	.....	420	5	6	2	217	487
July 1.....	472	24	194	1,340	1,304	134	21	20	166	2	.....	434	5	7	.....	218	488
July 8.....	493	26	118	1,363	1,306	140	16	15	166	2	.....	375	4	6	.....	218	391
July 15.....	471	25	118	1,364	1,327	138	16	42	165	2	.....	365	4	6	.....	218	417
July 22.....	491	25	121	1,386	1,327	137	16	44	166	2	.....	370	2	6	.....	218	395
Cleveland (10 cities)																	
June 24.....	704	60	346	2,055	2,060	106	30	16	677	18	.....	517	26	2	.....	399	751
July 1.....	658	56	341	2,040	2,068	105	33	36	678	18	.....	515	26	2	.....	400	799
July 8.....	650	59	305	2,035	2,037	111	31	29	679	17	.....	487	26	2	.....	400	606
July 15.....	661	58	301	2,078	2,118	118	35	55	680	17	.....	481	26	2	.....	400	692
July 22.....	697	60	295	2,122	2,130	109	28	57	681	18	.....	466	25	1	.....	401	724
Richmond (12 cities)																	
June 24.....	299	31	258	805	763	96	14	15	198	2	2	397	6	.....	.....	104	297
July 1.....	294	28	247	793	761	97	14	26	199	2	2	398	6	.....	.....	103	322
July 8.....	316	34	206	815	779	94	15	21	200	2	2	364	6	.....	.....	104	276
July 15.....	300	29	212	827	797	92	17	47	200	2	2	350	6	.....	.....	103	336
July 22.....	301	31	213	837	792	95	13	48	201	2	2	344	6	.....	.....	103	300
Atlanta (8 cities)																	
June 24.....	213	20	248	637	610	94	5	18	187	3	2	420	2	2	.....	100	283
July 1.....	220	18	243	639	617	94	8	40	187	3	2	422	2	2	.....	100	279
July 8.....	220	20	183	641	624	90	8	31	188	3	2	371	2	2	.....	99	261
July 15.....	228	19	194	650	645	91	6	64	188	3	2	365	2	3	.....	100	277
July 22.....	231	20	200	657	634	94	7	67	188	3	2	361	2	3	.....	100	281
Chicago (12 cities)*																	
June 24.....	1,420	92	597	3,861	3,634	438	45	101	943	2	4	1,477	8	11	.....	439	1,523
July 1.....	1,389	90	577	3,794	3,605	430	57	268	946	2	4	1,475	8	14	.....	441	1,756
July 8.....	1,428	93	470	3,812	3,619	410	45	202	946	2	4	1,453	8	13	.....	441	1,286
July 15.....	1,447	93	496	3,887	3,756	407	51	365	947	2	4	1,416	8	13	.....	440	1,541
July 22.....	1,481	90	499	3,928	3,729	423	45	382	949	2	4	1,402	8	13	.....	438	1,588
St. Louis (5 cities)																	
June 24.....	260	16	212	669	675	63	7	11	182	3	1	501	1	.....	.....	101	288
July 1.....	250	14	202	665	668	64	13	32	182	3	1	492	1	.....	.....	101	291
July 8.....	243	16	158	669	687	63	7	25	182	3	1	466	.....	.....	.....	101	244
July 15.....	252	14	149	696	719	63	7	47	181	3	1	442	.....	.....	.....	101	255
July 22.....	259	15	154	703	712	61	7	52	181	3	1	447	.....	.....	.....	101	283
Minneapolis (8 cities)																	
June 24.....	120	9	126	385	337	86	6	4	105	.....	1	218	3	1	.....	65	159
July 1.....	112	8	126	393	349	89	7	6	105	.....	1	217	3	1	.....	65	180
July 8.....	120	9	110	402	352	89	6	5	105	.....	1	209	3	1	.....	66	160
July 15.....	113	9	98	407	364	87	6	10	105	.....	1	201	3	1	.....	65	168
July 22.....	119	9	86	408	362	84	6	10	105	.....	1	202	3	1	.....	66	167
Kansas City (12 cities)																	
June 24.....	273	18	370	710	693	98	10	10	134	1	1	592	6	.....	.....	114	322
July 1.....	271	16	362	716	695	103	11	25	134	1	1	592	6	.....	.....	113	311
July 8.....	274	17	328	710	700	98	11	21	134	1	1	578	6	.....	.....	114	282
July 15.....	272	17	341	745	743	104	12	35	135	1	1	569	6	.....	.....	113	316
July 22.....	288	17	332	748	744	104	10	39	135	1	1	577	6	.....	.....	114	356
Dallas (9 cities)																	
June 24.....	201	16	300	661	648	54	11	21	119	12	1	337	.....	1	.....	94	234
July 1.....	205	15	291	663	652	58	10	44	119	11	1	339	.....	1	.....	94	235
July 8.....	207	17	265	665	660	59	9	28	119	11	1	320	.....	1	.....	94	211
July 15.....	213	16	280	692	689	58	10	60	119	11	1	314	.....	1	.....	93	250
July 22.....	221	17	271	692	680	58	10	62	119	10	1	316	.....	1	.....	94	258
San Francisco (7 cities)																	
June 24.....	620	33	331	1,600	1,588	120	34	47	1,010	76	.....	423	21	20	.....	389	706
July 1.....	580	33	332	1,602	1,591	114	39	89	1,015	75	.....	406	21	20	.....	396	700
July 8.....	590	33	246	1,579	1,594	108	30	74	1,015	68	.....	361	22	20	.....	397	603
July 15.....	587	34	271	1,636	1,678	108	37	101	1,015	61	.....	373	21	21	.....	397	680
July 22.....	605	33	246	1,664	1,670	111	33	102	1,019	59	.....	365	21	21	.....	397	727
City of Chicago*																	
June 24.....	983	44	272	2,437	2,343	229	21	76	461	.....	.....	1,091	.....	10	.....	287	950
July 1.....	968	43	277	2,399	2,315	222	31	204	463	.....	.....	1,083	.....	12	.....	288	1,071
July 8.....	982	45	217	2,430	2,337	219	22	150	463	.....	.....	1,062	.....	12	.....	288	781
July 15.....	989	44	213	2,445	2,392	217	25	285	463	.....	.....	1,035	.....	12	.....	288	961
July 22.....	1,025	44	218	2,479	2,389	224	22	303	463	.....	.....	1,030	.....	11	.....	285	942

COMMERCIAL PAPER AND BANKERS' ACCEPTANCES OUTSTANDING

[In millions of dollars]

End of month	Commer- cial paper out- standing ¹	Dollar acceptances outstanding									
		Total out- standing	Held by				Based on				
			Accepting banks			Others ²	Imports into United States	Exports from United States	Dollar exchange	Goods stored in or shipped between points in	
			Total	Own bills	Bills bought					United States	Foreign countries
1941—March.....	263	217	170	107	63	47	120	24	8	41	25
April.....	275	220	170	105	66	49	126	25	7	38	23
May.....	295	215	164	105	60	51	125	24	3	41	22
June.....	299	213	161	101	59	52	123	24	3	43	20
July.....	330	210	161	106	55	49	121	22	3	47	16
August.....	354	197	148	100	47	50	114	21	3	49	11
September.....	371	177	131	85	46	46	105	13	4	45	9
October.....	378	185	138	90	47	47	109	12	4	48	11
November.....	387	194	144	93	51	50	116	14	5	48	12
December.....	375	194	146	92	54	49	116	15	4	48	11
1942—January.....	381	197	154	103	52	43	116	17	3	51	11
February.....	388	190	144	92	53	46	112	18	2	44	13
March.....	384	183	146	89	57	37	103	17	2	45	16
April.....	373	177	139	86	53	38	97	17	1	48	14
May.....	354	174	133	82	51	41	101	16	1	43	13
June.....	315	163	122	78	44	41	94	13	3	52	4

¹ As reported by dealers; includes some finance company paper sold in open market.

² None held by Federal Reserve Banks.

³ Less than \$500,000.

Back figures.—See Annual Report for 1937 (table 70).

CUSTOMERS' DEBIT BALANCES, MONEY BORROWED, AND PRINCIPAL RELATED ITEMS OF STOCK EXCHANGE FIRMS CARRYING MARGIN ACCOUNTS

[Member firms of New York Stock Exchange. Ledger balances in millions of dollars]

End of month	Debit balances				Credit balances					
	Customers' debit balances (net) ¹	Debit balances in partners' investment and trading accounts	Debit balances in firm investment and trading accounts	Cash on hand and in banks	Money borrowed ²	Customers' credit balances ¹		Other credit balances		
						Free	Other (net)	In partners' investment and trading accounts	In firm investment and trading accounts	In capital accounts (net)
1936—June.....	1,267	67	164	219	985	276	86	24	14	420
December.....	1,395	64	164	249	1,048	342	103	30	12	424
1937—June.....	1,489	55	161	214	1,217	266	92	25	13	397
December.....	985	34	108	232	688	278	85	26	10	355
1938—June.....	774	27	88	215	495	258	89	22	11	298
December.....	991	32	106	190	754	247	60	22	5	305
1939—June.....	834	25	73	178	570	230	70	21	6	280
December.....	906	16	78	207	637	266	69	23	7	277
1940—June.....	653	12	58	223	376	267	62	22	5	269
December.....	677	12	99	204	427	281	54	22	5	247
1941—June.....	616	11	89	186	395	255	65	17	7	222
July.....	628	10	87	189	388	266	70	17	8	221
August.....	628	10	160	189	460	262	72	16	7	221
September.....	633	10	83	196	396	260	78	16	8	219
October.....	628	9	102	186	414	255	74	16	7	217
November.....	625	9	100	195	409	264	72	15	8	217
December.....	600	8	86	211	368	289	63	17	5	213
1942—January.....	547	8	74	219	308	274	72	18	6	209
February.....	534	8	74	203	307	262	66	18	5	206
March.....	531	8	70	195	306	249	67	16	4	201
April.....	515	8	68	195	300	247	61	16	5	196
May.....	502	8	79	177	300	238	59	16	3	194
June.....	496	9	86	180	309	240	56	16	4	189

¹ Excluding balances with reporting firms (1) of member firms of New York Stock Exchange and other national securities exchanges and (2) of firms' own partners.

² Includes money borrowed from banks and also from other lenders (not including member firms of national securities exchanges).

NOTE.—For explanation of these figures see "Statistics on Margin Accounts" in BULLETIN for September 1936. The article describes the method by which the figures are derived and reported, distinguishes the table from a "statement of financial condition," and explains that the last column is not to be taken as representing the actual net capital of the reporting firms.

Back figures.—See BULLETIN for March 1938, p. 196, and (for data in detail) Annual Report for 1937 (table 69).

OPEN-MARKET MONEY RATES IN NEW YORK CITY [Per cent per annum]

Year, month, or week	Prime commercial paper, 4 to 6 months ¹	Prime bankers' acceptances, 90 days ¹	Stock exchange call loan renewals ²	Yields on U. S. Government securities		
				3-month bills ³	Certificates of indebtedness (due Nov. 1, 1942)	3-to-5 year taxable notes
1939 average.....	.59	.44	1.00	.023		
1940 average.....	.56	.44	1.00	.014		
1941 average.....	.54	.44	1.00	.103		.76
1941—June.....	.56	.44	1.00	.089		.68
July.....	.50	.44	1.00	.097		.67
Aug.....	.50	.44	1.00	.108		.62
Sept.....	.50	.44	1.00	.055		.62
Oct.....	.50	.44	1.00	.049		.72
Nov.....	.50	.44	1.00	.242		.90
Dec.....	.56	.44	1.00	.298		1.02
1942—Jan.....	.56	.44	1.00	.214		.96
Feb.....	.63	.44	1.00	.250		.93
Mar.....	.63	.44	1.00	.212		.93
Apr.....	.63	.44	1.00	.299	.45	.98
May.....	.63	.44	1.00	.364	.49	1.03
June.....	.69	.44	1.00	.363	.46	41.15
Week ending:						
June 27.....	$\frac{5}{8}$ — $\frac{3}{4}$	$\frac{1}{2}$	1.00	.360	.45	1.17
July 4.....	$\frac{5}{8}$ — $\frac{3}{4}$	$\frac{1}{2}$	1.00	.365	.44	1.17
July 11.....	$\frac{5}{8}$ — $\frac{3}{4}$	$\frac{1}{2}$	1.00	.365	.44	1.19
July 18.....	$\frac{5}{8}$ — $\frac{3}{4}$	$\frac{1}{2}$	1.00	.368	.43	1.20
July 25.....	$\frac{5}{8}$ — $\frac{3}{4}$	$\frac{1}{2}$	1.00	.369	.41	1.21

¹ Monthly figures are averages of weekly prevailing rates.

² The average rate on 90-day stock exchange time loans was 1.25 per cent during the entire period.

³ Rate on new issues offered within period. Tax-exempt bills prior to March 1941; taxable bills thereafter.

⁴ Number of issues included increased from 2 to 3 on June 5.

Back figures.—See Annual Report for 1937 (tables 43 and 44). Figures for Treasury bills and Treasury notes available on request.

COMMERCIAL LOAN RATES AVERAGES OF RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIES [Per cent per annum]

	Total 19 cities	New York City	7 other Northern and Eastern cities	11 Southern and Western cities
1934 average ¹	3.45	2.45	3.71	4.32
1935 average ¹	2.93	1.76	3.39	3.76
1936 average ¹	2.68	1.72	3.04	3.40
1937 average ¹	2.59	1.73	2.88	3.25
1938 average ¹	2.53	1.69	2.75	3.26
1939 average.....	2.78	2.07	2.87	3.51
1940 average.....	2.63	2.04	2.56	3.38
1941 average.....	2.54	1.97	2.55	3.19
<i>Monthly figures¹</i>				
1938—October.....	2.57	1.70	2.90	3.21
November.....	2.49	1.70	2.68	3.20
December.....	2.60	1.70	2.95	3.23
1939—January.....	2.64	1.73	2.97	3.32
February.....	2.52	1.70	2.69	3.26
<i>Quarterly figures</i>				
1939—March.....	2.95	2.13	3.05	3.77
June.....	2.91	2.15	3.05	3.62
September.....	2.68	2.04	2.78	3.31
December.....	2.59	1.96	2.59	3.32
1940—March.....	2.65	2.03	2.67	3.35
June.....	2.59	2.00	2.49	3.38
September.....	2.68	2.14	2.56	3.43
December.....	2.59	2.00	2.53	3.36
1941—March.....	2.58	2.06	2.53	3.25
June.....	2.55	1.95	2.58	3.23
September.....	2.60	1.98	2.62	3.29
December.....	2.41	1.88	2.45	2.99
1942—March.....	2.48	1.85	2.48	3.20
June.....	2.62	2.07	2.56	3.34

¹ Prior to March 1939 figures were reported monthly on a basis not strictly comparable with the current quarterly series.

Back figures.—See November 1939 BULLETIN, pp. 963-969 for description and for back figures.

BOND YIELDS ¹ [Per cent per annum]

Year, month, or week	U. S. Government ²		Municipal ³	High-grade corporate ⁴	Corporate (Moody's) ⁵							
	Partially tax- exempt	Taxable			Total	By ratings				By groups		
						Aaa	Aa	A	Baa	Industrial	Rail- road	Public utility
Number of issues.....	2-6	2	15	5	120	30	30	30	30	40	40	40
1939 average.....	2.36	.....	2.76	2.92	3.77	3.01	3.22	3.89	4.96	3.30	4.53	3.48
1940 average.....	2.21	.....	2.50	2.77	3.55	2.84	3.02	3.57	4.75	3.10	4.30	3.25
1941 average.....	1.95	.....	2.10	2.67	3.34	2.77	2.94	3.30	4.33	2.95	3.95	3.11
1941—June.....	1.91	.....	2.08	2.70	3.34	2.77	2.95	3.31	4.31	2.96	3.95	3.10
July.....	1.90	.....	2.03	2.66	3.30	2.74	2.90	3.26	4.28	2.90	3.92	3.07
August.....	1.94	.....	2.00	2.65	3.29	2.74	2.90	3.24	4.27	2.90	3.92	3.06
September.....	1.94	.....	1.99	2.64	3.30	2.75	2.91	3.24	4.30	2.88	3.95	3.07
October.....	1.88	.....	1.91	2.61	3.27	2.73	2.87	3.21	4.28	2.85	3.93	3.05
November.....	1.85	2.22	1.90	2.57	3.26	2.72	2.86	3.19	4.28	2.85	3.91	3.04
December.....	1.97	2.37	2.25	2.68	3.35	2.80	2.95	3.27	4.38	2.94	3.99	3.12
1942—January.....	2.01	2.37	2.33	2.76	3.35	2.83	2.96	3.30	4.29	2.97	3.93	3.13
February.....	2.09	2.39	2.55	2.80	3.35	2.85	2.98	3.29	4.29	2.98	3.94	3.15
March.....	2.00	2.35	2.58	2.80	3.37	2.86	3.00	3.32	4.30	3.00	3.94	3.17
April.....	1.98	2.34	2.44	2.77	3.34	2.83	2.98	3.30	4.26	2.96	3.95	3.13
May.....	1.97	2.35	2.45	2.76	3.36	2.85	3.00	3.31	4.27	2.97	3.97	3.13
June.....	61.97	2.33	2.38	2.75	3.37	2.85	3.01	3.31	4.33	2.97	4.03	3.12
Week ending:												
June 27.....	2.01	2.34	2.35	2.75	3.37	2.84	3.01	3.30	4.34	2.96	4.04	3.12
July 4.....	2.00	2.34	2.35	2.75	3.37	2.83	3.00	3.29	4.33	2.96	4.03	3.11
July 11.....	2.00	2.34	2.35	2.74	3.36	2.83	3.00	3.29	4.31	2.95	4.02	3.10
July 18.....	2.00	2.34	2.33	2.74	3.35	2.83	2.99	3.28	4.30	2.94	4.02	3.09
July 25.....	2.00	2.34	2.30	2.74	3.35	2.83	3.00	3.27	4.30	2.94	4.02	3.09

¹ Monthly and weekly data are averages of daily figures, except for municipal bonds, which are based on Wednesday figures.

² Average of yields on all outstanding issues due or callable in more than 12 years.

³ Standard and Poor's Corporation.

⁴ U. S. Treasury Department.

⁵ Moody's Investors Service, week ending Friday. Because of limited number of suitable issues, the industrial Aaa and Aa groups have been reduced from 10 to 4 and 10 to 3 issues respectively, and the railroad Aaa and Aa groups from 10 to 5 and 10 to 9 issues respectively.

⁶ On June 15 number of issues included decreased from 5 to 4.

Back figures.—See Annual Report for 1937 (table 80) and for high-grade corporate bonds, *Bulletin of the Treasury Department* for July 1941, pages 21-24. Figures for U. S. Government bonds available on request.

SECURITY MARKETS¹

Year, month, or week	Bond prices								Stock prices ⁶					Volume of trading ⁷ (in thousands of shares)
	U. S. Government ²	Municipal ³	Corporate ⁴					Pre-ferred ⁵	Common (index, 1935-39 = 100)					
			High-grade	Medium and lower-grade					De-faulted	Total	Indus-trial	Rail-road	Public utility	
				Total	Indus-trial	Rail-road	Public utility							
Number of issues.....	2-6	15	15	50	10	20	20	15	15	402	354	20	28	.....
1939 average.....	105.2	116.3	113.8	89.5	91.2	78.1	99.3	13.8	167.5	94	95	75	99	977
1940 average.....	107.2	121.2	115.9	94.8	97.3	83.8	103.5	14.0	169.2	88	88	71	96	767
1941 average.....	111.0	129.0	117.8	98.9	103.9	86.9	106.1	21.9	171.9	80	80	71	81	629
1941—June.....	111.5	129.5	117.7	99.2	103.3	87.9	106.3	21.6	168.9	80	80	71	82	463
July.....	111.7	130.4	118.7	99.9	104.8	87.8	107.1	23.9	173.1	83	84	74	82	757
August.....	111.1	131.0	118.5	99.6	104.9	86.8	107.3	24.9	174.3	83	84	74	81	473
September.....	111.1	131.2	118.1	98.0	105.1	84.5	107.2	24.4	173.4	84	85	73	81	599
October.....	112.0	133.0	118.8	99.2	105.3	85.0	107.2	25.1	172.1	80	82	70	79	557
November.....	112.4	133.4	119.2	99.4	105.9	84.9	107.4	24.8	170.5	77	79	68	75	792
December.....	110.7	125.9	117.5	97.4	105.0	82.4	104.7	21.9	168.7	72	74	61	66	1,542
1942—January.....	110.1	124.4	117.5	99.2	106.7	86.9	104.1	24.1	166.3	73	74	69	66	565
February.....	108.9	120.1	117.1	99.6	106.9	87.7	104.4	25.6	165.1	70	71	68	65	404
March.....	110.2	119.7	116.7	98.8	106.1	88.6	101.8	27.6	159.8	66	67	65	61	363
April.....	110.5	122.1	117.8	99.3	107.1	88.4	102.3	26.7	154.8	63	65	61	57	336
May.....	110.7	122.1	117.7	98.9	107.4	87.1	102.2	26.4	156.3	63	65	60	57	323
June.....	110.7	123.3	118.0	98.1	107.7	83.0	103.5	24.0	159.2	66	68	59	59	316
Week ending:														
June 27.....	110.1	123.9	118.4	98.3	107.6	82.6	104.5	23.7	159.5	65	68	58	57	262
July 4.....	110.2	123.9	118.8	98.6	107.4	83.7	104.7	24.9	160.2	66	68	60	57	283
July 11.....	110.2	123.9	119.0	99.0	108.2	84.1	104.8	25.2	161.3	69	71	63	59	512
July 18.....	110.2	124.3	119.0	99.0	108.6	83.8	104.4	25.3	162.1	70	72	64	59	312
July 25.....	110.2	124.9	118.9	98.9	108.7	83.7	104.3	25.7	163.2	69	72	64	59	304

¹ Monthly and weekly data are averages of daily figures, except for municipal bonds and for stocks, which are based on Wednesday figures.
² Prices derived from average of yields on all outstanding partially tax-exempt U. S. Government bonds due or callable in more than 12 years on basis of a 2½ per cent, 16 year bond. For description see November 1940 BULLETIN, pp. 1179-1180. Prices expressed in decimals.
³ Prices derived from average yields, as computed by Standard and Poor's Corporation.
⁴ Prices derived from averages of median yields, as computed by Standard and Poor's Corporation.
⁵ Prices derived from averages of median yields on noncallable high-grade stocks on basis of a \$7 annual dividend.
⁶ Standard and Poor's Corporation.
⁷ Average daily volume of trading in stocks on the New York Stock Exchange.
⁸ Number of issues decreased from 5 to 4 on June 15.
Back figures.—For United States Government bonds, see November 1940 BULLETIN; for municipal bonds, see Annual Report for 1937 (table 79).

NEW SECURITY ISSUES

[In millions of dollars]

Year or month	Total (new and re-fund- ing)	For new capital								For refunding							
		Total (dom- estic and for- eign)	Domestic						For- eign ²	Total (do- mestic and for- eign)	Domestic						For- eign ²
			Total	State and mun- ici- pal	Fedral agen- cies ¹	Corporate					Total	State and mun- ici- pal	Fedral agen- cies ¹	Corporate			
						Total	Bonds and notes	Stocks						Total	Bonds and notes	Stocks	
1932.....	1,751	1,197	1,165	762	77	325	305	20	32	554	498	87	93	319	315	4	56
1933.....	1,063	720	708	483	64	161	140	120	12	343	283	37	26	219	187	32	60
1934.....	2,160	1,386	1,386	803	405	178	144	35	.....	774	765	136	317	312	312	.....	9
1935.....	4,699	1,457	1,409	855	150	404	334	69	48	3,242	3,216	365	987	1,864	1,782	81	26
1936.....	6,214	1,972	1,949	735	22	1,192	839	352	23	4,242	4,123	382	353	3,387	3,187	200	119
1937.....	3,937	2,138	2,094	712	157	1,225	817	408	44	1,799	1,680	191	281	1,209	856	352	119
1938.....	4,449	2,360	2,325	971	481	873	807	67	35	2,089	2,061	129	665	1,267	1,236	31	28
1939.....	5,842	2,289	2,239	931	924	383	287	97	50	3,553	3,465	195	1,537	1,733	1,596	137	88
1940.....	4,803	1,951	1,948	751	461	736	601	135	2	2,852	2,852	482	344	2,026	1,834	193	.....
1941.....	5,539	2,848	2,847	516	1,272	1,059	789	170	1	2,691	2,687	433	698	1,557	1,430	126	4
1941—June.....	882	520	519	59	370	91	77	14	.....	362	362	26	223	113	108	5	.....
July.....	616	300	299	40	212	47	34	13	.....	316	316	14	216	77	76	11	.....
August.....	471	360	360	33	.....	327	324	4	.....	110	110	11	25	74	73	2	.....
September.....	273	65	65	31	.....	34	22	12	.....	209	209	20	27	161	156	6	.....
October.....	300	132	132	29	.....	104	50	54	.....	167	167	35	35	97	96	1	.....
November.....	238	111	110	21	.....	89	83	6	.....	127	127	53	32	42	29	13	.....
December.....	241	138	138	42	20	77	62	15	.....	102	102	18	25	59	57	2	.....
1942—January.....	333	182	182	83	11	87	32	55	.....	151	151	35	34	83	82	1	.....
February.....	180	123	123	30	37	56	37	19	.....	57	57	11	27	19	19	.....	.....
March.....	197	109	109	22	9	79	61	18	.....	88	88	27	21	39	39	.....	.....
April.....	262	158	158	51	10	97	91	6	.....	104	104	5	81	19	19	.....	.....
May.....	180	128	128	22	3	103	94	9	.....	52	52	8	39	6	6	.....	.....
June.....	201	96	96	18	2	77	69	8	.....	105	105	15	28	62	55	7	.....

¹ Revised.
² Includes publicly-offered issues of Federal credit agencies, but excludes direct obligations of U. S. Treasury.
³ Includes issues of noncontiguous U. S. Territories and Possessions.
Source.—For domestic issues, *Commercial and Financial Chronicle*; for foreign issues, U. S. Department of Commerce. Monthly figures subject to revision.
Back figures.—See Annual Report for 1937 (table 78).

NEW CORPORATE SECURITY ISSUES¹
PROPOSED USES OF PROCEEDS, ALL ISSUERS
(In millions of dollars)

Year or month	Estimated gross proceeds ²	Estimated net proceeds ³	Proposed uses of net proceeds							
			New money			Retirement of securities			Repayment of other debt	Other purposes
			Total	Plant and equipment	Working capital	Total	Bonds and notes	Preferred stock		
1934.....	530	515	57	32	26	362	362	.....	84	11
1935.....	2,698	2,629	243	111	131	2,193	2,121	71	170	23
1936.....	4,781	4,637	858	380	478	3,575	3,349	226	154	49
1937.....	2,374	2,303	1,046	574	472	1,106	916	190	111	39
1938.....	2,324	2,279	779	504	275	1,254	1,167	87	239	7
1939.....	2,177	2,128	325*	170	155	1,708	1,650	59	69	26
1940.....	2,786	2,723	604	424	180	1,927	1,798	128	174	19
1941.....	2,524	2,480	797	639	158	1,528	1,448	80	102	53
1940—September.....	108	106	43	35	9	57	55	2	5	1
October.....	373	366	45	39	6	316	312	5	2	2
November.....	148	145	65	25	41	73	59	15	6	1
December.....	578	567	193	158	35	367	318	50	6	1
1941—January.....	270	265	48	44	4	210	184	26	6	1
February.....	151	148	29	25	5	103	101	2	.....	15
March.....	268	263	67	55	12	179	171	8	15	2
April.....	145	142	27	18	9	111	90	21	2	2
May.....	265	259	66	51	15	188	188	.....	4	.....
June.....	234	229	80	69	11	132	127	5	16	1
July.....	117	114	40	31	10	60	58	2	10	4
August.....	408	404	185	168	17	200	198	2	14	5
September.....	172	170	31	20	11	137	135	2	2	.....
October.....	227	224	91	64	26	118	117	1	11	5
November.....	140	137	80	60	20	38	37	1	19	.....
December.....	128	125	51	34	17	54	44	10	3	17
1942—January.....	164	161	71	38	33	80	80	.....	9	.....
February.....	78	76	40	34	5	23	12	11	2	11
March.....	102	100	39	35	4	46	41	5	15	.....
April.....	121	118	70	15	55	12	12	.....	36	.....
May.....	126	124	59	27	33	11	11	.....	53	1
June.....	142	139	72	57	15	60	55	5	5	2

PROPOSED USES OF PROCEEDS, BY MAJOR GROUPS OF ISSUERS
(In millions of dollars)

Year or month	Railroad				Public utility				Industrial				Other			
	Total net proceeds	New money	Retirement of securities	All other purposes ⁴	Total net proceeds	New money	Retirement of securities	All other purposes ⁴	Total net proceeds	New money	Retirement of securities	All other purposes ⁴	Total net proceeds	New money	Retirement of securities	All other purposes ⁴
1934.....	172	21	120	31	130	11	77	42	62	25	34	2	151	.....	131	19
1935.....	120	57	54	10	1,250	30	1,190	30	774	74	550	150	485	81	399	4
1936.....	774	139	558	77	1,987	63	1,897	27	1,280	439	761	80	597	218	359	20
1937.....	338	228	110	1	751	89	611	50	1,079	616	373	90	135	112	13	10
1938.....	54	24	30	.....	1,208	180	943	86	831	469	226	136	185	106	56	24
1939.....	182	85	97	.....	1,246	43	1,157	47	584	188	353	43	115	9	101	5
1940.....	319	115	186	18	1,180	245	922	13	961	167	738	56	263	78	81	104
1941.....	361	253	108	.....	1,306	309	972	25	715	211	402	103	98	24	47	27
1940—September.....	11	10	2	.....	58	11	47	1	35	22	8	5	1	1	.....	.....
October.....	46	16	31	.....	213	9	202	2	105	19	84	2	2	1	.....	.....
November.....	27	22	1	4	18	1	16	1	37	4	32	1	64	39	24	.....
December.....	12	12	.....	.....	365	144	219	2	171	26	141	4	19	12	7	.....
1941—January.....	32	27	5	.....	122	15	105	2	108	6	98	5	2	.....	1	1
February.....	71	21	50	.....	37	1	36	.....	20	7	13	.....	20	1	4	15
March.....	8	3	5	.....	184	46	136	2	71	17	37	16	1	1	.....	.....
April.....	2	.....	2	.....	71	17	53	.....	66	7	56	3	4	3	1	.....
May.....	45	45	.....	.....	144	6	138	1	69	15	50	3	.....	.....	.....	.....
June.....	58	51	7	.....	110	9	97	4	61	20	28	13	.....	.....	.....	.....
July.....	23	23	.....	.....	33	7	26	.....	54	9	35	10	5	1	.....	4
August.....	24	24	.....	.....	316	142	173	.....	59	18	27	14	6	1	.....	5
September.....	42	7	35	.....	102	6	96	1	24	17	6	1	1	1	.....	.....
October.....	25	21	4	.....	80	11	67	2	74	48	12	14	44	10	34	.....
November.....	1	1	.....	.....	56	45	10	1	71	29	24	18	8	4	4	.....
December.....	28	28	.....	.....	51	3	36	12	38	17	15	6	9	3	3	2
1942—January.....	10	10	.....	.....	107	18	80	9	43	43	.....	.....	1	1	.....	.....
February.....	4	4	.....	.....	34	25	10	.....	38	11	14	13	.....	.....	.....	.....
March.....	6	6	.....	.....	48	8	40	.....	46	25	6	15	.....	.....	.....	.....
April.....	.....	.....	.....	.....	11	11	.....	.....	107	59	12	36	.....	.....	.....	.....
May.....	.....	.....	.....	.....	21	10	5	6	102	49	6	48	1	.....	.....	.....
June.....	9	3	6	.....	69	17	49	3	61	51	6	4	1	1	.....	.....

¹ Estimates of new issues sold for cash in the United States. Current figures subject to revision.

² Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

³ Estimated net proceeds are equal to estimated gross proceeds less cost of flotation, i.e., compensation to underwriters, agents, etc., and expenses.

⁴ Includes repayment of other debt and other purposes.

Source: Securities and Exchange Commission. For description of data and back figures, see pp. 217-219 of the March 1942 BULLETIN.

QUARTERLY EARNINGS AND DIVIDENDS OF LARGE CORPORATIONS
INDUSTRIAL CORPORATIONS
(In millions of dollars)

Year or quarter	Net profits, ¹ by industrial groups												Profits and dividends		
	Total	Iron and steel	Machinery	Automobiles	Other transportation equipment	Non-ferrous metals and products	Other durable goods	Foods, beverages and tobacco	Oil prod. and refining	Industrial chemicals	Other non-durable goods	Miscellaneous services	Net profits ¹	Dividends	
														Preferred	Common
Number of companies . . .	629	47	69	15	68	77	75	49	45	30	80	74	152	152	152
1939	1,465	146	115	223	102	119	70	151	98	186	134	122	847	90	564
1940	1,818	278	158	242	173	133	88	148	112	194	160	132	1,028	90	669
1941	2,169	325	193	274	227	153	113	159	174	207	187	159	1,144	92	705
Quarterly															
1939—1	284	13	20	64	23	25	8	31	14	36	28	24	173	21	114
2	311	14	25	61	21	22	16	36	21	40	29	27	185	22	119
3	320	35	26	12	20	30	23	44	26	45	32	29	167	21	125
4	550	85	44	86	39	42	23	41	37	66	45	42	321	26	207
1940—1	422	47	33	69	41	33	14	34	34	46	41	29	246	21	136
2	412	51	39	53	36	29	21	38	30	45	41	30	230	21	158
3	396	79	34	17	33	30	25	33	25	52	39	29	211	22	158
4	588	101	52	103	63	40	28	43	24	51	39	44	342	25	217
1941—1	510	86	44	79	53	39	23	36	29	49	44	29	286	22	150
2	549	84	48	73	56	36	28	43	42	53	48	36	297	23	165
3	560	81	46	60	56	38	30	44	56	52	49	46	284	23	170
4	550	72	55	61	62	40	32	37	46	52	46	48	276	24	221
1942—1	423	65	38	34	60	35	20	32	35	39	38	28	206	21	134

PUBLIC UTILITY CORPORATIONS
(In millions of dollars)

Year or quarter	Railroad ²					Electric power				Telephone ³		
	Operating revenue	Income before income tax ⁴	Net income ¹		Dividends	Operating revenue	Income before income tax ⁴	Net income ¹	Dividends ⁵	Operating revenue	Net income ¹	Dividends ⁵
			All roads	Insolvent roads ⁶								
Number of companies . . .						28	28	28	28	33	33	33
1939	3,995	126	93	-102	126	692	159	137	116	1,179	198	178
1940	4,297	249	189	-73	159	735	177	142	118	1,250	202	167
1941	5,347	672	502	24	186	799	202	133	115	1,382	196	172
Quarterly												
1939—1	898	-38	-43	(7)	21	175	46	39	19	287	46	21
2	906	-43	-47	(7)	23	166	37	32	19	295	50	20
3	1,058	68	58	(7)	21	167	34	30	19	295	50	16
4	1,133	139	126	-4	61	184	43	36	22	303	52	15
1940—1	986	-3	-12	-29	25	187	48	41	19	304	52	16
2	1,010	15	3	-33	29	176	42	34	19	310	52	16
3	1,130	92	71	-14	29	177	41	31	19	310	46	15
4	1,171	145	127	3	78	194	47	37	20	326	53	10
1941—1	1,152	94	69	-4	22	201	59	43	18	330	48	16
2	1,272	144	101	2	36	191	48	33	24	345	50	15
3	1,468	267	190	25	31	196	46	25	18	347	46	16
4	1,454	167	142	1	97	211	50	34	19	359	51	20
1942—1	1,483	178	95	12	24	216	64	33	18	369	52	18

¹ "Net profits" and "net income" refer to income after all charges and taxes, and before dividends.
² Class I line-haul railroads.
³ Net income and dividend figures exclude dividends received by the American Telephone and Telegraph Company.
⁴ After all charges and taxes except Federal income and excess profits taxes.
⁵ Quarterly dividend data are not available for all companies in the group and, therefore, do not add to the yearly totals shown.
⁶ Includes roads in receivership or trusteeship at beginning of the year.
⁷ Not available.
Sources: Interstate Commerce Commission for railroads; Federal Communications Commission for telephone companies; published reports for industrial and electric power companies. Figures for the current and preceding year subject to revision. For description of data and back figures, see pages 214 to 217 of the March 1942 BULLETIN.

UNITED STATES GOVERNMENT DEBT—VOLUME AND KIND OF DIRECT SECURITIES

[On basis of daily statements of United States Treasury. In millions of dollars]

End of month	Total gross debt	Total interest-bearing debt	Marketable public issues ¹					Nonmarketable public issues			Special issues	Non-interest bearing debt
			Total ²	Treasury bills	Certificates of indebtedness	Treasury notes	Treasury bonds	Total ²	U. S. savings bonds	Treasury tax notes		
1938—June.....	37,165	36,576	32,344	1,154	.....	9,147	21,846	1,556	1,238	.....	2,676	589
Dec.....	39,427	38,899	34,004	1,306	.....	8,496	24,005	1,739	1,442	.....	3,156	528
1939—June.....	40,440	39,886	33,965	1,308	.....	7,243	25,218	2,151	1,868	.....	3,770	554
Dec.....	41,942	41,445	34,735	1,455	.....	6,203	26,881	2,480	2,209	.....	4,231	497
1940—June.....	42,968	42,376	34,436	1,302	.....	6,383	26,555	3,166	2,905	.....	4,775	591
Dec.....	45,025	44,458	35,645	1,310	.....	6,178	27,960	3,444	3,195	.....	5,370	566
1941—June.....	48,961	48,387	37,713	1,603	.....	5,698	30,215	4,555	4,314	.....	6,120	574
July.....	49,513	48,965	37,713	1,603	.....	5,698	30,215	4,929	4,649	.....	6,324	548
Aug.....	50,921	50,371	37,667	1,604	.....	5,698	30,169	6,234	4,908	1,037	6,470	550
Sept.....	51,346	50,791	37,368	1,305	.....	5,698	30,169	6,765	5,132	1,343	6,658	556
Oct.....	53,584	53,040	38,869	1,404	.....	5,509	31,759	7,507	5,394	1,818	6,664	544
Nov.....	55,040	54,536	39,677	1,703	.....	6,012	31,765	8,052	5,620	2,136	6,806	504
Dec.....	57,938	57,451	41,562	2,002	.....	5,997	33,367	8,907	6,140	2,471	6,982	487
1942—Jan.....	60,012	59,531	42,271	2,101	.....	5,591	34,383	10,196	7,198	2,697	7,063	481
Feb.....	62,381	61,895	43,700	2,002	.....	5,591	35,912	11,004	7,893	2,807	7,190	486
Mar.....	62,419	61,940	43,329	1,652	.....	5,571	35,910	11,278	8,436	2,536	7,333	480
Apr.....	64,961	64,496	43,137	1,953	1,507	5,571	35,910	12,002	8,951	2,744	7,358	465
May.....	68,571	68,108	47,615	2,257	1,507	5,571	38,085	12,976	9,569	3,100	7,518	462
June.....	72,422	71,968	50,373	2,508	3,096	6,689	38,085	13,510	10,188	3,015	7,885	454

¹ Including amounts held by Government agencies and trust funds, which aggregated \$2,425,000,000 on May 31, and \$2,445,000,000 (preliminary) on June 30, 1942.

² Total marketable public issues includes Postal savings and pre-war bonds, and total nonmarketable public issues includes adjusted service and depositary bonds not shown separately.

SECURITIES FULLY GUARANTEED BY UNITED STATES GOVERNMENT, BY ISSUING AGENCIES¹

[In millions of dollars]

End of month	Total amount outstanding ²	Interest-bearing					Other
		Total	Federal Farm Mortgage Corporation	Home Owners' Loan Corporation	Reconstruction Finance Corporation	Commodity Credit Corporation	
1938—June.....	4,853	1,410	2,937	299	206	1	1
Dec.....	4,992	1,388	2,888	509	206	1	1
1939—June.....	5,450	1,379	2,928	820	206	117	117
Dec.....	5,621	1,269	2,731	1,096	407	118	118
1940—June.....	5,529	1,269	2,603	1,096	407	122	122
Dec.....	5,917	1,269	2,600	1,097	696	239	239
1941—June.....	6,370	1,269	2,409	1,741	696	244	244
July.....	6,939	1,269	2,409	2,101	907	243	243
Aug.....	6,937	1,269	2,409	2,101	905	243	243
Sept.....	6,937	1,269	2,409	2,101	905	244	244
Oct.....	6,338	1,269	2,409	2,101	905	244	244
Nov.....	6,324	1,269	2,409	1,802	701	135	135
Dec.....	6,324	1,269	2,409	1,802	701	136	136
1942—Jan.....	5,703	937	2,409	1,492	701	134	134
Feb.....	5,696	937	2,409	1,492	701	135	135
Mar.....	5,690	930	2,409	1,492	701	135	135
Apr.....	5,688	930	2,409	1,492	701	135	135
May.....	5,687	930	2,409	1,492	701	136	136
June.....	4,568	930	1,563	1,219	701	136	136

¹ Excluding obligations held by U. S. Treasury and reflected in the public debt.

² Figures on matured debt were not published prior to September 1939.

SALES OF UNITED STATES SAVINGS BONDS

[In millions of dollars]

Month	Amount outstanding at end of month ¹	Funds received from sales during month			
		All series ²	Series E	Series F	Series G
1941—May.....	4,008	370	101	38	211
June.....	4,314	315	103	29	183
July.....	4,649	342	145	27	170
August.....	4,908	266	118	20	128
September.....	5,132	232	105	18	109
October.....	5,394	271	123	23	125
November.....	5,620	234	110	19	105
December.....	6,140	529	341	33	154
1942—January.....	7,198	1,061	667	78	316
February.....	7,893	703	398	52	253
March.....	8,436	558	338	41	179
April.....	8,951	531	327	40	164
May.....	9,569	634	422	42	170
June.....	10,188	634	433	41	160

¹ At current redemption values except Series G, which is stated at par. Difference between "Funds received" and month to month changes in "Amounts outstanding" represents the difference between accrued increases in redemption values and redemptions of bonds during the month.

² Includes figures for series A-D not shown separately; these series have not been issued since April 1941.

**MATURITIES OF PUBLIC MARKETABLE SECURITIES OF U. S. GOVERNMENT, DIRECT AND FULLY
GUARANTEED, JUNE 30, 1942**
[In millions of dollars]

Maturing or callable	Direct securities maturing						Treasury bonds due or callable ¹	Fully guaranteed securities maturing						Total fully guaranteed securities due or callable
	Total	Treasury bills	Certificates of Indebtedness	Treasury notes	Bonds			Total ²	Federal Farm Mortgage Corporation	Home Owners' Loan Corporation	Reconstruction Finance Corporation	Commodity Credit Corporation	U. S. Housing Authority	
					Treasury	Pre-war and Postal Savings								
Within 1 year.....	6,874	2,508	3,096	1,270			454	642		29	323	289		642
1 to 5 years.....	9,364			5,419	3,914	30	8,055	2,176		755	896	412	114	3,885
5 to 10 years.....	9,461				9,438	23	17,126	1,614	835	779				
10 to 20 years.....	18,872				18,730	142	9,734							
Over 20 years.....	6,003				6,003		2,716	95	95					
Total.....	50,573	2,508	3,096	6,689	38,085	196	38,085	4,527	930	1,563	1,219	701	114	4,527
1942—Before Oct. 1.....	2,850	2,508		342				33		29	4			33
Oct. 1-Dec. 31.....	1,739		1,507	232				320			320			320
1943—Jan. 1-Mar. 31.....	1,654		1,588	66										
Apr. 1-June 30.....	629			629			454	289				289		289
July 1-Sept. 30.....	279			279				324			324			324
Oct. 1-Dec. 31.....	421			421			1,401							
1944.....	1,849			1,849			2,555	686			571		114	2,394
1945.....	3,191			1,249	1,941		1,755	412				412		1,167
1946.....	3,156			1,621	1,519	16	2,344							
1947.....	2,384				2,370	14	1,460	755		755				
1948.....	1,489				1,487	2	3,361							
1949.....	821				819	2	4,584	835	835					
1950.....	1,689				1,687	2	1,186							
1951.....	3,537				3,530	7	4,011							
1952.....	2,454				2,436	18	2,524	779		779				
1953.....	2,932				2,904	27	725							
1954.....	3,709				3,687	22	681							
1955.....	3,526				3,491	35	2,611							
1956.....	1,170				1,170		2,431							
1958.....	1,449				1,449		919							
1959.....	982				982									
1960.....	2,611				2,611		1,485							
1961.....	50					50								
1962.....							882							
1963.....	919				919			95	95					
1964.....														
1965.....	1,485				1,485									
1967.....	882				882		2,716							
1972.....	2,716				2,716									

¹ Securities not callable prior to maturity are shown as of date of maturity.

² Excluding debentures of Federal Housing Administration, which amounted to \$21,000,000 on June 30.

OWNERSHIP OF UNITED STATES GOVERNMENT SECURITIES, DIRECT AND FULLY GUARANTEED
[In millions of dollars]

End of month	Total interest- bearing securities	Held by Federal agencies and trust funds		Held by Federal Reserve Banks	Privately held ¹						
		Special issues	Public issues		Total	Member banks	Other com- mer- cial banks	Mutual savings banks	Insur- ance com- panies ²	Other investors ²	
										Market- able issues ²	Non- market- able issues
1932—June.....	19,161	309	261	1,784	16,807	5,628	590	680	800	9,100	.....
1933—June.....	22,158	323	366	1,998	19,471	6,887	590	720	1,000	10,300	.....
1934—June.....	27,161	396	1,055	2,432	23,278	9,413	890	970	1,500	10,500	.....
1935—June.....	31,768	633	1,365	2,433	27,337	11,429	1,290	1,540	2,600	10,400	100
1936—June.....	37,707	626	1,703	2,430	32,948	13,671	1,600	2,050	3,900	10,500	1,200
December.....	38,362	632	1,820	2,430	33,480	13,545	1,710	2,330	4,500	10,500	900
1937—June.....	40,465	1,558	2,036	2,526	34,345	12,689	1,870	2,390	5,000	11,300	1,100
December.....	41,353	2,227	2,049	2,564	34,513	12,371	1,790	2,450	5,300	11,400	1,200
1938—June.....	41,428	2,676	2,123	2,564	34,065	12,343	1,700	2,690	5,500	10,400	1,400
December.....	43,891	3,156	2,198	2,564	35,973	13,222	1,850	2,880	5,700	10,700	1,600
1939—June.....	45,336	3,770	2,138	2,551	36,877	13,777	1,920	3,040	5,900	10,300	1,900
December.....	47,067	4,231	2,323	2,484	38,029	14,328	1,970	3,100	6,300	10,100	2,200
1940—June.....	47,874	4,775	² 2,292	2,466	38,341	14,722	1,830	3,110	6,500	9,300	2,900
December.....	50,360	5,370	³ 2,250	2,184	40,556	15,823	1,940	3,220	6,800	9,600	3,200
1941—June.....	54,747	6,120	³ 2,360	2,184	44,083	18,078	2,020	3,430	6,900	9,400	4,300
December.....	63,768	6,982	³ 2,547	2,254	51,985	19,539	2,250	3,700	7,900	10,000	8,600
1942—June.....	76,517	7,885	³ 2,716	2,646	63,270	^P 24,086	^P 42,100	^P 3,900	^P 8,900	^P 11,200	13,100

^P Preliminary.

¹ Estimated figures for other commercial banks and mutual savings banks have been rounded to nearest 10 millions and estimated figures for insurance companies and other investors have been rounded to nearest 100 millions.

² Holdings of insurance companies included with "Other investors" prior to 1932.

³ Excluding holdings of production credit associations and joint stock land banks.

⁴ Figures for member banks include and other commercial banks exclude holdings, amounting to 356 million dollars, of J. P. Morgan and Co., which was admitted to Federal Reserve membership in April, 1942.

NOTE.—For end of June figures 1916-1931, see BULLETIN for July 1941, p. 664.

SUMMARY OF TREASURY OPERATIONS

[On basis of daily statements of United States Treasury. In millions of dollars]

Period		General and special accounts												Trust ac- counts etc., ¹ excess of receipts (+) or expen- ditures (-)	Increase or de- crease during period		
		Receipts						Expenditures (excl. debt retirements)									
		In- come taxes	Mis- cella- neous inter- nal re- venue	Social secur- ity taxes	All other	Total re- ceipts	Net re- ceipts	Inter- est on debt	National de- fense	Agricul- tural Ad- just- ment Pro- gram	Un- em- ploy- ment relief	Trans- fers to trust ac- counts etc.	All other		Total	Excess of re- ceipts (+) or expen- ditures (-)	General Fund bal- ance ¹	Gross debt^{2}
Fiscal year end- ing:																	
June 1939...	2,189	2,232	740	507	5,668	5,165	941	1,206	787	2,595	182	2,996	8,707	-3,542	+890	+622	+3,275
June 1940...	2,125	2,345	838	617	5,925	5,387	1,041	1,657	1,002	1,919	226	3,153	8,998	-3,611	+136	-947	+2,528
June 1941...	3,470	2,967	932	900	8,269	7,607	1,111	6,301	877	1,694	325	2,403	12,711	-5,103	-148	+742	+5,994
June 1942....	7,960	3,847	1,194	666	13,668	12,799	1,260	25,954	790	1,193	375	2,825	32,397	-19,598	-3,506	+358	+23,461
1941—June.....	916	265	32	64	1,277	1,276	339	832	22	131	10	194	1,528	-252	-259	+729	+1,241
July.....	84	268	48	56	456	413	25	966	44	132	169	262	1,598	-1,185	+599	-34	+551
Aug.....	59	269	173	54	554	397	9	1,129	27	106	14	245	1,529	-1,133	-2	+274	+1,408
Sept.....	780	261	37	58	1,136	1,135	169	1,327	32	108	6	230	1,874	-739	-293	-607	+425
Oct.....	68	314	49	57	489	445	75	1,534	58	109	45	262	2,083	-1,637	-225	+376	+2,238
Nov.....	66	436	181	47	730	564	15	1,446	72	95	10	220	1,858	-1,294	-484	-322	+1,456
Dec.....	767	353	41	53	1,214	1,212	232	1,847	113	115	9	226	2,542	-1,329	-328	+1,241	+2,898
1942—Jan.....	133	369	53	59	614	578	32	2,101	106	94	42	254	2,628	-2,050	-633	-610	+2,073
Feb.....	283	340	257	58	937	758	12	2,201	97	92	9	217	2,629	-1,871	+114	+612	+2,369
Mar.....	3,083	364	49	52	3,548	3,547	205	2,797	81	96	22	220	3,421	+126	-234	-69	+39
Apr.....	335	305	43	49	732	695	77	3,231	66	91	48	241	3,753	-3,058	-126	-642	+2,542
May.....	216	270	222	56	764	563	19	3,553	62	82	.....	237	3,953	-3,391	-257	-39	+3,609
June.....	2,086	298	42	67	2,494	2,492	390	3,823	31	72	1	212	4,530	-2,037	-1,635	+179	+3,852

Period	Details of trust accounts, etc.						General Fund of the Treasury (end of period)									
	Social Security accounts			Net ex- penditures in check- ing ac- counts of Govern- ment agencies	All other			Assets				Total liabil- ities	Balance in General Fund			
	Net re- ceipts	Invest- ments	Ex- pendi- tures		Re- ceipts	Invest- ments	Ex- pendi- tures	Total	De- posits in Federal Reserve Banks	De- posits in special deposi- taries	Other assets		Total	Increm- ent on gold	Seign- iorage	Work- ing bal- ance
Fiscal year ending:																
June 1939.....	1,477	911	561	*768	440	115	209	3,087	1,022	776	1,288	248	2,838	142	536	2,160
June 1940.....	1,662	1,016	643	*33	458	98	260	2,038	254	805	979	147	1,891	143	585	1,163
June 1941.....	1,958	1,200	741	218	674	138	484	2,812	1,024	661	1,127	179	2,633	143	605	1,885
June 1942.....	2,327	1,705	614	3,625	857	221	527	3,443	603	1,679	1,162	452	2,991	143	619	2,229
1941—June.....	109	243	48	80	96	47	46	2,812	1,024	661	1,127	179	2,633	143	605	1,885
July.....	171	84	46	*534	162	105	33	2,807	934	680	1,193	208	2,599	143	607	1,848
Aug.....	334	130	44	169	54	1	45	3,057	995	833	1,229	185	2,873	143	610	2,120
Sept.....	25	185	43	93	53	4	47	2,461	526	797	1,138	195	2,266	143	611	1,511
Oct.....	149	70	39	272	63	3	53	2,852	998	784	1,069	210	2,641	143	613	1,885
Nov.....	359	148	40	659	45	1	41	2,544	543	947	1,054	225	2,319	143	614	1,562
Dec.....	63	215	49	140	54	**5	47	3,816	966	1,756	1,094	256	3,560	143	615	2,802
1942—Jan.....	144	50	64	681	57	9	30	3,232	391	1,750	1,090	282	2,950	143	616	2,191
Feb.....	383	177	59	35	50	5	44	3,867	748	2,054	1,064	305	3,562	143	617	2,802
Mar.....	31	139	67	75	84	9	59	3,857	525	2,231	1,101	365	3,493	143	618	2,732
Apr.....	112	15	59	189	73	9	39	3,216	522	1,579	1,115	365	2,851	143	618	2,089
May.....	422	196	54	430	53	13	40	3,198	382	1,666	1,150	386	2,812	143	619	2,050
June.....	136	297	51	1,417	110	69	48	3,443	603	1,679	1,162	452	2,991	143	619	2,229

¹ Details given in lower section of table.

² For details, see page 829.

* Excess of receipts.

** Excess of redemptions.

GOVERNMENTAL CORPORATIONS AND CREDIT AGENCIES

[Based on compilation by U. S. Treasury Department from reports received from organizations concerned. In millions of dollars]

	1941 (End of month)								1942 (End of month)				
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Assets													
Loans and preferred stock:													
Loans to financial institutions.....	397	417	408	407	409	409	408	434	404	396	388	380	371
Preferred stock, etc.....	702	698	693	669	666	665	664	680	675	663	658	650	649
Loans to railroads.....	505	505	497	497	497	484	483	498	497	498	500	502	498
Home and housing mortgage loans.....	2,436	2,445	2,413	2,413	2,427	2,413	2,401	2,424	2,430	2,380	2,392	2,372	2,352
Farm mortgage loans.....	2,458	2,448	2,437	2,426	2,411	2,396	2,380	2,361	2,343	2,332	2,311	2,296	2,282
Other agricultural loans.....	830	779	754	726	717	709	732	773	780	785	789	976	811
All other loans.....	1,472	1,511	1,553	1,690	1,738	1,957	1,933	1,996	1,934	2,004	2,026	2,041	2,042
Total loans and preferred stock.....	8,800	8,804	8,756	8,826	8,864	9,033	9,001	9,167	9,063	9,059	9,065	9,218	9,005
Cash.....	464	376	771	594	523	489	502	496	550	582	621	645	732
U. S. Govt. direct securities.....	780	802	824	844	846	895	906	884	915	947	950	966	981
Securities of Government corporations and credit agencies:													
Fully guaranteed by U. S.....	125	123	123	123	122	120	115	115	112	112	110	110	107
Other.....	17	18	17	18	17	20	26	46	52	53	54	54	55
Accounts and other receivables.....	549	598	651	600	672	725	641	574	604	600	632	621	733
Business property.....	623	636	653	664	671	689	698	714	751	782	792	815	833
Property held for sale.....	1,392	1,497	1,567	1,625	1,710	1,805	1,879	1,891	1,964	2,017	2,262	2,717	3,067
Other assets.....	359	423	435	517	563	592	701	773	1,073	1,073	1,265	1,510	1,829
Total assets other than interagency ¹	13,108	13,277	13,797	13,810	13,989	14,368	14,470	14,660	14,908	15,224	15,750	16,656	17,343
Liabilities													
Bonds, notes, and debentures:													
Fully guaranteed by U. S.....	6,371	6,370	6,939	6,937	6,937	6,938	6,324	6,324	5,705	5,697	5,690	5,688	5,687
Other.....	1,434	1,443	1,442	1,445	1,434	1,416	1,393	1,392	1,402	1,396	1,433	1,431	1,440
Other liabilities.....	1,492	1,604	1,761	1,741	1,859	1,952	1,974	2,049	2,111	2,325	2,497	2,656	2,950
Total liabilities other than interagency ²	9,297	9,417	10,142	10,123	10,231	10,306	9,690	9,765	9,219	9,418	9,620	9,776	10,078
Excess of assets over liabilities, excluding interagency transactions.....	3,811	3,860	3,655	3,687	3,758	4,062	4,779	4,895	5,689	5,806	6,130	6,880	7,265
U. S. Govt. interests.....	3,388	3,436	3,230	3,261	3,331	3,633	4,349	4,464	5,256	5,372	5,694	6,444	6,828
Privately owned interests.....	423	424	425	426	427	428	430	431	432	434	435	436	437

¹ Excluding Federal land bank bonds held by Federal Farm Mortgage Corporation.

² Including, however, investments in securities of agencies (other than mentioned in footnote 1) and deposits of agencies with Reconstruction Finance Corporation.

PRINCIPAL ASSETS AND LIABILITIES OF GOVERNMENTAL CORPORATIONS AND CREDIT AGENCIES, MAY 31, 1942

[Based on compilation by U. S. Treasury Department from reports received from organizations concerned. In millions of dollars]

	Assets							Liabilities	
	Total loans and preferred stock	Cash	U. S. Govt. direct securities	Guaranteed securities	Accounts and other receivables	Business property	Property held for sale	Bonds, notes, and debentures	
								Guaranteed by United States	Other
Reconstruction Finance Corporation.....	1,847	35	55	.....	32	.....	46	1,492	.....
National defense corporations.....	72	6	.....	.....	89	.....	1,690	.....	.....
Home mortgage and housing agencies:									
Home Owners' Loan Corporation.....	1,859	349	.....	.....	5	3	270	2,414	.....
Federal Home Loan Banks.....	181	56	63	5	1	.....	.....	.....	92
RFC Mortgage Company.....	79	.....	.....	.....	2	7	2	.....	.....
Federal National Mortgage Association.....	216	.....	.....	1	5	.....	1	.....	85
United States Housing Authority.....	365	33	7	.....	5	127	.....	114	.....
Farm credit agencies:									
Federal Farm Mortgage Corporation.....	567	25	2	.....	53	.....	8	944	.....
Federal land banks.....	1,715	43	201	.....	169	6	45	.....	1947
Federal intermediate credit banks.....	282	36	44	.....	2	.....	.....	.....	297
Banks for cooperatives.....	99	47	34	1	2	.....	.....	.....	.....
Production credit corporations.....	82	1	12	.....	.....	.....	.....	.....	.....
Regional agricultural credit corporations.....	4	18	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation.....	230	3	.....	.....	83	8	972	701	.....
Farm Credit Administration.....	258	5	.....	.....	.....	.....	.....	.....	.....
Farm Security Administration.....	456	.....	.....	.....	32	1	1	.....	.....
Insurance agencies:									
Federal Crop Insurance Corporation.....	.....	8	.....	.....	22	.....	.....	.....	.....
Federal Deposit Insurance Corporation.....	45	18	490	.....	35	.....	27	.....	.....
Federal Savings and Loan Insurance Corporation.....	.....	4	23	100	8	.....	.....	.....	.....
Federal Housing Administration.....	.....	16	44	.....	40	1	6	21	1
Export-Import Bank of Washington.....	112	.....	.....	.....	80	.....	.....	.....	.....
Tennessee Valley Authority.....	.....	13	.....	.....	7	509	.....	.....	8
U. S. Maritime Commission.....	28	.....	.....	.....	32	101	.....	.....	.....
Rural Electrification Administration.....	340	.....	.....	.....	8	.....	.....	.....	.....
Public Works Administration.....	90	.....	.....	.....	.....	.....	.....	.....	.....
Other.....	78	15	6	.....	22	70	2	.....	10
Total.....	9,005	732	981	107	733	833	3,067	5,687	1,440

¹ Excludes Federal land bank bonds in the amount of \$737,000,000 held by Federal Farm Mortgage Corporation.

RECONSTRUCTION FINANCE CORPORATION LOANS AND INVESTMENTS

[Amounts outstanding at end of month. In millions of dollars]

	1941							1942					
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Loans to financial institutions.....	145	139	134	131	127	124	118	106	107	105	105	102	100
Loans on preferred stock of banks and insurance companies.....	48	48	48	48	48	48	48	44	44	44	44	44	44
Preferred stock, capital notes, and debentures.....	429	425	410	407	405	404	401	398	393	388	381	379	378
Loans to railroads (including receivers).....	470	462	461	461	448	448	462	462	462	465	466	462	462
Loans for self-liquidating projects.....	37	81	81	81	81	51	51	53	54	55	56	56	58
Loans to industrial and commercial businesses:													
For national defense.....	65	70	71	82	93	101	106	111	119	127	134	146	158
Other.....	111	109	108	106	100	103	110	106	104	102	98	97	92
Loan to Great Britain.....			100	125	299	299	345	345	385	385	381	378	376
Loans to drainage, levee, and irrigation districts.....	79	79	77	77	74	74	73	72	72	72	71	70	70
Other loans.....	5	5	5	5	5	5	5	5	5	5	5	5	5
Securities purchased from Public Works Administration.....	122	120	117	117	117	116	114	114	111	110	109	109	108
Total loans and investments, other than interagency.....	1,511	1,538	1,613	1,640	1,798	1,772	1,833	1,815	1,857	1,859	1,850	1,847	1,852
Preferred stock of, and loans to Export-Import Bank.....	174	174	174	174	174	174	174	174	174	174	174	174	174
Loans to Rural Electrification Administration.....	182	190	195	202	207	211	214	211	215	218	221	225	228
Capital stock of, and loans to RFC Mortgage Company.....	73	75	76	77	80	79	79	81	82	82	85	87	89
Capital stock of, and loans to Federal National Mortgage Association.....	102	103	105	107	109	111	112	114	115	119	120	120	119
Loans to Tennessee Valley Authority.....	8	8	8	8	8	8	8	8	8	8	8	8	8
Capital stock of, and loans to national defense companies ¹	282	327	380	527	643	727	721	785	916	1,105	1,303	1,567	1,827
Loans to Farm Security Administration.....	116	89	96	101	110	117	133	114	145	179	199	205	213
Capital stock of Federal Home Loan Banks.....	125	125	125	125	125	125	125	125	125	125	125	125	125
Total loans and investments.....	2,573	2,630	2,772	2,962	3,254	3,325	3,400	3,428	3,638	3,869	4,085	4,358	4,635

¹ Including Metals Reserve Company, Rubber Reserve Company, Defense Plant Corporation, Defense Supplies Corporation, and U. S. Commercial Company.

FARM CREDIT ADMINISTRATION LOANS AND DISCOUNTS OUTSTANDING, BY INSTITUTIONS [In millions of dollars]

End of year or month	Total	Farm mortgage loans			Short-term credit				Loans to cooperatives		
		Total	Federal land banks	Land Bank Commissioner	Total ¹	Federal intermediate credit banks ²	Production credit associations	Emergency crop and drought relief loans	Total ³	Banks for cooperatives	Agricultural Marketing Act revolving fund
1934.....	2,964	2,533	1,916	617	315	56	61	111	117	28	55
1935.....	3,321	2,867	2,072	795	358	47	94	173	97	50	44
1936.....	3,363	2,901	2,064	837	337	41	105	165	125	70	54
1937.....	3,335	2,848	2,035	813	367	40	138	173	120	88	31
1938.....	3,211	2,735	1,982	753	364	34	148	171	112	87	24
1939.....	3,058	2,596	1,905	691	364	33	154	168	99	76	21
1940.....	2,973	2,500	1,851	648	381	34	172	168	93	75	16
1941—May.....	2,988	2,458	1,824	634	440	40	215	179	90	74	16
June.....	2,988	2,448	1,818	630	450	42	221	179	90	74	16
July.....	2,986	2,437	1,811	626	453	44	224	179	96	80	16
August.....	2,975	2,426	1,804	622	450	45	221	177	99	83	16
September.....	2,954	2,411	1,795	616	431	43	208	174	111	94	16
October.....	2,924	2,395	1,786	610	410	39	194	170	119	101	16
November.....	2,906	2,380	1,776	604	398	38	187	167	128	109	17
December.....	2,891	2,361	1,764	597	397	39	188	165	133	113	17
1942—January.....	2,873	2,343	1,753	590	400	40	191	165	130	111	16
February.....	2,878	2,332	1,746	586	417	41	203	169	129	110	17
March.....	2,876	2,311	1,731	580	440	43	219	174	125	106	16
April.....	2,887	2,296	1,721	575	470	44	245	177	121	102	16
May.....	2,869	2,288	1,715	572	468	45	241	177	114	99	13
June.....	2,864	2,274	1,706	568	475	47	248	176	115	101	13

¹ Including loans of regional agricultural credit corporations (not shown in the breakdown) amounting to \$87,000,000 in 1934, \$43,000,000 in 1935, \$25,000,000 in 1936, \$16,000,000 in 1937, \$11,000,000 in 1938, \$8,000,000 in 1939, and from \$4,000,000—\$3,000,000 since 1939.

² Exclusive of loans to and discounts for other Farm Credit Administration agencies amounting to a total of \$260,000,000 in June 1942.

³ Including loans of Federal intermediate credit banks to cooperatives (not shown in the breakdown) amounting to \$34,000,000 in 1934, \$3,000,000 in 1935, and a negligible amount since 1935.

**FEDERAL HOME MORTGAGE AND HOUSING AGENCIES
LOANS AND DISCOUNTS OUTSTANDING, BY INSTITUTIONS**
[In millions of dollars]

End of month	Home Owners' Loan Corporation	Federal Home Loan Banks ¹	Federal savings and loan associations ²	RFC Mortgage Company	Federal National Mortgage Association	United States Housing Authority
1933—June.....	47					
Dec.....	132	85				
1934—June.....	1,217	85				
Dec.....	2,379	87	81			
1935—June.....	2,658	79	186			
Dec.....	2,897	103	348	6		
1936—June.....	2,945	119	475	18		
Dec.....	2,765	145	587	36		
1937—June.....	2,556	167	742	49		
Dec.....	2,398	200	854	68	10	
1938—June.....	2,265	196	948	41	38	13
Dec.....	2,169	199	1,034	54	80	32
1939—June.....	2,081	169	1,136	57	125	68
Dec.....	2,038	181	1,271	57	147	123
1940—June.....	2,013	157	1,405	60	163	87
Dec.....	1,956	201	1,546	67	181	186
1941—June.....	1,870	170	1,688	65	194	316
July.....	1,855	168	1,718	67	196	296
Aug.....	1,841	173	1,751	69	198	306
Sept.....	1,825	178	1,775	70	200	332
Oct.....	1,809	184	1,803	73	203	328
Nov.....	1,794	187	1,816	72	205	329
Dec.....	1,777	219	1,825	72	207	367
1942—Jan.....	1,758	206	1,825	74	210	388
Feb.....	1,742	197	1,830	75	211	352
Mar.....	1,724	192	1,837	75	214	379
Apr.....	1,709	185	1,846	77	215	371
May.....	1,692	181	1,850	79	216	365
June.....	1,676	193	1,849	82	216	384

¹ Loans and discounts to member institutions of the Federal Home Loan Bank System.

² Federal Home Loan Bank Board estimates for all Federal savings and loan associations which are private institutions chartered and supervised by the Federal Home Loan Bank Board.

POSTAL SAVINGS SYSTEM
[In millions of dollars]

End of month	Depositors balances ¹	Assets					Cash re- serve funds etc. ²
		Total	Cash in de- posit- ory banks	U. S. Government securities			
				Total	Di- rect	Guar- anteed	
1934—June.....	1,198	1,225	695	453	418	35	76
Dec.....	1,207	1,237	540	597	467	130	100
1935—June.....	1,205	1,236	385	777	630	147	74
Dec.....	1,201	1,237	287	853	706	147	98
1936—June.....	1,232	1,265	203	967	800	167	95
Dec.....	1,260	1,296	145	1,058	891	167	93
1937—June.....	1,268	1,307	136	1,100	933	167	71
Dec.....	1,270	1,308	130	1,097	930	167	80
1938—June.....	1,252	1,290	115	1,103	936	167	73
Dec.....	1,252	1,291	86	1,132	965	167	73
1939—June.....	1,262	1,304	68	1,157	1,011	146	78
Dec.....	1,279	1,319	53	1,192	1,046	146	74
1940—June.....	1,293	1,337	43	1,224	1,078	146	69
Dec.....	1,304	1,348	36	1,224	1,078	146	88
1941—June.....	1,304	1,356	30	1,251	1,104	146	75
July.....	1,307	1,359	29	1,251	1,104	146	80
Aug.....	1,309	1,365	28	1,250	1,104	146	86
Sept.....	1,311	1,366	28	1,250	1,104	146	89
Oct.....	1,317	1,377	27	1,250	1,104	146	100
Nov.....	1,323	1,388	27	1,250	1,104	146	111
Dec.....	1,314	1,396	26	1,274	1,128	146	95
1942—Jan.....	1,310	1,421	25	1,274	1,128	146	122
Feb.....	1,307	1,444	25	1,274	1,128	146	145
Mar.....	1,305	1,463	25	1,272	1,126	146	166
Apr.....	1,306	1,483	25	1,272	1,126	146	186
May.....	1,307	1,504	24	1,272	1,126	146	208
June.....	21,316	---	---	---	---	---	---

² Preliminary.

¹ Outstanding principal, represented by certificates of deposit. Does not include accrued interest nor outstanding savings stamps.

² Includes working cash with postmasters, 5-per cent reserve fund and miscellaneous working funds with the Treasurer of the United States, accrued interest on bond investments, and accounts due from late postmasters.

Back figures.—See BULLETIN for August 1935, pp. 501-502.

LOANS INSURED BY FEDERAL HOUSING ADMINISTRATION¹
[In millions of dollars]

Year or month	Total	Property improvement (Title I)	New small home construction (Title I)	Home mortgages (Title II)	Mortgages on rental and group housing (Title II)	Defense housing (Title VI)
1934.....	30	30				
1935.....	320	224		94	2	
1936.....	557	246		309	2	
1937.....	495	60		424	11	
1938.....	694	160	13	473	48	
1939.....	954	208	25	669	51	
1940.....	1,026	251	26	736	13	
1941.....	1,186	262	21	877	13	13
1941—June.....	105	26	3	75		
July.....	105	20	3	82		
Aug.....	91	18	1	70		1
Sept.....	107	31	2	73		1
Oct.....	125	34	2	85	2	2
Nov.....	107	24	1	77	2	4
Dec.....	112	18	2	88		5
1942—Jan.....	111	16	2	87		7
Feb.....	93	12	1	71		8
Mar.....	93	10	2	68	1	12
Apr.....	83	13	2	55	1	11
May.....	92	15	2	60	1	14
June.....	96	13	2	66		16

¹ Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans.

INSURED FHA HOME MORTGAGES (TITLE II) HELD IN PORTFOLIO BY CLASSES OF INSTITUTIONS¹
[In millions of dollars]

End of month	Total	Commercial banks	Mutual savings banks	Savings and loan associations	Insurance companies	Federal agencies ²	Other ³
1936—Dec.....	365	228	8	56	41	5	27
1937—Dec.....	771	430	27	110	118	32	53
1938—Mar.....	856	472	26	119	146	42	51
June.....	933	509	28	127	165	44	60
Sept.....	1,049	565	32	137	187	56	72
Dec.....	1,199	634	38	149	212	77	90
1939—Mar.....	1,349	699	44	159	241	114	92
June.....	1,478	759	50	167	271	137	94
Sept.....	1,622	824	57	178	302	148	113
Dec.....	1,793	902	71	192	342	153	133
1940—Mar.....	1,949	971	90	201	392	171	124
June.....	2,075	1,026	100	208	432	182	127
Sept.....	2,232	1,093	111	216	480	190	141
Dec.....	2,409	1,162	130	224	542	201	150
1941—Mar.....	2,598	1,246	146	230	606	210	160
June.....	2,755	1,318	157	237	668	220	154
Sept.....	2,942	1,400	171	246	722	225	178
Dec.....	3,107	1,465	186	254	769	234	179
1942—Mar.....	3,307	1,549	201	264	856	237	200

¹ Gross amount of mortgages held, excluding terminated mortgages and cases in transit to or being audited at the Federal Housing Administration.

² The RFC Mortgage Company, the Federal National Mortgage Association, the Federal Deposit Insurance Corporation, and the United States Housing Corporation.

³ Including mortgage companies, finance companies, industrial banks, endowed institutions, private and State benefit funds, etc.

BUSINESS INDEXES

[The terms "adjusted" and "unadjusted" refer to adjustment of monthly figures for seasonal variation]

Year and month	Income payments (value) ¹ 1935-39 = 100	Industrial production (physical volume) ^{2*} 1935-39 = 100					Construction contracts awarded (value) ³ 1923-25 = 100			Employment ⁴			Factory pay-rolls ⁴ 1923-25 = 100	Freight-car loadings ⁵ 1935-39 = 100	Department store sales (value) ⁶ 1923-25 = 100	Wholesale commodity prices ⁴ 1926 = 100	Cost of living ⁴ 1935-39 = 100
		Total	Manu- factures		Min- erals	Total	Resi- den- tial	All other	Non- agri- cultural ⁵ 1935-39 = 100	Factory 1923-25 = 100							
			Dur- able	Non- dur- able						Ad- justed	Ad- justed	Unad- justed					
1919		72	84	62	71	63	44	79			106.7	98.0	120	78	138.6	124.5	
1920		75	93	60	83	63	30	90			107.1	117.2	129	94	154.4	143.2	
1921		58	53	57	66	56	44	65			82.0	75.6	110	87	97.6	127.7	
1922		73	81	67	71	79	68	88			90.7	81.2	121	88	96.7	119.7	
1923		88	103	72	98	84	81	86			103.8	102.9	142	98	100.6	121.9	
1924		82	95	69	89	94	95	94			96.4	96.0	139	99	98.1	122.2	
1925		90	107	76	92	122	124	120			99.8	101.1	146	103	103.5	125.4	
1926		96	114	79	100	129	121	135			101.7	104.2	152	106	100.0	126.4	
1927		95	107	83	100	129	117	139			99.5	102.4	147	107	95.4	124.0	
1928		99	117	85	99	135	126	142			99.7	103.5	148	108	96.7	122.6	
1929	122.9	110	132	93	107	117	87	142	107.1		106.0	110.4	152	111	95.3	122.5	
1930	109.1	91	98	84	93	92	50	125	100.3		92.4	89.4	131	102	86.4	119.4	
1931	92.3	75	67	79	80	63	37	84	91.6		78.1	67.8	105	92	73.0	108.7	
1932	70.6	58	41	70	67	28	13	40	82.2		66.3	46.7	78	69	64.8	97.6	
1933	68.9	69	54	79	76	25	11	37	82.9		73.4	50.1	82	67	65.9	92.4	
1934	78.7	75	65	81	80	32	12	48	90.1		85.7	64.5	89	75	74.9	95.7	
1935	87.1	87	83	90	86	37	21	50	93.8		91.3	74.1	92	79	80.0	98.1	
1936	101.3	103	108	100	99	55	37	70	99.8		99.0	85.8	107	88	80.8	99.1	
1937	107.7	113	122	106	112	59	41	74	105.0		108.6	102.5	111	92	86.3	102.7	
1938	98.5	89	78	95	97	64	45	80	98.6		90.9	78.5	89	85	78.6	100.8	
1939	105.5	108	109	108	106	72	60	81	102.8		99.9	92.2	101	90	77.1	99.4	
1940	113.8	123	138	113	117	81	72	89	106.4		107.5	105.4	109	94	78.6	100.2	
1941	137.0	156	193	135	125	122	89	149	115.6		127.7	148.8	130	110	87.3	105.2	
1939																	
June	105.1	103	102	99	106	104	63	58	67	102.2	97.3	96.4	87.9	97	86	75.6	98.6
July	104.8	105	102	102	106	107	67	62	71	102.6	98.4	96.6	85.8	99	87	75.4	
August	106.1	106	106	108	108	92	73	67	78	103.0	99.0	99.5	91.2	101	88	75.0	
September	107.3	114	119	118	111	114	73	68	76	103.7	100.8	103.7	95.4	111	90	79.1	100.6
October	109.3	121	126	130	115	119	76	68	82	105.0	104.8	107.3	103.2	114	92	79.4	
November	109.9	124	126	134	117	120	83	61	101	105.7	107.0	107.5	103.2	114	93	79.2	
December	111.3	125	122	138	117	114	86	60	107	106.3	108.2	107.8	105.4	110	95	79.2	99.6
1940																	
January	110.7	122	117	134	113	118	75	53	93	105.6	107.6	105.0	99.8	111	92	79.4	
February	110.7	116	113	123	110	114	63	56	68	104.9	105.8	105.0	99.3	105	90	78.7	
March	110.3	113	112	118	107	117	62	57	66	104.7	104.0	104.4	99.8	100	89	78.4	99.8
April	110.6	112	112	116	107	119	64	62	66	104.0	102.8	103.2	97.9	103	89	78.6	
May	112.0	116	117	124	110	117	64	64	65	104.5	102.8	102.5	97.8	106	89	78.4	
June	112.1	122	121	133	114	119	74	69	77	105.0	103.9	103.1	99.5	111	91	77.5	100.5
July	112.8	122	120	136	113	119	85	77	91	105.4	105.1	103.2	98.2	110	92	77.7	
August	113.9	124	124	143	112	114	90	82	98	106.3	107.4	107.4	105.5	112	98	77.4	
September	115.5	127	132	151	112	117	93	82	101	106.9	108.9	111.4	111.6	112	97	78.0	100.4
October	117.2	131	136	155	117	113	95	85	103	108.1	111.4	113.8	116.2	110	94	78.7	100.2
November	117.7	134	136	157	120	118	111	87	130	109.7	114.2	114.7	116.4	116	100	79.6	100.1
December	121.3	139	136	164	124	118	115	90	136	111.5	116.6	116.2	122.4	119	101	80.0	100.7
1941																	
January	123.4	140	135	171	123	119	103	84	117	111.8	118.3	115.5	120.7	122	101	80.8	100.8
February	125.4	144	140	176	126	118	99	76	118	112.5	118.6	117.8	126.8	124	103	80.6	100.8
March	127.2	147	144	180	128	125	94	74	109	112.3	119.4	119.9	131.2	126	103	81.5	101.2
April	129.4	144	144	180	131	95	103	80	121	112.5	122.0	122.6	134.7	112	104	83.2	102.2
May	133.6	154	155	190	135	125	101	88	111	114.0	124.9	124.9	144.1	135	105	84.9	102.9
June	137.0	159	160	195	139	133	117	101	129	115.4	128.7	127.9	152.2	139	104	87.1	104.6
July	138.9	160	159	199	138	131	139	115	158	117.1	133.3	130.6	152.7	138	115	88.8	105.3
August	141.1	161	162	199	139	132	152	112	184	117.7	133.3	133.1	158.1	139	134	90.3	106.2
September	143.1	161	167	203	137	131	161	105	206	117.5	132.3	135.2	162.6	130	116	91.8	108.1
October	145.4	163	168	207	139	130	145	87	192	118.0	132.8	135.4	167.0	127	105	92.4	109.3
November	146.5	166	167	208	144	131	138	74	189	119.2	134.4	134.8	165.4	135	116	92.5	110.2
December	154.7	168	164	215	141	131	123	69	167	120.1	134.9	134.2	169.9	137	111	93.6	110.5
1942																	
January	155.7	171	165	222	143	131	118	82	147	120.1	135.7	132.5	173.5	140	138	96.0	112.0
February	156.9	172	167	226	142	129	128	100	151	120.1	135.1	133.8	178.3	139	126	96.7	112.9
March	158.4	171	168	229	139	127	125	95	149	120.2	134.7	135.1	182.9	136	124	97.6	114.3
April	161.5	173	171	232	139	130	128	82	165	120.3	135.5	136.1	186.7	143	117	98.7	115.1
May	162.7	174	175	237	138	129	158	76	226	120.8	137.0	137.1	191.8	143	108	98.8	116.0
June	165.4	177	177	243	138	132	197	88	286	120.9	139.1	138.4	194.5	141	104	98.6	116.4
July																	

² Preliminary. * Average per working day. * Revised. * Estimated. ¹ Department of Commerce series on value of payments to individuals.

² For indexes by groups or industries, see pp. 836-839, for description, see BULLETIN for September 1941, pp. 878-881, and for August 1940, pp. 753-771.

³ Based on F. W. Dodge Corporation data; for description, see p. 358 of BULLETIN for July 1931; by groups, see p. 844.

⁴ The unadjusted indexes of employment and payrolls, wholesale commodity prices, and cost of living are compiled by or based on data of the Bureau of Labor Statistics. For description of seasonally adjusted index of factory employment compiled by the Federal Reserve Board of Governors, see BULLETIN for October 1938, pp. 835-837, and for October 1939, p. 878. For indexes by groups or industries see pp. 840-843 for employment and payrolls and p. 847 for prices.

⁵ Excludes military and naval forces.

⁶ For sales comparisons by cities and by departments see p. 846 of this BULLETIN.

Back figures in BULLETIN.—For industrial production, August 1940, pp. 825-882 and Sept. 1941, pp. 933-937; for factory employment and payrolls October 1938, pp. 838-866, October 1939, pp. 879-887, and February 1941, p. 166; for department store sales, October 1938, p. 918, and January 1941, p. 65; or freight-car loadings, June 1941, pp. 529-533.

INDUSTRIAL PRODUCTION, BY INDUSTRIES (Adjusted for Seasonal Variation)

[Index numbers of the Board of Governors. 1935-39 average = 100]

Industry	1941								1942					
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Industrial Production—Total	154	159	160	161	161	163	166	168	171	172	171	173	174	^P177
Manufactures—Total	160	164	165	166	167	169	173	174	179	180	179	181	182	^P185
Durable.....	190	195	199	199	203	207	208	215	222	226	229	232	237	^P 243
Nondurable ¹	135	139	138	139	137	139	144	141	143	142	139	139	138	^P 138
Iron and Steel	183	184	185	185	192	191	191	196	191	193	*	*	*	*
Pig iron.....	175	179	181	182	185	184	184	190	189	189	*	*	*	*
Steel.....	195	195	196	197	206	206	206	211	208	210	216	217	218	215
Open hearth and Bessemer.....	174	173	173	172	179	178	176	181	174	176	180	179	180	177
Electric.....	347	355	358	375	399	407	417	422	445	444	473	483	484	485
Machinery	206	214	216	224	227	231	229	241	248	255	^P264	268	274	^P280
Government Arsenal and Quartermaster Depots	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Transportation Equipment	228	243	255	241	245	269	275	278	304	312	327	346	371	^P399
Aircraft.....	876	930	997	1,113	1,204	1,290	1,340	*	*	*	*	*	*	*
Automobile bodies, parts, and assembly.....	152	161	168	141	134	146	142	120	118	105	105	104	107	^P 118
Automobile factory sales.....	151	148	154	93	74	110	123	*	2	2	2	2	2	2
Railroad cars.....	218	233	233	236	249	278	264	*	*	*	*	*	*	*
Locomotives.....	256	280	307	306	319	335	338	*	*	*	*	*	*	*
Shipbuilding.....	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Private yards.....	381	428	467	485	560	634	645	*	*	*	*	*	*	*
Government yards.....	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Nonferrous Metals and Products	189	186	192	189	192	185	190	193	194	190	184	182	187	^P192
Nonferrous metal smelting.....	148	144	142	145	145	147	150	151	153	157	157	161	163	*
Copper smelting.....	144	136	131	135	135	137	139	141	140	141	147	155	^P 161	*
Zinc smelting.....	170	170	173	175	175	177	179	182	184	189	184	185	184	180
Lead production.....	115	117	114	116	120	119	127	122	131	140	134	132	126	.....
Copper deliveries.....	233	229	244	231	233	217	226	230	235	224	208	195	205	*
Lead shipments.....	205	210	200	199	209	*	*	*	*	*	*	*	*	*
Zinc shipments.....	144	144	142	143	145	143	147	145	152	151	148	145	146	143
Tin consumption.....	147	141	155	161	166	153	155	171	171	171	*	*	*	*
Lumber and Products	132	135	141	140	136	135	135	138	143	144	134	133	^P134	^P130
Lumber.....	122	125	131	134	129	129	128	132	138	143	128	127	124	^P 124
Furniture.....	152	155	161	152	149	146	148	149	153	147	145	146	152	^P 143
Stone, Clay, and Glass Products	143	149	151	154	157	158	162	167	199	189	169	^P152	145	^P140
Cement.....	134	138	143	148	154	159	164	191	249	236	188	161	146	145
Unglazed brick.....	128	133	136	146	144	145	153	152	160	152	133	119	.....	.....
Glass containers.....	148	155	154	159	165	167	169	165	184	178	187	176	178	163
Polished plate glass.....	142	152	146	133	120	102	105	67	65	49	41	43	35	37
Textiles and Products	157	156	155	154	151	150	156	154	158	156	153	157	156	153
Textile fabrics.....	153	151	151	149	145	143	148	146	148	147	143	148	146	.....
Cotton consumption.....	165	160	162	160	156	161	167	155	169	174	169	177	175	169
Rayon deliveries.....	169	173	173	170	168	172	179	179	180	174	175	170	169	169
Silk deliveries.....	71	73	77	56	34	10	15	*	*	*	*	*	*	*
Wool textiles.....	165	163	157	166	169	164	166	178	161	153	148	153	149	.....
Carpet wool consumption.....	148	149	126	148	142	133	133	164	78	79	70	34	5	.....
Apparel wool consumption.....	196	190	177	181	205	199	200	209	202	191	196	^P 203	201	.....
Woolen yarn.....	153	151	153	162	163	157	156	159	163	165	161	^P 173	171	.....
Worsted yarn.....	178	178	174	179	185	185	184	195	173	148	143	164	168	.....
Woolen and worsted cloth.....	167	165	160	166	169	164	170	182	183	172	167	177	180	.....
Leather and Products	124	132	130	122	120	125	134	128	127	121	121	127	^P126	^P128
Leather tanning.....	119	122	125	124	125	129	134	123	130	127	127	130	128	.....
Cattle hide leathers.....	130	133	137	141	136	138	145	135	148	139	139	^P 147	147	.....
Calf and kip leathers.....	99	98	93	103	101	107	108	89	86	93	96	91	94	.....
Goat and kid leathers.....	105	112	116	97	115	121	123	117	119	120	120	115	104	.....
Shoes.....	128	138	134	121	118	123	134	131	125	117	116	124	124	^P 128
Manufactured Food Products	123	127	126	132	130	134	141	137	^P140	^P140	^P137	^P136	134	^P136
Wheat flour.....	110	107	103	98	99	101	103	109	108	110	101	98	105	102
Cane sugar meltings.....	119	129	102	129	111	112	139	*	*	*	*	*	*	*
Manufactured dairy products.....	129	124	126	127	139	146	146	155	^P 155	^P 153	^P 150	^P 149	^P 148	^P 143
Ice cream.....	134	130	129	124	142	153	143	156	.....	.....	.....	.....	.....	.....
Butter.....	117	111	113	109	109	108	105	104	106	107	108	110	111	105
Cheese.....	134	121	128	134	145	148	163	176	172	182	192	195	183	156
Canned and dried milk.....	139	132	141	165	183	197	224	240	234	220	198	187	178	168

^r Revised. ^P Preliminary.

¹ Included in total and group indexes but not available for publication separately.

² Beginning in January 1942 includes industrial alcohol produced in the alcoholic beverage industry. Figures not available for publication separately.

³ Beginning in December 1941 this series dropped from the index of industrial production and its weight transferred to the automobile bodies, parts, and assembly series, which is more representative of production by the automobile industry.

Industrial Production, by Industries (Adjusted for Seasonal Variation)—Continued

[Index numbers of the Board of Governors. 1935-39 average = 100]

Industry	1941								1942					
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Manufactured Food Products—Continued														
Meat packing	132	124	125	134	126	133	135	142	148	141	144	142	140	153
Pork and lard	147	134	132	149	139	148	148	161	165	151	161	156	163	177
Beef	120	120	123	124	118	123	124	127	138	139	132	134	121	137
Veal	97	91	96	94	101	108	114	98	96	96	98	96	94	103
Lamb and mutton	109	101	110	105	99	103	111	117	113	113	128	119	105	104
Other manufactured foods	122	129	128	135	132	135	144	137	140	142	138	137	135	138
Alcoholic Beverages	114	*123	130	128	131	129	109	116	139	133	116	109	111	104
Malt liquor	106	*108	115	110	118	127	110	123	120	128	117	114	115	104
Whiskey	90	95	108	93	94	107	81	91	77	74	62	53	55	63
Other distilled spirits	129	153	206	206	262	178	139	121	250	75	44	53	80	61
Rectified spirits	171	207	190	219	170	138	120	102	243	241	201	153	158	163
Tobacco Products	119	118	114	118	121	128	132	129	132	130	125	127	122	122
Cigars	109	106	106	109	104	112	115	139	129	126	121	120	108	112
Cigarettes	131	131	123	129	137	144	149	136	144	144	137	140	140	136
Manufactured tobacco and snuff	100	97	97	96	99	104	106	95	99	93	94	97	89	94
Paper and Paper Products¹	142	145	146	147	144	146	153	155	154	149	150	148	145	
Paper and pulp	*146	149	150	152	149	150	160	162	161	155	156	153	149	
Pulp	*164	175	167	172	170	172	185	179	181	180	*189	*183	184	
Groundwood pulp	120	121	122	128	129	130	141	129	135	131	138	129	120	
Soda pulp	141	151	149	151	140	145	167	153	153	154	155	148	147	
Sulphate pulp	*209	216	203	215	210	210	225	225	221	224	239	236	245	
Sulphite pulp	155	170	163	164	163	166	178	171	177	173	181	174	173	
Paper	*143	145	148	149	145	147	156	160	158	151	151	148	143	
Paperboard	158	154	162	161	158	158	167	186	175	163	162	154	144	120
Fine paper	127	134	140	147	152	147	160	157	151	144	150	146	147	
Newsprint production	114	114	112	113	107	110	110	106	107	110	106	109	104	103
Printing paper	138	149	149	150	146	149	161	145	151	146	140	*135	124	
Tissue and absorbent paper	137	144	142	143	130	140	153	152	166	168	164	*169	175	
Wrapping paper	139	140	138	139	136	138	140	147	147	142	148	151	153	
Printing and Publishing²	*123	128	127	129	125	127	136	130	128	125	121	*117	112	*111
Newsprint consumption	107	106	106	109	105	105	111	115	104	103	103	98	100	97
Petroleum and Coal Products	125	127	128	130	132	133	135	139	135	131	126	119	117	
Petroleum refining	122	123	124	126	128	129	133	135	131	126	120	112	109	
Gasoline	124	123	123	126	130	131	134	139	134	125	117	106	103	*99
Fuel oil	119	122	124	127	124	129	129	130	123	128	124	126	122	
Lubricating oil	118	134	133	132	130	129	137	132	133	131	131	126	122	
Kerosene	115	104	108	116	119	121	123	126	120	128	113	106	101	
Coke	149	*155	154	154	152	153	153	160	161	161	160	162	164	163
Byproduct coke	141	*146	146	146	144	145	145	151	152	152	151	152	154	153
Beehive coke	408	*459	429	453	425	437	410	474	472	493	476	494	511	523
Chemicals	136	144	146	145	146	148	149	152	156	161	161	164	167	*171
Rubber Products	162	192	153	130	131	134	*	*	*	*	*	*	*	*
Rubber consumption	164	196	156	132	134	137	*	*	*	*	*	*	*	*
Tires and tubes	144	152	126	117	108	103	103	67	33	28	26	25	25	
Pneumatic tires	144	151	126	118	108	104	104	67	32	28	26	25	25	
Inner tubes	145	155	125	110	103	94	102	64	33	27	27	27	27	
Minerals—Total	125	*133	131	132	131	130	131	131	131	129	127	130	129	*132
Fuels	121	*130	127	129	128	127	128	127	128	125	122	126	125	*127
Bituminous coal	147	*155	146	147	139	127	125	124	129	120	146	178	173	*168
Anthracite	80	*131	137	162	127	116	97	89	89	110	113	114	105	*127
Crude petroleum	114	120	119	119	124	128	132	132	132	128	114	107	108	*111
Metals	152	151	151	148	145	146	147	153	151	152	151	*151	155	*159
Iron ore shipments	195	198	205	202	192	182	204	209	211	212	215	217	225	235
Copper	159	155	156	155	154	151	152	157	161	158	162	164	174	*
Lead	115	117	114	116	120	119	127	122	131	140	134	132	126	*
Zinc	127	136	125	131	135	134	131	138	138	146	*	*	*	*
Gold	132	126	121	114	114	130	116	125	113	118	*	*	*	*
Silver	122	128	124	129	116	108	106	105	105	101	106	109	109	*

* Revised. P Preliminary.

* Included in total and group indexes but not available for publication separately.

¹ Includes also paperboard container production held constant, on a seasonally adjusted basis, at 128 since July 1940 when figures were last reported.

² Includes also printing paper production shown under "Paper."

NOTE.—For description and back figures see BULLETIN for September 1941, pages 878-881 and 933-937, and August 1940, pages 753-771 and 825-882.

INDUSTRIAL PRODUCTION, BY INDUSTRIES

(Without Seasonal Adjustment)

[Index numbers of the Board of Governors, 1935-39 average = 100]

Industry	1941								1942					
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Industrial Production—Total	155	160	159	162	167	168	167	164	165	167	168	171	175	P177
Manufactures—Total	160	165	164	167	172	173	173	171	172	174	177	180	183	P186
Durable	192	198	196	199	206	210	209	212	215	219	226	232	239	P245
Non-durable ¹	135	138	138	142	145	143	144	138	137	138	137	138	138	P138
Iron and Steel	183	184	185	185	192	191	191	196	191	193	*	*	*	*
Pig iron	175	179	181	182	185	184	184	190	189	189	*	*	*	*
Steel	195	195	196	197	206	206	206	211	208	210	216	217	218	215
Open hearth and Bessemer	174	173	173	172	179	178	176	181	174	176	180	179	180	177
Electric	347	355	358	375	399	407	417	422	445	444	473	483	484	485
Machinery	206	214	216	224	227	231	229	241	248	255	264	268	274	P280
Government Arsenal and Quartermaster Depots	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Transportation Equipment	229	244	229	221	245	269	275	278	304	312	327	346	371	P399
Aircraft	876	930	997	1,113	1,204	1,290	1,340	*	*	*	*	*	*	*
Automobile bodies, parts, and assembly	152	161	135	120	134	146	142	120	118	105	105	104	107	P118
Automobile factory sales	164	164	134	47	74	110	123	2	2	2	2	2	2	2
Railroad cars	218	233	233	236	249	278	264	*	*	*	*	*	*	*
Locomotives	256	280	307	306	319	335	338	*	*	*	*	*	*	*
Shipbuilding	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Private yards	381	428	467	485	560	634	645	*	*	*	*	*	*	*
Government yards	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Nonferrous Metals and Products	191	187	191	189	191	185	190	192	193	190	185	183	188	P192
Nonferrous metal smelting	148	144	141	145	145	147	151	152	153	157	156	162	164	*
Copper smelting	144	136	131	135	135	137	139	141	140	141	147	155	161	*
Zinc smelting	170	170	173	175	175	177	179	182	184	189	184	185	184	180
Lead production	117	116	110	116	120	119	128	124	131	140	131	135	138	*
Copper deliveries	233	229	244	231	233	217	226	230	235	224	208	195	205	*
Lead shipments	205	210	200	199	209	*	*	*	*	*	*	*	*	*
Zinc shipments	144	144	142	143	145	143	147	145	152	151	148	145	146	143
Tin consumption	153	148	154	159	159	151	155	165	*	*	*	*	*	*
Lumber and Products	134	140	144	151	148	145	134	128	122	128	129	132	135	P136
Lumber	130	135	142	148	144	138	124	113	112	118	120	127	131	P134
Furniture	143	150	149	157	156	159	154	155	142	147	147	142	143	P139
Stone, Clay, and Glass Products	161	171	165	174	175	175	169	147	138	132	140	P151	166	P162
Cement	163	174	177	181	184	185	171	153	137	132	141	161	178	183
Unglazed brick	145	165	168	175	177	170	166	137	97	85	90	116	190	171
Glass containers	158	163	161	174	168	172	170	153	165	164	176	176	190	171
Polished plate glass	142	149	96	109	120	117	120	80	68	47	43	43	35	37
Textiles and Products	157	155	155	154	151	150	156	154	158	156	153	157	156	P153
Textile fabrics	152	150	150	148	145	143	148	146	148	147	143	148	146	169
Cotton consumption	165	160	162	160	156	161	167	155	169	174	169	177	175	169
Rayon deliveries	169	173	173	170	168	172	179	179	180	174	175	170	169	169
Silk deliveries	66	66	69	50	32	10	15	*	*	*	*	*	*	*
Wool textiles	165	163	157	166	169	164	166	178	161	153	148	153	149	149
Carpet wool consumption	148	149	126	148	142	133	133	164	78	79	70	34	5	5
Apparel wool consumption	196	190	177	181	205	199	200	209	202	191	196	P203	201	201
Woolen yarn	153	151	153	162	163	157	156	159	163	165	161	P173	171	171
Worsted yarn	178	178	174	179	185	185	184	195	173	148	143	164	168	168
Woolen and worsted cloth	167	165	160	166	169	164	170	182	183	172	167	177	180	180
Leather and Products	122	120	126	130	129	127	123	116	124	131	128	P131	123	P117
Leather tanning	116	118	120	120	124	129	135	125	131	138	127	130	125	125
Cattle hide leathers	127	126	128	134	135	140	151	137	149	155	140	P147	144	144
Calf and kip leathers	94	100	102	108	99	103	102	91	84	98	91	90	89	89
Goat and kid leathers	103	112	115	95	116	120	119	119	119	125	119	119	102	102
Shoes	126	122	130	137	132	125	116	110	120	126	129	P131	121	P113
Manufactured Food Products	119	128	137	152	159	143	139	130	P124	P122	P121	P123	P130	P138
Wheat flour	100	101	102	99	114	110	107	104	109	109	98	92	96	95
Cane sugar meltings	117	132	117	136	132	109	114	*	*	*	*	*	*	*
Manufactured dairy products	175	188	181	167	142	115	99	98	P100	P111	P127	P150	P200	P218
Ice cream	182	208	216	200	153	110	86	81	*	*	*	*	*	*
Butter	151	155	137	120	108	95	83	82	85	92	96	109	143	147
Cheese	177	186	165	151	150	139	124	123	124	142	157	189	242	240
Canned and dried milk	200	195	172	169	168	158	156	166	178	187	194	211	257	249

* Revised. P Preliminary.

* Included in total and group indexes but not available for publication separately.

¹ Beginning in January 1942 includes industrial alcohol produced in the alcoholic beverage industry. Figures not available for publication separately.

² Beginning in December 1941 this series dropped from the index of industrial production and its weight transferred to the automobile bodies, parts, and assembly series, which is more representative of production by the automobile industry.

Industrial Production, by Industries (Without Seasonal Adjustment)—Continued

[Index numbers of the Board of Governors. 1935-39 average = 100]

Industry	1941								1942					
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Manufactured Food Products—Continued														
Meat packing.....	132	121	119	116	119	134	152	165	173	135	131	134	140	149
Pork and lard.....	147	130	119	112	111	139	178	208	214	151	145	148	163	172
Beef.....	120	118	125	126	132	134	130	127	138	125	120	125	121	134
Veal.....	101	92	95	95	111	119	116	93	93	84	93	95	98	104
Lamb and mutton.....	111	96	104	104	111	109	108	111	118	113	124	115	108	99
Other manufactured foods.....	111	123	137	159	170	151	146	131	123	124	121	121	123	^P 131
Alcoholic Beverages														
Malt liquor.....	120	130	131	122	137	137	118	106	112	117	113	113	120	116
Whiskey.....	125	^r 138	142	128	120	104	90	96	96	109	112	124	136	134
Other distilled spirits.....	90	76	59	51	75	102	101	104	102	96	77	69	54	50
Rectified spirits.....	77	90	97	99	359	472	292	150	163	45	29	32	48	36
	150	165	160	171	180	180	190	135	177	207	191	136	139	130
Tobacco Products														
Cigars.....	121	128	123	122	132	133	134	110	126	121	117	119	123	132
Cigarettes.....	108	113	111	113	120	135	137	107	104	109	111	114	107	120
Manufactured tobacco and snuff.....	133	144	138	136	146	141	143	121	146	136	127	130	142	150
	100	99	99	96	107	106	105	83	96	92	96	96	89	96
Paper and Paper Products¹														
Paper and pulp.....	141	143	139	146	149	151	152	146	151	153	155	151	144	.....
Pulp.....	145	147	143	150	151	155	159	154	159	160	161	157	149	.....
Groundwood pulp.....	^r 166	173	159	170	168	173	186	174	183	186	194	187	186	.....
Soda pulp.....	133	124	109	109	112	121	144	134	140	137	148	144	133	.....
Sulphate pulp.....	141	150	141	151	142	145	167	148	153	158	160	152	147	.....
Sulphate pulp.....	^r 209	214	199	215	210	214	225	214	223	230	^r 243	236	245	.....
Paper.....	155	167	155	164	163	169	179	166	177	179	185	178	173	.....
Paperboard.....	142	143	140	147	148	152	155	151	155	156	156	152	143	.....
Fine paper.....	155	154	154	163	167	167	167	166	168	167	168	157	141	120
Newsprint production.....	130	131	128	139	144	147	155	154	152	155	160	159	151	.....
Printing paper.....	115	115	109	110	107	110	113	107	107	108	106	109	105	104
Tissue and absorbent paper.....	^r 141	146	140	145	145	151	160	144	151	151	145	^r 140	127	.....
Wrapping paper.....	136	143	135	143	136	145	151	146	161	175	166	^r 172	173	.....
	136	137	133	138	138	143	140	143	147	147	151	152	150	.....
Printing and Publishing²														
Newsprint consumption.....	126	127	116	121	125	131	138	131	125	126	126	^r 123	115	^P 110
	111	107	92	96	106	112	117	117	99	102	107	105	104	98
Petroleum and Coal Products														
Petroleum refining.....	126	128	129	131	134	135	136	138	132	129	122	118	117	.....
Gasoline.....	122	124	125	128	131	132	134	134	128	124	116	111	110	.....
Fuel oil.....	124	126	127	130	134	134	135	136	129	121	112	104	103	^P 101
Lubricating oil.....	119	121	122	124	125	130	130	132	127	129	122	123	122	.....
Kerosene.....	122	134	131	131	130	129	137	131	129	129	130	131	127	.....
Coke.....	115	102	103	111	117	121	126	127	126	129	115	108	101	.....
Byproduct coke.....	149	^r 155	154	154	152	153	153	160	161	161	160	162	164	163
Beehive coke.....	141	^r 146	146	146	144	145	145	151	152	152	151	152	154	153
	408	^r 459	429	453	425	437	410	474	472	493	476	494	511	523
Chemicals														
Rubber Products.....	135	138	139	142	148	153	151	153	155	161	166	167	166	^P 165
Rubber consumption.....	162	192	153	130	131	134	*	*	*	*	*	*	*	*
Tires and tubes.....	164	196	156	132	134	137	*	*	*	*	*	*	*	*
Pneumatic tires.....	144	152	126	117	108	103	103	67	33	28	26	25	.....	.....
Inner tubes.....	144	151	126	118	108	104	104	67	32	28	26	25	.....	.....
	145	155	125	110	103	94	102	64	33	27	27	27	.....	.....
Minerals—Total														
Fuels.....	127	^r 132	130	134	137	138	135	125	125	125	118	^r 125	131	^P 131
Bituminous coal.....	118	123	121	125	129	131	130	129	131	130	122	121	121	^P 120
Anthracite.....	125	^r 133	128	135	144	142	143	138	144	141	140	150	147	^P 144
Crude petroleum.....	88	^r 120	107	120	122	123	99	94	104	121	116	122	115	^P 117
	118	120	119	122	124	127	128	129	129	127	115	109	111	^P 111
Metals														
Iron ore shipments.....	181	181	184	187	182	181	161	98	91	92	96	^r 153	189	^P 194
Copper.....	323	326	344	335	311	281	231	.....	.....	.....	23	236	371	381
Lead.....	159	152	147	152	152	156	157	159	158	160	165	169	174	*
Zinc.....	117	116	110	116	120	119	128	124	131	140	131	135	128	.....
Gold.....	127	136	125	131	135	134	131	138	138	146	*	*	*	*
Silver.....	114	116	116	126	131	152	132	130	107	106	*	*	*	*
	121	123	122	126	117	107	106	105	106	103	110	110	.....	.....

^r Revised. ^P Preliminary.

* Included in total and group indexes but not available for publication separately.

¹ Includes also paperboard container production which has been carried forward on the basis of seasonal changes since July 1940 when figures were last reported.

² Includes also printing paper production shown under "Paper."

NOTE.—For description and back figures, see BULLETIN for September 1941, pages 878-881 and 933-937, and August 1940, pages 753-771 and 825-882.

FACTORY EMPLOYMENT, BY INDUSTRIES

(Adjusted for Seasonal Variation)

[Index numbers of the Board of Governors; adjusted to Census of Manufactures through 1937. 1923-25 average = 100]

Industry and group	1941								1942					
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Total	124.9	128.7	133.3	133.3	132.3	132.8	134.4	134.9	135.7	135.1	134.7	135.5	137.0	139.1
Durable goods ¹	129.5	134.0	140.7	141.5	141.3	142.3	143.7	144.3	146.7	146.8	146.9	148.2	150.3	154.5
Nondurable goods ¹	120.5	123.7	126.3	125.5	123.8	123.8	125.6	126.0	125.2	123.8	123.1	123.4	124.3	124.5
Iron and Steel and Products	132.0	136.0	139.1	140.2	139.7	138.2	138.3	138.9	139.0	136.5	134.7	134.1	133.9	135.1
Blast furnaces, steel works, etc.....	140	145	149	150	149	148	148	149	150	149	148	149	151	153
Bolts, nuts, washers, and rivets.....	160	166	169	173	172	170	169	170	171	169	170	170	172	176
Cast-iron pipe.....	94	95	95	94	97	98	101	100	98	100	99	98	98	93
Cutlery and edge tools.....	117	122	130	130	128	129	130	134	136	133	134	129	127	128
Forgings.....	102	105	112	112	113	115	115	117	119	122	123	128	129	131
Hardware.....	116	118	105	116	117	115	113	106	99	94	94	91	89	92
Plumbers' supplies.....	102	102	102	103	100	98	98	98	96	92	88	81	78	74
Stamped and enameled ware.....	214	220	228	231	231	225	225	220	217	208	207	200	200	204
Steam and hot-water heating.....	111	114	123	126	125	125	123	125	127	124	123	122	119	120
Stoves.....	110	114	121	115	109	105	104	108	109	100	94	88	85	82
Structural and ornamental metal work.....	103	104	105	107	106	107	107	107	108	112	113	116	116	117
Tin cans and tinware.....	122	129	131	132	132	127	138	141	147	141	122	115	110	100
Tools.....	135	139	142	146	147	145	146	148	152	153	153	154	154	155
Wirework.....	207	214	218	198	214	203	201	199	184	169	160	152	147	154
Machinery	161.6	167.3	173.0	177.7	177.8	179.3	181.2	183.4	187.1	190.8	194.3	197.1	199.1	202.6
Agricultural implements.....	166	170	175	182	181	180	172	167	161	160	157	162	165	165
Cash registers, etc.....	150	163	168	170	173	175	177	178	176	178	177	174	177	184
Electrical machinery.....	153	159	164	168	168	168	168	*	*	*	*	*	*	*
Engines, turbines, etc.....	259	275	294	315	323	348	371	*	*	*	*	*	*	*
Foundry and machine-shop products.....	134	139	143	146	147	148	149	150	153	155	157	160	161	165
Machine tools.....	326	337	349	366	355	360	365	*	*	*	*	*	*	*
Radios and phonographs.....	197	184	191	187	183	179	194	206	220	235	250	249	223	193
Textile machinery.....	101	104	107	108	110	110	109	109	109	110	109	110	109	108
Typewriters.....	143	150	155	157	158	160	159	159	157	152	147	126	114	103
Transportation Equipment	164.6	174.2	196.1	193.1	195.2	204.5	208.9	205.4	210.1	214.9	218.7	228.5	242.8	264.5
Aircraft.....	6,121	6,522	7,160	7,897	8,779	9,453	9,794	*	*	*	*	*	*	*
Automobiles.....	128	132	149	139	128	129	127	111	96	84	81	79	83	90
Cars, electric- and steam-railroad.....	74	81	89	87	98	100	100	*	*	*	*	*	*	*
Locomotives.....	58	61	67	70	73	74	77	*	*	*	*	*	*	*
Shipbuilding.....	301	341	387	398	440	490	533	*	*	*	*	*	*	*
Nonferrous Metals and Products	140.7	144.1	147.8	147.9	144.8	143.1	142.2	143.4	146.8	146.5	146.4	144.3	145.2	145.7
Aluminum ¹	234	230	240	246	247	240	244	*	*	*	*	*	*	*
Brass, bronze, and copper.....	182	190	193	195	194	191	192	*	*	*	*	*	*	*
Clocks and watches.....	118	121	125	121	110	114	110	108	112	110	111	113	117	117
Jewelry.....	113	115	120	119	110	105	106	112	114	110	109	106	104	98
Lighting equipment.....	112	115	118	118	119	119	114	106	102	100	97	91	87	86
Silverware and plated ware.....	82	84	94	87	85	84	82	83	82	78	77	66	65	65
Smelting and refining.....	102	102	103	105	103	100	99	100	102	102	101	102	101	99
Lumber and Products	74.6	75.9	78.9	78.4	77.3	76.4	76.9	78.1	79.2	77.9	75.4	73.8	73.2	72.5
Furniture.....	104	106	108	107	103	101	104	105	106	104	103	101	100	97
Lumber, millwork.....	69	71	75	76	75	76	75	75	75	73	72	70	70	69
Lumber, sawmills.....	64	65	68	68	68	67	67	68	70	68	66	64	64	63
Stone, Clay, and Glass Products	92.1	93.7	98.6	98.4	98.7	98.9	100.9	101.6	105.0	100.1	96.9	94.7	90.9	90.4
Brick, tile, and terra cotta.....	69	69	73	74	74	73	76	77	81	78	75	71	67	64
Cement.....	73	74	77	78	79	79	82	85	88	87	83	80	77	78
Glass.....	122	124	131	130	130	131	133	132	135	126	124	124	122	120
Marble, granite, and slate.....	45	44	43	42	43	45	45	45	48	43	41	39	33	35
Pottery.....	109	116	126	123	122	121	121	121	125	121	116	115	114	118
Textiles and Products	112.9	116.1	120.0	117.1	114.7	112.9	113.3	113.2	112.0	110.0	109.4	110.9	112.3	112.4
Fabrics.....	105.9	109.0	111.1	109.6	107.2	105.4	105.1	104.4	104.1	102.2	102.6	104.8	105.5	107.4
Carpets and rugs.....	89	90	89	91	91	90	90	85	81	75	70	67	67	70
Cotton goods.....	106	111	113	115	112	112	111	110	110	110	110	112	114	117
Cotton small wares.....	103	107	110	110	110	108	109	109	106	106	106	108	111	114
Dyeing and finishing textiles.....	141	144	149	143	140	135	130	133	131	131	132	134	135	136
Hats, fur-felt.....	83	86	86	79	77	78	78	76	73	71	70	68	60	68
Hosiery.....	144	146	149	144	135	133	132	133	132	130	127	125	123	122
Knitted outerwear.....	76	81	85	83	78	77	78	81	78	79	79	82	81	81
Knitted underwear.....	81	79	90	88	88	87	87	86	90	86	86	85	87	88
Knitted cloth.....	155	163	162	161	158	147	147	147	149	150	151	155	155	155
Silk and rayon goods.....	74	75	72	67	61	60	61	60	59	59	61	63	68	69
Woolen and worsted goods.....	109	110	112	108	112	109	110	107	106	99	102	109	108	108
Wearing apparel.....	124.0	127.0	135.0	128.8	126.6	124.7	126.9	128.2	125.1	122.8	120.0	119.7	122.6	118.5
Clothing, men's.....	122	124	124	120	119	120	125	128	123	118	118	119	126	121
Clothing, women's.....	161	170	193	176	171	165	167	169	161	162	156	154	156	150
Corsets and allied garments.....	116	119	119	122	123	112	122	115	112	116	113	112	111	110
Men's furnishings.....	121	124	137	137	134	127	121	113	115	113	111	111	111	113
Millinery.....	73	68	75	79	77	75	68	68	72	78	74	70	64	56
Shirts and collars.....	131	133	135	135	134	131	132	135	145	133	129	129	130	129
Leather and Manufactures	96.8	101.0	100.2	97.9	98.0	99.6	104.2	103.1	98.8	96.3	97.4	98.1	100.0	100.1
Boots and shoes.....	94	98	97	94	94	96	101	100	95	92	93	95	97	98
Leather.....	90	95	97	96	98	97	98	97	96	95	96	95	94	93

* Revised.

¹ Included in total and group indexes but not available for publication separately.

² Indexes adjusted to Census of Manufactures through 1939. For back figures see BULLETIN for February 1941, p. 166, and for June 1941, p. 569.

NOTE.—Figures for June 1942 are preliminary. For description and back data see the BULLETIN for October 1938, pages 835-866, and for October 1939, pages 878-887. Underlying figures are for payroll period ending nearest middle of month.

Factory Employment (Adjusted)—Continued

[Index numbers of the Board of Governors; adjusted to Census of Manufactures through 1937. 1923-25 average=100]

Industry and group	1941								1942					
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Food and Kindred Products	135.0	137.3	138.4	140.9	138.8	140.7	147.0	147.5	148.4	147.6	*144.4	142.3	143.4	143.2
Baking	149	151	149	152	151	152	152	152	153	152	152	151	151	153
Beverages	287	286	289	298	295	303	311	316	310	310	304	*304	310	288
Butter	107	105	102	104	102	102	106	106	105	105	109	115	116	119
Canning and preserving	147	156	161	169	157	164	201	188	183	189	*168	150	156	154
Confectionery	89	90	97	100	91	90	96	95	94	93	94	94	91	88
Flour	78	80	79	77	79	78	78	79	80	80	79	79	79	81
Ice cream	79	78	78	77	78	83	83	83	82	82	81	82	79	79
Slaughtering and meat packing	119	121	123	124	125	126	127	133	139	138	137	138	140	144
Sugar, beet	99	93	89	76	98	91	98	141	168	115	107	102	104	102
Sugar refining, cane	102	101	94	93	103	103	98	101	97	90	93	94	93	88
Tobacco Manufactures	65.8	65.8	65.7	64.4	62.0	64.1	65.0	66.5	69.2	66.7	66.1	65.8	63.6	63.9
Tobacco and snuff	54	53	53	53	54	54	54	56	54	53	52	52	52	52
Cigars and cigarettes	67	68	67	66	63	65	66	68	71	69	68	68	65	66
Paper and Printing	121.2	122.9	124.8	125.1	124.4	124.9	124.8	125.9	125.2	123.4	122.4	121.5	119.7	118.6
Boxes, paper	132	139	142	143	141	138	139	140	142	139	136	133	129	126
Paper and pulp	123	125	126	128	128	128	129	129	130	130	130	130	128	126
Book and job printing	104	104	108	106	105	108	107	107	107	103	101	101	98	99
Newspaper and periodical printing	117	117	117	118	117	117	116	120	116	115	115	114	114	113
Chemicals, Petroleum, and Coal Products	137.5	141.5	143.9	146.3	145.7	147.1	148.2	149.2	151.8	154.7	*155.9	*157.3	159.0	160.2
Petroleum refining	123	125	127	127	127	129	128	129	130	131	132	132	133	132
Other than petroleum refining	141.1	145.6	148.0	150.9	150.3	151.7	152.9	154.1	157.1	160.5	161.6	*163.4	163.4	167.0
Chemicals	168	172	173	179	180	181	184	187	190	192	194	*194	194	195
Cottonseed oil, cake, and meal	106	107	109	101	88	95	93	93	93	94	*90	*97	99	92
Druggists' preparations	129	132	136	138	141	141	144	146	152	152	153	157	162	164
Explosives	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Fertilizers	118	124	129	124	124	115	118	116	120	139	111	97	116	135
Paints and varnishes	136	140	145	148	145	144	144	144	145	142	141	137	131	127
Rayon and allied products	330	337	326	328	324	323	320	320	313	308	309	317	318	324
Soap	93	94	98	99	96	94	94	95	94	92	91	91	88	83
Rubber Products	106.1	111.7	113.0	113.3	111.6	110.1	110.1	109.6	99.8	98.7	98.1	94.4	95.2	97.8
Rubber boots and shoes	78	82	82	79	75	78	80	78	73	76	75	75	76	72
Rubber tires and inner tubes	83	86	87	87	87	86	86	85	75	74	74	74	76	79
Rubber goods, other	179	192	194	200	196	189	187	189	175	173	170	156	154	161

* Revised. * Included in total and group indexes but not available separately.

TOTAL NONAGRICULTURAL EMPLOYMENT

[Thousands of persons]

Year and month	Total nonagricultural employment ^{1,2}	Employees in nonagricultural establishments								Military and naval forces
		Total ²	Manufacturing*	Mining	Construction	Transportation and public utilities	Trade*	Financial, service, and miscellaneous	Government ²	
SEASONALLY ADJUSTED										
1941—June.....	39,296	33,153	12,221	889	1,644	3,220	6,865	4,204	4,110	1,740
July.....	39,903	33,760	12,605	914	1,668	3,264	6,944	4,242	4,123	1,857
August.....	40,101	33,958	12,615	923	1,666	3,302	7,027	4,246	4,179	1,944
September.....	40,016	33,873	12,548	908	1,683	3,303	6,968	4,241	4,222	1,992
October.....	40,192	34,049	12,599	892	1,776	3,292	6,989	4,251	4,250	2,014
November.....	40,603	34,460	12,735	892	1,924	3,310	7,043	4,266	4,290	↑
December.....	40,905	34,762	12,789	892	2,156	3,322	7,017	4,274	4,312	↑
1942—January.....	40,906	34,763	12,863	873	2,064	3,322	6,907	4,273	4,461	↑
February.....	40,910	34,767	12,826	852	2,091	3,313	6,862	4,265	4,558	↑
March.....	*40,942	*34,799	*12,823	851	2,057	3,325	6,812	4,262	4,669	↑
April.....	*40,977	*34,834	*12,900	879	2,003	3,358	6,690	4,259	4,745	↑
May.....	41,137	34,994	13,035	870	1,961	3,391	6,695	4,257	4,785	↑
June.....	41,174	35,031	13,027	865	1,850	3,396	6,586	4,256	4,871	↑
UNADJUSTED										
1941—June.....	39,475	33,332	12,154	876	1,816	3,239	6,861	4,260	4,126	1,740
July.....	39,908	33,765	12,391	888	1,895	3,290	6,837	4,300	4,164	1,857
August.....	40,292	34,149	12,595	900	1,921	3,326	6,897	4,300	4,210	1,944
September.....	40,710	34,567	12,777	906	1,936	3,367	7,008	4,325	4,248	1,992
October.....	40,783	34,640	12,805	915	1,960	3,365	7,070	4,256	4,269	2,014
November.....	40,756	34,613	12,763	911	1,961	3,322	7,146	4,229	4,281	↑
December.....	41,080	34,937	12,734	908	1,874	3,296	7,511	4,227	4,387	↑
1942—January.....	39,877	33,734	12,606	876	1,660	3,252	6,756	4,179	4,405	↑
February.....	39,994	33,851	12,724	860	1,645	3,249	6,686	4,181	4,506	↑
March.....	*40,396	*34,253	*12,849	860	1,738	3,277	6,711	4,195	4,623	↑
April.....	*40,880	*34,737	*12,951	861	1,928	3,343	6,679	4,266	4,709	↑
May.....	41,263	35,120	13,046	860	2,077	3,385	6,667	4,309	4,776	↑
June.....	41,415	35,272	13,146	851	2,073	3,417	6,582	4,314	4,889	↑

* Adjusted to Census of Manufactures through 1939. † Revised.

† Not available for publication.

¹ Includes self-employed persons, casual workers, and domestic servants not included in total of employees in nonagricultural establishments.

² Excludes military and naval forces.

NOTE.—Unadjusted data compiled by Bureau of Labor Statistics. Figures for June 1942 are preliminary. Back figures, adjusted for seasonal variation, may be obtained from the Division of Research and Statistics.

FACTORY EMPLOYMENT AND PAYROLLS, BY INDUSTRIES

(Without Seasonal Adjustment)

[Index numbers of the Bureau of Labor Statistics; adjusted to Census of Manufactures through 1937. 1923-25 average = 100]

Industry and group	Factory employment							Factory payrolls						
	1941		1942					1941		1942				
	May	June	Feb.	Mar.	Apr.	May	June	May	June	Feb.	Mar.	Apr.	May	June
Total¹	124.9	127.9	133.8	*135.1	136.1	137.1	138.4	144.1	152.2	178.3	*182.9	*186.7	191.8	194.5
Durable goods ¹	131.3	135.1	145.1	*147.5	149.9	152.5	155.6	163.1	173.9	210.6	*217.3	224.0	232.3	237.5
Nondurable goods ¹	118.8	121.1	123.0	123.2	123.0	122.4	121.9	122.9	127.9	142.1	144.3	144.9	146.5	146.3
Iron and Steel and Products	132.9	136.1	135.9	135.7	135.3	134.8	135.0	160.9	168.6	178.3	181.1	181.3	183.7	179.6
Blast furnaces, steel works, etc.	141	144	149	150	151	152	152	173	180	191	194	193	197	187
Bolts, nuts, washers, and rivets	161	166	*171	*170	*172	174	176	234	248	*271	*276	285	292	292
Cast-iron pipe	94	97	97	98	98	98	95	110	115	125	126	130	133	135
Cutlery and edge tools	119	120	134	136	132	128	127	134	139	179	181	179	179	180
Forgings	103	105	123	125	128	129	131	153	165	216	*221	238	241	247
Hardware	117	118	94	95	92	89	92	142	150	132	137	136	135	142
Plumbers' supplies	102	102	93	89	81	78	74	105	106	105	102	93	91	92
Stamped and enameled ware	218	220	209	212	206	204	204	265	279	300	309	305	310	319
Steam and hot-water heating	112	114	123	123	122	120	120	129	138	169	173	174	174	173
Stoves	113	116	94	92	90	87	84	119	125	103	105	106	101	100
Structural and ornamental metal work	102	106	107	110	114	116	118	114	120	133	140	146	149	154
Tin cans and tinware	121	132	131	116	111	108	102	146	163	165	150	145	141	136
Tools	135	139	153	155	155	154	155	172	182	*225	235	238	241	243
Wirework	213	216	169	161	155	152	156	277	285	242	235	235	241	250
Machinery	162.5	167.7	189.7	193.9	197.7	200.5	203.5	217.2	229.9	294.8	*307.1	315.3	326.4	334.1
Agricultural implements	171	172	166	169	167	167	167	229	233	241	250	250	259	263
Cash registers, etc.	151	163	178	177	175	179	184	196	216	260	261	262	293	287
Electrical machinery	154	159	*	*	*	*	*	215	224	*	*	*	*	*
Engines, turbines, etc.	272	286	*	*	*	*	*	444	485	*	*	*	*	*
Foundry and machine-shop products	135	139	155	157	160	163	165	166	178	219	227	235	243	248
Machine tools	327	339	*	*	*	*	*	507	529	*	*	*	*	*
Radios and phonographs	174	181	207	210	209	196	189	192	200	279	291	292	283	283
Textile machinery	101	104	111	111	111	109	108	124	131	155	157	158	158	158
Typewriters	144	148	151	147	126	115	102	190	208	222	213	171	161	157
Transportation Equipment	171.7	177.8	*216.0	*224.8	*237.2	251.7	267.9	217.0	240.0	*337.2	*350.8	*376.8	401.8	422.6
Aircraft	6,305	6,718	*	*	*	*	*	7,745	8,194	*	*	*	*	*
Automobiles	134	135	89	86	84	88	92	171	188	135	132	131	136	140
Cars, electric- and steam-railroad	80	85	*	*	*	*	*	85	93	*	*	*	*	*
Locomotives	59	62	*	*	*	*	*	76	84	*	*	*	*	*
Shipbuilding	310	338	*	*	*	*	*	434	504	*	*	*	*	*
Nonferrous Metals and Products	139.9	141.9	145.9	147.4	*144.3	144.5	143.8	166.7	174.6	202.3	*208.2	208.0	210.5	217.1
Aluminum ¹	234	229	*	*	*	*	*	322	322	*	*	*	*	*
Brass, bronze, and copper	184	189	*	*	*	*	*	247	262	*	*	*	*	*
Clocks and watches	116	117	110	111	112	114	113	143	148	154	160	168	177	182
Jewelry	104	107	107	106	*100	96	91	98	101	105	114	109	108	103
Lighting equipment	112	113	100	99	92	87	85	110	116	110	109	106	100	100
Silverware and plated ware	83	84	78	78	66	66	65	91	94	91	95	80	81	83
Smelting and refining	102	102	101	101	102	101	99	112	117	127	128	127	130	135
Lumber and Products	74.7	76.8	74.3	74.1	*73.4	73.3	73.5	78.0	83.9	86.0	86.7	*87.7	90.7	93.1
Furniture	100	104	102	101	97	96	95	103	110	116	116	114	116	113
Lumber, millwork	70	73	71	71	*70	70	70	62	67	68	68	70	71	74
Lumber, sawmills	66	67	64	64	65	65	66	66	71	72	73	75	79	83
Stone, Clay, and Glass Products	95.6	97.1	93.9	94.3	95.4	94.3	93.6	97.8	100.2	102.3	103.7	*104.9	105.7	105.1
Brick, tile, and terra cotta	73	75	68	68	70	71	70	69	72	67	69	71	72	73
Cement	78	80	76	78	80	82	84	85	90	85	89	91	95	100
Glass	124	126	126	126	126	124	121	150	154	166	165	*165	167	160
Marble, granite, and slate	47	46	39	39	40	34	37	39	35	30	31	33	29	32
Pottery	113	114	121	120	120	118	116	114	118	136	137	134	134	131
Textiles and Products	112.5	112.6	113.0	113.5	113.1	111.8	109.0	110.4	111.4	*126.8	129.2	129.0	128.5	123.4
Fabrics	105.1	106.2	104.9	105.0	*105.3	104.8	104.7	109.3	111.6	123.7	124.8	126.8	129.0	129.3
Carpets and rugs	89	90	81	77	71	67	70	90	90	85	81	76	77	82
Cotton goods	106	109	113	113	114	114	115	117	120	145	146	149	153	153
Cotton small wares	103	104	109	111	112	111	111	114	116	143	148	156	160	161
Dyeing and finishing textiles	141	139	137	138	138	135	132	134	133	149	152	157	150	147
Hats, fur-felt	81	83	72	72	68	58	65	77	86	81	73	66	59	66
Hosiery	143	143	130	129	125	122	120	158	158	157	154	149	149	149
Knitted outerwear	77	79	79	80	82	81	79	72	75	79	83	86	86	83
Knitted underwear	82	79	86	88	89	89	89	85	83	102	107	111	110	112
Knitted cloth	155	160	150	*154	156	155	152	149	154	157	164	171	171	166
Silk and rayon goods	69	69	62	62	63	64	64	63	64	66	68	71	71	71
Woolen and worsted goods	107	108	104	103	104	106	106	113	117	121	123	127	132	134
Wearing apparel	124.2	121.9	126.4	*127.6	126.0	122.7	113.8	105.9	104.1	*125.3	*129.9	*125.2	119.5	104.2
Clothing, men's	119	120	122	*123	*123	122	118	101	107	*117	123	*121	122	112
Clothing, women's	165	159	168	170	166	161	140	132	119	159	163	*153	141	110
Corsets and allied garments	118	118	117	117	116	113	109	137	139	158	161	159	151	142
Men's furnishings	122	122	114	115	114	112	112	130	131	140	141	139	140	140
Millinery	76	63	84	86	79	66	52	51	43	76	83	66	45	38
Shirts and collars	132	132	133	133	133	131	128	131	*136	149	152	159	158	151

* Revised.

¹ Included in total and group indexes but not available for publication separately.

¹ Indexes adjusted to Census of Manufactures through 1939. For back figures see BULLETIN for February 1941, p. 166.

Factory Employment and Payrolls—Continued

[Index numbers of the Bureau of Labor Statistics; adjusted to Census of Manufactures through 1937. 1923-25 average = 100]

Industry and group	Factory employment							Factory payrolls						
	1941		1942					1941		1942				
	May	June	Feb.	Mar.	Apr.	May	June	May	June	Feb.	Mar.	Apr.	May	June
<i>Leather and Manufactures</i>	95.5	98.1	100.2	101.9	100.5	98.7	97.1	91.0	97.2	113.3	117.2	*115.7	112.6	112.5
Boots and shoes.....	93	95	97	99	97	96	94	87	92	108	112	110	107	107
Leather.....	90	94	97	98	96	94	92	98	107	123	124	*124	123	122
<i>Food and Kindred Products</i>	127.4	135.2	133.5	*131.7	132.8	135.5	141.2	134.7	144.4	150.7	150.5	*152.9	160.3	169.9
Baking.....	149	152	150	150	150	151	153	148	154	160	161	160	166	174
Beverages.....	293	310	284	289	*298	317	312	362	391	356	378	*396	445	428
Butter.....	110	114	97	103	111	119	128	97	105	98	103	*109	119	130
Canning and preserving.....	100	136	112	97	104	106	134	91	134	129	109	117	120	160
Confectionery.....	81	80	91	93	88	83	79	84	86	104	109	103	97	98
Flour.....	77	78	80	79	78	77	79	75	79	91	87	86	88	92
Ice cream.....	87	93	69	72	78	87	94	75	83	67	69	74	82	92
Slaughtering and meat packing.....	117	120	138	134	134	138	144	133	138	163	160	162	170	183
Sugar, beet.....	47	48	43	42	46	50	53	54	57	55	56	61	67	72
Sugar refining, cane.....	103	103	89	92	94	93	90	90	102	79	86	*91	90	92
<i>Tobacco Manufactures</i>	64.9	65.5	65.5	65.4	64.4	62.7	63.7	67.1	70.2	72.3	70.6	73.8	73.3	77.2
Tobacco and snuff.....	53	52	55	52	52	51	51	67	67	70	70	73	71	74
Cigars and cigarettes.....	66	67	67	67	66	64	65	67	70	72	71	74	73	77
<i>Paper and Printing</i>	120.8	121.6	123.3	121.9	121.1	119.4	117.4	124.9	128.6	135.1	134.8	133.2	132.0	129.8
Boxes, paper.....	130	135	135	134	131	127	123	159	170	177	176	173	169	164
Paper and pulp.....	123	125	130	130	130	128	126	146	158	174	176	172	171	166
Book and job printing.....	103	102	105	101	100	98	97	96	95	100	98	96	95	93
Newspaper and periodical printing.....	118	117	115	115	115	114	113	114	114	113	114	114	114	114
<i>Chemicals, Petroleum, and Coal Products</i>	135.9	137.5	154.9	*158.5	158.8	157.1	156.3	165.5	173.6	212.3	*219.4	*222.8	225.7	226.8
Petroleum refining.....	122	125	130	131	132	132	133	146	157	178	180	*178	179	182
Other than petroleum refining.....	139.3	140.5	161.1	*165.2	*165.4	163.2	161.9	171.5	178.8	222.8	231.6	236.5	240.0	240.8
Chemicals.....	167	172	189	193	193	194	195	222	233	279	288	293	303	306
Cottonseed oil, cake, and meal.....	72	66	105	*95	*80	68	57	66	62	110	*99	*86	70	61
Druggists' preparations.....	125	127	155	156	157	157	158	143	150	193	200	203	206	202
Explosives.....	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Fertilizers.....	127	92	153	166	*156	126	100	127	93	155	176	*181	148	117
Paints and varnishes.....	141	145	141	141	139	136	131	170	178	177	179	177	177	170
Rayon and allied products.....	324	327	313	313	310	312	315	356	362	391	394	388	391	396
Soap.....	92	93	92	93	92	87	83	126	129	135	137	137	130	127
<i>Rubber Products</i>	106.4	110.7	98.9	98.9	95.2	95.5	96.9	128.7	141	127.4	*132.4	130.3	136.7	136.8
Rubber boots and shoes.....	75	78	75	75	74	73	68	88	98	96	96	93	102	97
Rubber tires and inner tubes.....	83	86	74	74	74	76	79	111	122	102	106	106	113	119
Rubber goods, other.....	182	190	174	172	159	156	159	207	225	222	229	225	230	215

* Revised. * Included in total and group indexes but not available separately.

NOTE.—Figures for June 1942 are preliminary. Back data may be obtained from the Bureau of Labor Statistics. Underlying figures are for payroll period ending nearest middle of month.

HOURS AND EARNINGS OF WAGE EARNERS IN MANUFACTURING INDUSTRIES

[Compiled by the Bureau of Labor Statistics]

Industry and group	Average hours worked per week							Average hourly earnings (cents per hour)						
	1941		1942					1941		1942				
	Apr.	May	Jan.	Feb.	Mar.	Apr.	May	Apr.	May	Jan.	Feb.	Mar.	Apr.	May
<i>Total</i>	40.0	40.8	41.5	42.2	42.5	42.4	42.6	70.8	72.6	80.1	80.3	80.9	81.9	83.1
<i>Durable goods</i>	41.5	42.5	43.7	44.4	44.7	44.7	45.0	78.5	80.6	88.9	89.3	89.9	91.0	92.3
Iron and Steel and Products.....	40.8	41.5	41.3	42.1	42.6	42.2	42.6	84.1	85.8	90.4	90.9	91.6	92.6	93.3
Machinery.....	44.5	45.4	47.1	47.3	47.8	47.5	47.7	78.9	81.8	89.9	90.6	91.3	92.4	93.7
Transportation Equipment.....	39.7	42.4	46.0	46.2	46.6	47.0	46.9	92.3	94.5	106.9	106.1	105.1	105.5	106.7
Nonferrous Metals and Products.....	42.0	42.8	43.8	43.8	44.1	44.2	44.0	74.9	77.0	86.5	87.2	88.4	89.7	91.1
Lumber and Products.....	40.2	40.1	38.9	40.5	40.5	40.4	41.2	54.7	55.6	60.7	61.3	62.0	63.3	64.6
Stone, Clay, and Glass Products.....	38.0	38.5	37.2	38.8	39.0	38.8	39.0	69.5	71.0	75.1	75.9	76.2	76.7	77.1
<i>Non durable goods</i>	38.4	38.9	39.1	39.7	39.8	39.7	39.7	62.9	64.1	70.1	70.2	70.7	71.4	72.2
Textiles and Products.....	37.3	37.9	37.7	38.9	39.1	39.1	39.0	52.4	53.0	58.9	59.2	59.6	59.9	60.4
Fabrics.....	38.3	38.8	39.3	40.1	40.1	40.1	40.3	50.9	52.0	57.4	57.4	57.6	58.3	59.2
Wearing apparel.....	35.3	36.2	34.4	36.6	37.2	37.0	36.4	55.3	55.0	62.0	62.9	63.5	63.2	62.7
Leather and Manufactures.....	38.0	37.5	38.8	39.9	40.0	39.3	38.6	57.9	59.0	64.9	65.8	66.3	67.8	68.2
Food and Kindred Products.....	39.6	40.3	40.8	40.5	40.7	40.4	40.9	65.5	67.0	71.8	71.8	72.3	73.2	74.1
Tobacco Manufactures.....	33.2	36.9	37.9	37.0	36.6	37.6	37.7	50.6	50.9	54.9	54.4	53.7	55.4	56.5
Paper and Printing.....	39.6	40.0	40.1	40.0	40.1	39.6	39.5	80.5	81.1	85.2	85.4	86.2	86.8	87.6
Chemicals, Petroleum, and Coal Products.....	39.9	39.8	40.2	40.6	40.7	40.9	41.0	77.3	80.6	88.6	88.1	88.9	90.0	91.7
Petroleum refining.....	37.0	37.0	37.3	38.8	38.7	38.2	38.5	99.5	100.8	110.7	110.4	110.4	110.3	109.8
Other than petroleum refining.....	40.7	40.7	40.9	41.1	41.3	41.6	41.8	70.7	74.4	82.2	81.9	83.0	84.4	86.7
Rubber Products.....	39.4	40.3	39.3	39.7	40.6	41.0	42.3	80.4	81.6	88.7	88.2	90.1	91.0	92.3

* Revised.

CONSTRUCTION CONTRACTS AWARDED, BY TYPES OF CONSTRUCTION

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in millions of dollars.]

Month	Total		Residential building		Nonresidential building								Public works and public utilities ¹	
					Factories		Commercial		Educational ¹		Other ¹			
	1941	1942	1941	1942	1941	1942	1941	1942	1941	1942	1941	1942	1941	1942
January	305.2	316.8	111.3	102.8	55.9	75.4	26.9	17.7	11.6	9.1	24.2	21.0	75.1	90.9
February	270.4	433.6	116.5	168.0	37.8	84.5	20.9	21.8	7.9	9.2	23.5	54.2	63.9	95.9
March	479.9	610.8	147.9	219.3	121.8	112.7	33.1	36.8	10.4	10.7	36.1	71.6	130.6	159.7
April	406.7	498.7	166.5	162.1	66.2	145.1	36.2	30.9	11.2	12.4	29.7	46.5	96.9	101.7
May	548.7	673.5	201.3	148.0	81.1	178.0	50.8	23.8	17.1	10.1	53.5	86.0	144.9	227.7
June	539.1	1,190.3	205.6	185.5	102.3	271.8	35.7	46.2	13.5	15.4	49.0	234.9	133.0	436.4
July	577.4		205.0		109.8		37.2		19.1		54.5		151.7	
August	760.2		231.5		135.7		69.8		11.7		69.4		242.0	
September	623.3		175.7		113.5		51.9		8.2		44.7		229.3	
October	606.3		171.8		118.6		48.6		13.9		88.5		165.0	
November	458.6		116.5		122.7		29.3		7.3		33.6		149.2	
December	431.6		104.3		116.1		30.7		8.8		15.3		156.3	
Year	6,007.5		1,953.8		1,181.5		471.2		140.9		522.1		1,738.0	

¹ Not strictly comparable with data for earlier years due to changes in classification.

CONSTRUCTION CONTRACTS AWARDED, BY OWNERSHIP

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in millions of dollars.]

Month	Total						Public ownership ¹						Private ownership ¹					
	1937	1938	1939	1940	1941	1942	1937	1938	1939	1940	1941	1942	1937	1938	1939	1940	1941	1942
January	243	192	252	196	305	317	112	118	148	93	124	198	130	75	104	104	181	119
February	188	119	220	201	270	434	69	51	111	82	105	310	119	68	109	119	166	123
March	231	227	301	272	480	611	66	95	128	95	269	473	165	132	173	177	211	138
April	270	222	330	301	407	499	74	99	160	103	184	355	195	123	170	197	223	144
May	244	283	308	329	549	674	93	144	135	112	267	569	151	139	174	217	281	105
June	318	251	288	325	539	.....	137	108	128	147	314	.....	180	143	161	177	225	.....
July	322	240	300	399	577	.....	131	98	137	205	348	.....	191	142	163	194	229	.....
August	281	313	312	415	760	.....	104	171	158	195	520	.....	178	142	154	220	240	.....
September	207	301	323	348	623	.....	80	160	144	144	403	.....	127	141	179	204	220	.....
October	202	358	262	383	606	.....	78	203	92	175	371	.....	124	154	170	209	235	.....
November	198	302	300	380	459	.....	93	179	144	195	298	.....	106	123	156	186	161	.....
December	209	389	354	456	432	.....	115	279	225	258	288	.....	94	110	129	198	144	.....
Year	2,913	3,197	3,551	4,004	6,007	.....	1,152	1,705	1,708	1,802	3,492	.....	1,761	1,492	1,842	2,202	2,515	.....

¹ Back figures.—See BULLETIN for February 1938, p. 159. Data for years prior to 1932 not available.

CONSTRUCTION CONTRACTS AWARDED, BY DISTRICTS

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in thousands of dollars.]

Federal Reserve district	1942		1941
	June	May	June
Boston	74,247	32,564	52,027
New York	131,414	83,087	112,850
Philadelphia	39,461	23,746	38,158
Cleveland	114,284	61,933	51,477
Richmond	160,738	68,914	92,503
Atlanta	174,588	84,979	42,323
Chicago	130,547	98,449	73,113
St. Louis	101,615	45,147	26,926
Minneapolis	121,575	14,124	12,651
Kansas City	54,918	66,431	15,247
Dallas	86,877	94,143	21,831
Total (11 districts)	1,190,264	673,517	539,106

COMMERCIAL FAILURES, BY DISTRICTS

[Figures reported by Dun & Bradstreet. Amounts in thousands of dollars.]

Federal Reserve district	Number			Liabilities		
	1942		1941	1942		1941
	June	May	June	June	May	June
Boston	69	80	86	861	1,072	1,063
New York	310	351	377	3,450	3,392	3,763
Philadelphia	46	46	55	428	322	856
Cleveland	38	53	41	536	512	351
Richmond	19	35	27	882	485	152
Atlanta	32	45	38	393	688	319
Chicago	119	142	130	1,147	1,069	1,097
St. Louis	20	22	28	166	129	233
Minneapolis	11	10	14	176	49	137
Kansas City	40	50	35	487	398	335
Dallas	10	21	21	210	253	144
San Francisco	90	100	118	1,170	1,470	999
Total	804	955	970	9,906	9,839	9,449

New series. Includes cases of discontinuances where loss to creditors was involved even though actual legal formalities were not invoked. Back figures, available for 1939 only, may be obtained from Dun and Bradstreet, Inc.

MERCHANDISE EXPORTS AND IMPORTS

[In millions of dollars]

Month	Merchandise exports ¹					Merchandise imports ²					Excess of exports				
	1938	1939	1940	1941	1942	1938	1939	1940	1941	1942	1938	1939	1940	1941	1942
January.....	289	213	370	325	479	171	178	242	229	254	118	35	128	96	226
February.....	262	219	347	303	479	163	158	200	234	254	99	61	147	69	225
March.....	275	268	351	357	609	173	190	217	268	272	102	77	134	89	336
April.....	274	231	323	387	682	160	186	212	287	234	115	45	111	100	448
May.....	257	249	324	385	.....	148	202	211	297	.....	109	47	112	88	.....
June.....	233	236	350	330	.....	146	179	211	280	.....	87	57	138	50	.....
July.....	228	230	317	365	.....	141	169	232	278	.....	87	61	84	87	.....
August.....	231	250	351	460	.....	166	176	221	283	.....	65	74	130	178	.....
September.....	246	289	295	425	.....	168	182	195	262	.....	79	107	101	162	.....
October.....	278	332	344	3666	.....	178	215	207	304	.....	100	117	137	3362	.....
November.....	252	292	328	492	.....	176	235	224	281	.....	76	57	104	211	.....
December.....	269	368	322	652	.....	171	247	253	344	.....	98	121	69	308	.....
Jan.-Apr.....	1,101	930	1,391	1,372	2,249	667	713	871	1,018	1,014	434	217	520	354	1,234

¹ Including both domestic and foreign merchandise.

² General imports, including merchandise entered for immediate consumption and that entered for storage in bonded warehouses.

³ Figure overstated due to inclusion in October export statistics of an unusually large volume of shipments actually exported in earlier months.

Source.—Department of Commerce.

Back figures.—See BULLETIN for February 1937, p. 152; July 1933, p. 431; and January 1931, p. 18.

FREIGHT-CAR LOADINGS, BY CLASSES

[Index numbers; 1935-39 average = 100]

	Total	Coal	Coke	Grain	Live-stock	For-est products	Ore	Mis-cel-lane-ous	Mer-chandise l.c.l.
SEASONALLY ADJUSTED									
1941—May.....	135	138	182	124	91	130	266	136	102
June.....	139	156	189	126	88	136	152	139	102
July.....	138	150	200	112	83	149	156	140	100
August.....	139	158	199	103	84	152	155	141	99
September.....	130	133	176	111	84	138	149	135	97
October.....	127	121	165	97	95	140	204	133	97
November.....	135	121	159	118	93	146	204	144	99
December.....	137	111	167	124	101	145	246	149	100
1942—January.....	140	119	153	142	99	156	186	152	97
February.....	139	116	150	131	95	159	187	151	100
March.....	136	122	168	119	97	149	282	143	92
April.....	143	160	200	117	101	159	289	141	80
May.....	143	164	197	115	98	155	289	142	62
June.....	141	160	199	113	103	159	183	144	60
UNADJUSTED									
1941—May.....	131	117	167	107	82	135	276	138	102
June.....	136	131	170	123	69	141	265	141	101
July.....	138	127	172	163	70	149	283	139	99
August.....	140	139	167	125	80	160	271	141	99
September.....	145	140	172	122	111	149	261	150	102
October.....	144	138	165	104	146	147	232	151	101
November.....	141	135	168	115	117	143	199	150	101
December.....	128	125	182	113	97	129	69	138	96
1942—January.....	129	136	184	125	95	140	46	134	93
February.....	129	132	184	110	76	153	47	135	96
March.....	129	125	175	102	77	149	73	139	92
April.....	136	135	176	100	90	159	218	142	81
May.....	138	139	181	99	89	161	303	144	62
June.....	139	135	179	111	81	165	318	145	60

NOTE.—For description and back data, see pp. 529-533 of the BULLETIN for June 1941. Based on daily average loadings. Basic data compiled by Association of American Railroads. Total index compiled by combining indexes for classes with weights derived from revenue data of the Interstate Commerce Commission.

REVENUES, EXPENSES, AND INCOME OF CLASS I RAILROADS

[In millions of dollars]

	Total railway operating revenues	Total railway expenses	Net railway operating income	Net income
SEASONALLY ADJUSTED*				
1941—April.....	382	324	58	*16
May.....	439	346	*92	50
June.....	474	363	110	68
July.....	471	370	100	57
August.....	485	377	108	65
September.....	464	379	85	42
October.....	453	403	49	10
November.....	476	403	73	33
December.....	486	410	76	37
1942—January.....	495	413	82	40
February.....	519	420	99	58
March.....	542	446	96	52
April.....	584	471	113	70
May.....	618	487	131	.....
UNADJUSTED				
1941—April.....	375	323	52	7
May.....	442	354	*38	43
June.....	455	362	93	53
July.....	485	379	106	64
August.....	494	382	111	66
September.....	489	385	104	59
October.....	518	424	94	54
November.....	457	388	69	29
December.....	480	399	81	55
1942—January.....	481	412	69	26
February.....	462	396	66	24
March.....	540	448	92	47
April.....	573	470	102	58
May.....	601	491	110	*64

* Preliminary. * Revised.

* Derived from Interstate Commerce Commission data.

NOTE.—Descriptive material and back figures may be obtained from the Division of Research and Statistics.

DEPARTMENT STORE STATISTICS

MONTHLY INDEXES OF SALES AND STOCKS

[Index numbers based on value figures; 1923-25 average = 100.]

	Seasonally adjusted				Unadjusted			
	1939	1940	1941	1942	1939	1940	1941	1942
SALES								
January.....	88	92	101	138	69	71	79	108
February.....	88	90	103	126	69	71	82	99
March.....	88	89	103	124	82	86	93	118
April.....	88	89	104	117	88	86	106	115
May.....	87	89	105	108	87	89	105	108
June.....	86	91	104	104	83	87	100	100
July.....	87	92	115	.....	60	64	79	.....
August.....	88	98	134	.....	69	77	106	.....
September.....	90	97	116	.....	97	105	125	.....
October.....	92	94	105	.....	99	101	112	.....
November.....	93	100	116	.....	106	114	133	.....
December.....	95	101	111	.....	168	179	197	.....
Year.....	.....	.....	.....	.....	90	94	110	.....
STOCKS								
January.....	67	68	71	93	60	61	64	83
February.....	68	71	73	102	65	68	70	97
March.....	68	70	74	108	69	71	75	111
April.....	67	69	74	117	69	71	76	122
May.....	66	68	74	126	68	70	76	129
June.....	67	67	77	P134	64	64	73	P128
July.....	67	68	82	.....	60	61	73	.....
August.....	67	69	87	.....	65	66	84	.....
September.....	68	70	92	.....	71	73	95	.....
October.....	69	71	97	.....	77	79	108	.....
November.....	71	72	95	.....	82	83	110	.....
December.....	68	71	92	.....	64	66	86	.....
Year.....	.....	.....	.....	.....	68	69	83	.....

^P Preliminary.

Back figures.—Department store sales, see BULLETIN for August 1936, p. 631, for October 1938, p. 918, and for January 1941, p. 65; department store stocks, see BULLETIN for March 1938, p. 232.

WEEKLY INDEX OF SALES

[Weeks ending on dates shown. 1935-39 average = 100.]

1939	1940	1941	1942
June 10.....105	June 8.....120	June 7.....127	June 6.....135
17.....98	15.....107	14.....120	13.....117
24.....84	22.....92	21.....107	20.....116
July 1.....85	29.....89	28.....109	27.....100
8.....62	July 6.....67	July 5.....86	July 4.....84
15.....73	13.....78	12.....93	11.....102
22.....67	20.....72	19.....89	18.....93
29.....66	27.....69	26.....87	25.....92

SALES BY DEPARTMENTS

[Percentage change from corresponding period of preceding year.]

Department	May 1942	Five mos., 1942
NET SALES—entire store.....	0	+18
Main Store.....	-1	+17
Basement Store.....	+2	+19
Women's, girls', and infants' apparel and accessories.....	+3	+18
Main store ¹	+2	+18
Women's and misses' coats and suits.....	+17	+38
Women's and misses' dresses.....	-6	+3
Blouses, skirts, sportswear, sweaters, knit apparel.....	-5	+19
Juniors' and girls' wear.....	0	+18
Aprons, housedresses, uniforms.....	-7	+7
Women's underwear, slips, negligees.....	+5	+19
Infants' wear.....	+14	+24
Women's and children's shoes.....	+3	+18
Furs.....	-31	+4
Basement ²	+3	+19
Men's and boys' wear.....	-10	+22
Main store ¹	-12	+22
Men's clothing.....	-25	+32
Men's furnishings, hats, caps.....	-6	+14
Boys' clothing and furnishings.....	-1	+20
Basement ²	-2	+22
Home furnishings.....	-4	+17
Main store ¹	-4	+16
Furniture, beds, mattresses, springs.....	-7	+7
Domestic floor coverings.....	+5	+17
Draperies, curtains, upholstery.....	+5	+14
Major appliances (refrigerators, washers, stoves, etc.).....	-37	+12
Domestics, blankets, comforters, linens, towels.....	-1	+28
Basement (including domestics, blankets, linens, towels) ²	+1	+19
Piece goods (dress and coat yard goods, all materials).....	+20	+32
Main store.....	+20	+31
Basement.....	+20	+34
Shoes (basement only).....	0	+13

* Based on reports from 256 stores. Reports of total sales from a larger number of stores, including many stores not reporting sales by departments, showed a decrease of 3 per cent for May and an increase of 16 per cent for five months of 1942, as indicated in the table below.

¹ Group totals for main store include sales in departments not shown separately.

² Group totals for basement are not strictly comparable with those shown for main store owing chiefly to inclusion in basement of fewer departments and somewhat different types of merchandise.

SALES BY FEDERAL RESERVE DISTRICTS AND BY CITIES

[Percentage change from corresponding period of preceding year.]

	June 1942	May 1942	Six mos. 1942		June 1942	May 1942	Six mos. 1942		June 1942	May 1942	Six mos. 1942		June 1942	May 1942	Six mos. 1942
United States.....	+4	-3	+14	Cleveland (cont'd)				Chicago (cont'd)				Dallas	+7	-7	+9
Boston.....	+4	+0	+15	Youngstown.....	-13	-16	+5	Fort Wayne.....	+13	-2	+23	Shreveport.....	+14	+6	+17
New Haven.....	+7	+7	+17	Erie.....	+17	+10	+26	Indianapolis.....	+14	-1	+18	Dallas.....	0	-12	+4
Portland.....	+17	+11	+24	Pittsburgh.....	-5	-7	+12	Des Moines.....	+5	-8	+9	Fort Worth.....	-8	-14	+9
Boston.....	+5	0	+14	Wheeling.....	-2	-6	+11	Sioux City.....	+2	0	+5	Houston.....	+3	-3	+10
Springfield.....	+12	+9	+22	Richmond.....	+12	+4	+21	Detroit.....	+9	*	+19	San Antonio.....	+19	0	+18
Providence.....	+4	0	+15	Washington.....	+16	+12	+27	Flint.....	-18	-23	-10	San Francisco	+14	+5	+20
New York	-3	-5	+11	Baltimore.....	+13	+3	+22	Grand Rapids.....	-10	-13	+5	Phoenix.....	+19	+8	+26
Bridgeport.....	+5	+5	+20	Winston-Salem.....	-3	-21	0	Lansing.....	+4	-14	+6	Bakersfield.....	-5	-5	+3
Newark.....	-5	-8	+10	Charleston, S. C.....	+30	+30	+30	Milwaukee.....	+5	-2	+18	Fresno.....	-6	-10	+6
Albany.....	-19	-23	-2	Lynchburg.....	-1	-11	+11	St. Louis	+8	-5	+14	Long Beach.....	+27	+16	+35
Binghamton.....	-1	-12	+11	Norfolk.....	+22	+12	+32	Fort Smith.....	+42	+28	+41	Los Angeles.....	+3	-8	+10
Buffalo.....	+4	0	+19	Richmond.....	+11	+2	+15	Little Rock.....	+27	+10	+21	Oakland and			
Elmira.....	+10	-4	+19	Charleston, W. Va.....	-15	-20	0	Quincy.....	-2	-18	+7	Berkeley.....	+31	+18	+33
Niagara Falls.....	+24	+26	+37	Huntington.....	-5	-16	+4	Evansville.....	+11	-9	+9	Sacramento.....	+11	+6	+21
New York City.....	-4	-4	+10	Atlanta.....	-7	-2	+11	Louisville.....	-2	-18	+4	San Diego.....	+24	+13	+32
Poughkeepsie.....	+3	-10	+10	Birmingham.....	+11	+5	+27	St. Louis.....	+10	-4	+17	San Francisco.....	+10	+7	+15
Rochester.....	-2	-2	+12	Montgomery.....	+9	+3	+13	Springfield.....	-22	-24	-8	San Jose.....	+9	+5	+16
Syracuse.....	-2	-8	+11	Jacksonville.....	+12	0	+11	Memphis.....	+11	+1	+18	Santa Rosa.....	+9	+4	+19
Philadelphia	+4	1	+16	Miami.....	0	-8	-7	Minneapolis	+2	-10	+10	Stockton.....	+27	+26	+32
Trenton.....	+6	-3	+12	Tampa.....	+11	+11	+15	Kansas City	+9	-6	+12	Vallejo and Napa	+47	+40	+54
Lancaster.....	+15	+3	+22	Atlanta.....	-1	-12	+4	Denver.....	+7	-4	+12	Boise and			
Philadelphia.....	+5	+2	+18	Macon.....	+16	+19	+22	Hutchinson.....	*	-20	*	Nampa.....	+20	+14	+24
Reading.....	+11	-2	+17	Baton Rouge.....	+7	-3	+7	Topeka.....	-1	-10	+2	Portland.....	+22	+15	+29
Wilkes-Barre.....	+6	+1	+18	New Orleans.....	+13	+8	+18	Wichita.....	+24	+13	+29	Salt Lake City.....	+31	+9	+27
York.....	+13	+2	+19	Jackson.....	+4	-6	+13	Joplin.....	+4	0	+20	Bellingham.....	+17	+16	+21
Cleveland	+2	-6	+15	Chattanooga.....	+12	0	+18	Kansas City.....	+12	-4	+15	Everett.....	+9	-3	+12
Akron.....	+7	+3	+22	Knoxville.....	+3	-4	+16	St. Joseph.....	-7	-20	+1	Seattle.....	+30	+22	+35
Cincinnati.....	+9	-9	+14	Nashville.....	+6	-5	+8	Omaha.....	+11	-5	+14	Spokane.....	+9	0	+10
Cleveland.....	+6	-1	+20	Chicago	+2	-7	+12	Oklahoma City.....	+8	-9	+5	Tacoma.....	+32	+9	+21
Columbus.....	+10	-3	+15	Chicago.....	-1	-9	+9	Tulsa.....	+22	+4	+25	Walla Walla.....	+17	+6	+17
Toledo.....	+7	-4	+16	Peoria.....	-8	-16	+5					Yakima.....	-6	-11	+1

* Revised. * Not available.

WHOLESALE PRICES, BY GROUPS OF COMMODITIES

[Index numbers of the Bureau of Labor Statistics, 1926 =100]

Year, month, or week	All commodities	Farm products	Foods	Other commodities								
				Total	Hides and leather products	Textile products	Fuel and lighting materials	Metals and metal products	Building materials	Chemicals and allied products	House-furnishing goods	Miscellaneous
1929.....	95.3	104.9	99.9	91.6	109.1	90.4	83.0	100.5	95.4	94.0	94.3	82.6
1930.....	86.4	88.3	90.5	85.2	100.0	80.3	78.5	92.1	89.9	88.7	92.7	77.7
1931.....	73.0	64.8	74.6	75.0	86.1	66.3	67.5	84.5	79.2	79.3	84.9	69.8
1932.....	64.8	48.2	61.0	70.2	72.9	54.9	70.3	80.2	71.4	73.9	75.1	64.4
1933.....	65.9	51.4	60.5	71.2	80.9	64.8	66.3	79.8	77.0	72.1	75.8	62.5
1934.....	74.9	65.3	70.5	78.4	86.6	72.9	73.3	86.9	86.2	75.3	81.5	69.7
1935.....	80.0	78.8	83.7	77.9	89.6	70.9	73.5	86.4	85.3	79.0	80.6	68.3
1936.....	80.8	80.9	82.1	79.6	95.4	71.5	76.2	87.0	86.7	78.7	81.7	70.5
1937.....	86.3	86.4	85.5	85.3	104.6	76.3	77.6	95.7	95.2	82.6	89.7	77.8
1938.....	78.6	68.5	73.6	81.7	92.8	66.7	76.5	95.7	90.3	77.0	86.8	73.3
1939.....	77.1	65.3	70.4	81.3	95.6	69.7	73.1	94.4	90.5	76.0	86.3	74.8
1940.....	78.6	67.7	71.3	83.0	100.8	73.8	71.7	95.8	94.8	77.0	88.5	77.3
1941.....	87.3	82.4	82.7	89.0	108.3	84.8	76.2	99.4	103.2	84.6	94.3	82.0
1941—January.....	80.8	71.6	73.7	84.3	102.4	75.2	72.1	97.7	99.6	78.6	89.0	77.1
February.....	80.6	70.3	73.5	84.4	101.6	76.4	72.1	97.6	99.3	78.5	89.1	76.9
March.....	81.5	71.6	75.2	84.9	102.6	78.4	72.0	97.7	99.5	79.8	89.5	77.6
April.....	83.2	74.4	77.9	85.9	103.9	81.0	72.9	97.9	100.1	81.8	90.4	78.6
May.....	84.9	76.4	79.5	87.4	106.4	83.0	75.6	98.1	100.4	83.6	91.4	79.6
June.....	87.1	82.1	83.1	88.6	107.8	84.5	77.9	98.3	101.0	83.8	93.1	80.6
July.....	88.8	85.8	84.7	89.7	109.4	86.2	78.5	98.5	103.1	85.2	94.4	82.0
August.....	90.3	87.4	87.2	90.8	110.2	88.3	79.0	98.6	105.5	86.0	95.4	83.7
September.....	91.8	91.0	89.5	91.6	111.3	89.7	79.2	98.6	106.4	87.4	97.2	85.1
October.....	92.4	90.0	88.9	93.4	112.6	90.9	79.6	103.1	107.3	89.7	99.5	86.4
November.....	92.5	90.6	89.3	93.5	114.1	91.1	78.8	103.3	107.5	89.8	100.6	87.3
December.....	93.6	94.7	90.5	93.7	114.8	91.8	78.4	103.3	107.8	91.3	101.1	87.6
1942—January.....	96.0	100.8	93.7	94.6	114.9	93.6	78.2	103.5	109.3	96.0	102.4	89.3
February.....	96.7	101.3	94.6	94.9	115.3	95.2	78.0	103.6	110.1	97.0	102.5	89.3
March.....	97.6	102.8	96.1	95.2	116.7	96.6	77.7	103.8	110.5	97.1	102.6	89.7
April.....	^p 98.7	104.5	98.7	^p 95.6	119.2	97.7	77.7	^p 103.8	110.2	97.1	102.8	90.3
May.....	^p 98.8	104.4	98.9	^p 95.7	118.8	98.0	78.0	^p 103.9	110.1	97.3	102.9	90.5
June.....	^p 98.6	104.4	99.3	^p 95.6	118.2	97.6	78.4	^p 103.9	110.1	97.2	102.9	90.2
Week ending.....												
1942—March 14.....	97.1	102.3	95.8	95.2	116.4	95.9	78.2	103.7	110.2	97.1	104.1	89.4
March 21.....	97.2	103.1	95.5	95.3	116.6	95.9	78.2	103.7	110.4	97.1	104.1	89.7
March 28.....	97.4	103.4	95.9	95.3	117.6	95.9	78.1	103.7	110.6	97.1	104.1	89.7
April 4.....	97.9	104.2	97.2	95.6	118.1	97.0	78.3	103.8	110.5	97.1	104.3	89.6
April 11.....	98.1	104.6	97.0	95.6	119.8	97.1	77.9	103.9	110.5	97.1	104.3	89.7
April 18.....	98.3	105.2	98.6	95.5	119.8	97.0	78.1	103.9	108.8	97.1	104.4	89.6
April 25.....	98.6	104.8	99.6	95.6	119.8	97.0	78.5	103.9	108.8	97.1	104.4	90.0
May 2.....	98.7	104.8	99.9	95.6	120.0	97.2	78.6	103.9	108.7	97.1	104.6	89.6
May 9.....	98.6	104.0	99.3	95.8	120.2	97.3	78.7	103.9	110.0	97.3	104.6	89.9
May 16.....	^p 98.5	104.3	98.2	^p 95.9	119.8	97.3	78.8	^p 104.0	110.1	97.3	104.6	90.2
May 23.....	^p 98.7	104.8	99.1	^p 95.9	119.2	97.2	78.9	^p 104.0	110.0	97.3	104.6	90.2
May 30.....	^p 98.8	106.0	99.4	^p 95.9	119.0	97.2	78.9	^p 104.0	109.9	97.3	104.5	90.1
June 6.....	^p 98.7	105.6	99.7	^p 95.9	118.8	97.2	78.9	^p 104.0	109.9	97.2	104.5	90.0
June 13.....	^p 98.4	104.3	99.5	^p 95.9	118.9	97.2	78.9	^p 104.0	109.9	97.2	104.5	89.9
June 20.....	^p 98.1	104.5	98.4	^p 95.9	118.9	97.3	79.0	^p 104.0	109.9	97.2	104.5	90.0
June 27.....	^p 98.4	104.6	99.3	^p 96.0	118.9	97.3	79.2	^p 104.0	110.0	97.2	104.5	90.0
July 4.....	^p 98.5	104.9	99.3	^p 96.1	118.9	97.3	79.5	^p 104.0	110.6	97.2	104.5	90.1
July 11.....	^p 98.5	105.5	98.7	^p 96.0	118.9	96.8	79.5	^p 104.0	110.3	97.2	104.5	90.0
July 18.....	^p 98.3	104.9	98.3	^p 95.9	118.8	96.8	79.6	^p 103.9	110.2	97.2	104.4	89.6
July 25.....	^p 98.4	105.4	98.9	^p 95.9	118.8	96.8	79.5	^p 103.9	110.1	96.4	104.4	89.6

Subgroups	1941					Subgroups	1942				
	June	Mar.	Apr.	May	June		June	Mar.	Apr.	May	June
Farm Products:						Metals and Metal Products:					
Grains.....	75.9	93.8	91.5	92.2	88.8	Agricultural implements.....	92.4	96.9	96.9	96.9	96.9
Livestock and poultry.....	93.0	113.8	118.3	117.6	116.9	Farm machinery.....	93.5	98.0	98.0	98.0	98.0
Other farm products.....	76.6	97.9	99.0	99.0	100.5	Iron and steel.....	96.5	97.1	97.1	97.2	97.2
Foods:						Motor vehicles.....	100.3	112.7	^P 112.8	^P 112.8	^P 112.8
Dairy products.....	84.3	94.3	94.1	93.5	92.0	Nonferrous metals.....	84.5	85.6	85.6	85.6	85.6
Cereal products.....	79.8	90.6	90.2	89.0	87.2	Plumbing and heating.....	83.1	98.2	98.5	98.5	98.5
Fruits and vegetables.....	73.0	87.7	97.7	96.7	105.4	Building Materials:					
Meats.....	90.8	109.2	112.8	114.8	113.9	Brick and tile.....	92.5	97.1	98.0	98.0	98.1
Other foods.....	79.5	89.1	90.4	90.6	91.0	Cement.....	91.9	93.6	94.1	94.2	94.2
Hides and Leather Products:						Lumber.....	117.6	133.1	131.8	131.5	131.7
Shoes.....	111.7	124.3	126.7	126.6	126.4	Paint and paint materials.....	90.3	100.8	100.6	100.6	100.3
Hides and skins.....	112.4	116.6	123.5	121.4	118.5	Plumbing and heating.....	83.1	98.2	98.5	98.5	98.5
Leather.....	97.9	101.5	101.3	101.3	101.3	Structural steel.....	107.3	107.3	107.3	107.3	107.3
Other leather products.....	102.1	113.6	115.2	115.2	115.2	Other building materials.....	96.9	103.8	103.8	103.8	103.8
Textile Products:						Chemicals and Allied Products:					
Clothing.....	91.6	106.6	107.8	109.6	109.1	Chemicals.....	87.2	96.4	96.4	96.5	96.5
Cotton goods.....	94.6	112.6	113.8	112.9	112.7	Drugs and pharmaceuticals.....	99.9	126.5	126.7	129.1	129.1
Hosiery and underwear.....	61.9	69.8	70.6	71.9	70.0	Fertilizer materials.....	69.9	79.5	79.2	79.0	78.4
Silk.....	.....	.....	.....	.....	.....	Mixed fertilizers.....	73.8	82.8	82.8	82.8	82.8
Rayon.....	29.5	30.3	30.3	30.3	30.3	Oils and fats.....	80.6	108.8	108.8	108.6	108.5
Woolen and worsted goods.....	94.6	108.7	111.0	111.0	111.0	Housefurnishing Goods:					
Other textile products.....	94.1	98.2	98.5	98.3	98.2	Furnishings.....	99.0	107.7	108.0	108.1	108.1
Fuel and Lighting Materials:						Furniture.....	87.0	97.4	97.5	97.5	97.4
Anthracite.....	81.0	85.2	83.7	85.3	85.7	Miscellaneous:					
Bituminous coal.....	103.7	108.4	108.2	108.5	109.2	Auto tires and tubes.....	58.8	71.0	72.5	73.0	73.0
Coke.....	122.2	122.1	122.1	122.1	122.1	Cattle feed.....	88.9	137.7	140.4	140.4	140.0
Electricity.....	67.2	65.3	64.4	.....	.....	Paper and pulp.....	98.0	102.9	102.9	102.8	101.6
Gas.....	81.0	77.1	78.1	79.9	.....	Rubber, crude.....	45.6	46.3	46.3	46.3	46.3
Petroleum products.....	59.9	58.3	58.4	59.1	59.8	Other miscellaneous.....	87.4	93.3	93.4	93.5	93.3

Back figures.—For monthly and annual indexes of groups, see Annual Report for 1937 (table 86); for indexes of subgroups, see Annual Report for 1937 (table 87).

^p Preliminary.

AUGUST 1942

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CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOK *
ON BANK CREDIT, MONEY RATES, AND BUSINESS

	Chart book page	1942					Chart book page	1942		
		June 24	July 1	July 8	July 15	July 22		Apr.	May	June
WEEKLY FIGURES¹										
RESERVES AND CURRENCY										
Reserve Bank credit, total.....	3	2.70	2.87	3.07	3.23	3.20				
U. S. Gov't. securities, by maturi- ties, total.....	5	2.58	2.73	2.91	3.04	3.05				
Within 1 yr.....	5	.49	.63	.79	.91	.91				
Within 5 yrs.....	5	1.13	1.27	1.43	1.55	1.56				
After 5 yrs.....	5	1.46	1.46	1.48	1.48	1.49				
Gold stock.....	3	22.74	22.74	22.74	22.74	22.75				
Treasury currency.....	3	3.31	3.31	3.32	3.32	3.32				
Money in circulation.....	3, 11	12.23	12.42	12.49	12.50	12.55				
Treasury cash holdings.....	3	2.19	2.20	2.19	2.20	2.22				
Treasury deposits.....	3	.14	.49	.55	.95	.30				
Nonmember deposits.....	3	1.36	1.34	1.35	1.30	1.35				
Member bank reserves.....	3	12.52	12.19	12.25	12.04	12.55				
Excess reserves—total ²	9	2.71	2.26	2.31	2.30	2.26				
New York City.....	9	.58	.39	.31	.23	.25				
Chicago.....	9	.10	.06	.07	.06	.07				
Reserve city banks.....	9	1.20	1.02	1.10	1.14	1.11				
Country banks ³	9	.83	.79	.84	.87	.83				
MEMBER BANKS										
Total, 101 cities:										
Loans and investments.....	16	31.59	32.38	32.37	33.34	33.40				
Balances due to domestic banks.....	16	9.10	9.09	8.63	8.55	8.39				
Demand deposits adjusted.....	16	25.95	25.50	25.65	25.82	26.31				
Time deposits.....	16	5.08	5.10	5.09	5.08	5.09				
New York City:										
Commercial loans.....	17	2.59	2.58	2.58	2.59	2.57				
Brokers' loans.....	17	.34	.41	.37	.48	.50				
U. S. Gov't. obligations.....	17	7.56	7.88	7.88	8.16	8.15				
100 cities outside New York:										
Commercial loans.....	17	3.92	3.89	3.88	3.90	3.86				
U. S. Gov't. obligations.....	17	9.80	10.36	10.44	10.95	11.07				
MONEY RATES, ETC.										
Treasury bills (new issues).....	21	.360	.365	.365	.368	.369				
Treasury notes (taxable).....	21	1.17	1.17	1.19	1.20	1.21				
U. S. Gov't. bonds ³	21, 29	2.01	2.00	2.00	2.00	2.00				
Corporate Aaa bonds.....	29	2.84	2.83	2.83	2.83	2.83				
Corporate Baa bonds.....	29	4.34	4.33	4.31	4.30	4.30				
Per cent per annum										
In unit indicated										
Stock prices (1935-39 = 100):										
Total.....	31	65.3	65.5	68.9	69.7	69.4				
Industrial.....	31	67.5	67.6	71.4	72.4	71.8				
Railroad.....	31	58.4	59.8	62.9	63.5	64.2				
Public utility.....	31	57.4	57.1	59.0	58.7	59.0				
Volume of trading (mill. shares).....	31	.26	.28	.51	.31	.30				
BUSINESS CONDITIONS										
Wholesale prices:										
All commodities (1926=100):										
Total.....	35	P98.4	P98.5	P98.5	P98.3	P98.4				
Farm products.....	35	104.6	104.9	105.5	104.9	105.4				
Other ⁴	35	P96.0	P96.1	P96.0	P95.9	P95.9				
Basic commodities (Aug. 1939 = 100), total.....	36	167.2	167.1	168.0	167.7	166.3				
12 foodstuffs.....	36	184.8	184.8	186.0	185.9	183.9				
16 industrial materials.....	36	154.9	154.9	155.4	155.0	154.1				
Steel production (per cent of capacity).....	44	98.0	96.5	97.7	99.1	98.7				
Automobile production (thous. cars) ⁵	44									
Freight-car loadings (thous. cars):										
Total.....	45	853.4	753.9	855.1	857.1	855.5				
Miscellaneous.....	45	385.7	356.7	384.2	385.9	390.3				
Electric power production (mill. kw. hrs.).....	46	3.457	3.424	3.429	3.565	3.626				
Department store sales (1935-39 = 100) F.H.A. home mortgages, new constr. (thous.).....	46	100	84	102	.93	.92				
	47	3.20	2.52	3.05	2.92	3.34				

MONTHLY FIGURES										
RESERVES AND CURRENCY										
Reserve Bank credit, total.....	2, 7	2.43	2.61	2.76						
U. S. Gov't. securities.....	7	2.28	2.46	2.58						
Bills discounted.....	7	.01	.01	.01						
Gold stock.....	2	22.68	22.71	22.73						
Money in circulation.....	2	11.65	11.90	12.21						
Treasury cash.....	2	2.18	2.19	2.19						
Treasury deposits.....	2	.20	.32	.14						
Reserve balances.....	2, 8	12.65	12.51	12.62						
Required reserves.....	8	9.70	9.84	9.92						
Excess reserves.....	8	2.95	2.67	2.70						
Money in circulation, total.....	10	11.77	12.07	12.38						
Coins and bills under \$50.....	10	8.56	8.84	9.08						
Bills of \$50 and over.....	10	3.20	3.24	3.30						
TREASURY FINANCE										
U. S. Government debt:										
Direct obligations, total.....	19	64.50	68.11	71.97						
Bonds.....	19	45.36	48.16	48.78						
Notes.....	19	8.31	8.67	9.70						
Bills.....	19	83.46	83.76	85.60						
Special issues.....	19	7.36	7.52	7.88						
Guaranteed obligations.....	19	5.67	5.67	4.55						
MONEY RATES, ETC.										
F. R. Bank discount rate, N. Y.....	23	1.00	1.00	1.00						
Treasury bills (new issues).....	23	.299	.364	.363						
Treasury notes (taxable).....	23	.98	1.03	1.15						
U. S. Gov't. bonds ³	29	1.98	1.97	1.97						
Commercial paper.....	25	.63	.63	.69						
Corporate Aaa bonds.....	25, 29	2.83	2.85	2.85						
Corporate Baa bonds.....	29	4.26	4.27	4.33						
Per cent per annum										
In unit indicated										
Stock prices (1935-39 = 100):										
Total.....	31	63.3	63.2	66.1						
Industrial.....	31	64.8	64.7	68.2						
Railroad.....	31	61.1	60.3	59.0						
Public utility.....	31	56.5	57.2	58.8						
Volume of trading (mill. shares).....	31	.34	.32	.32						
Brokers' balances (mill. dollars):										
Credit extended customers.....	33	515	502	496						
Money borrowed.....	33	300	300	309						
Customers' free credit balances.....	33	247	238	240						
BUSINESS CONDITIONS										
Wholesale prices:										
All commodities (1926 = 100):										
Total ⁷	35, 65	P98.7	P98.8	P98.6						
Farm products.....	35	104.5	104.4	104.4						
Other ⁴	35	P95.6	P95.7	P95.6						
Industrial commodities (Aug. 1939 = 100):										
Total.....	37	P121.6	P121.8	P121.4						
Finished.....	37	P116.9	P117.1	P117.1						
Raw and semifinished.....	37	131.1	131.1	130.3						
Cost of living (1935-39 = 100):										
All items.....	39	115.1	116.0	116.4						
Rent.....	39	109.2	109.9	108.5						
Clothing.....	39	126.5	126.2	125.3						
Food.....	39	119.6	121.6	123.2						

¹ Estimated. ² Preliminary. ³ Revised.
⁴ Figures for other than Wednesday dates are shown under the
Wednesday included in the weekly period.
⁵ Beginning with July 8 figures exclude reciprocal bank balances.
⁶ Partially tax-exempt issues only.
⁷ Other than farm products and foods.
⁸ Data no longer published.
⁹ Including certificates of indebtedness.
¹⁰ Estimate for July is shown on page 847.
¹¹ Copies of this Chart Book may be obtained at a price of 50 cents
each.

MONTHLY FIGURES

RESERVES AND CURRENCY

Reserve Bank credit, total.....	2, 7	2.43	2.61	2.76
U. S. Gov't. securities.....	7	2.28	2.46	2.58
Bills discounted.....	7	.01	.01	.01
Gold stock.....	2	22.68	22.71	22.73
Money in circulation.....	2	11.65	11.90	12.21
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Money borrowed.....	33	300	300	309
Customers' free credit balances.....	33	247	238	240

In unit indicated

Wholesale prices:				
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² Estimated. ³ Preliminary. ⁴ Revised.

¹ Figures for other than Wednesday dates are shown under the Wednesday included in the weekly period.

² Beginning with July 8 figures exclude reciprocal bank balances.

³ Partially tax-exempt issues only.

⁴ Other than farm products and foods.

⁵ Data no longer published.

⁶ Including certificates of indebtedness.

⁷ Estimate for July is shown on page 847.

* Copies of this Chart Book may be obtained at a price of 50 cents each.

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOK—Continued

	Chart book page	1942				Chart book page	1942		
		Apr.	* May	June			Apr.	May	June
MONTHLY FIGURES (cont.)									
BUSINESS CONDITIONS (cont.)									
In unit indicated									
Industrial production: ^{1 2 3}									
Total (1935-39 = 100).....	41, 42	173	174	P177					
Durable manufactures.....	41	88	90	P92					
Iron and steel.....	42	22	22	P22					
Machinery, etc.....	42	51	53	P55					
Other durable.....	42	16	15	P16					
Nondurable manufactures.....	41	65	65	P65					
Textiles and leather.....	42	21	20	P20					
Paper and printing.....	42	12	12	P12					
Foods, liquors, and tobacco.....	42	18	18	P18					
Other nondurable.....	42	14	14	P14					
Minerals.....	41, 42	20	20	P20					
New orders, shipments, and inventories:									
New orders, total (Jan. 1939 = 100).....	43	292	270						
Durable.....	43	449	432						
Nondurable.....	43	192	167						
Shipments, total (1939 = 100).....	43	200	203						
Durable.....	43	239	254						
Nondurable.....	43	168	164						
Inventories, total (1939 = 100).....	43	167	170						
Durable.....	43	187	190						
Nondurable.....	43	150	153						
Freight-car loadings: ^{1 2}									
Total (1935-39 = 100) ³	57	143	143	141					
Coal.....	57	34.1	34.8	34.1					
Miscellaneous.....	57	77.1	77.7	78.9					
All other.....	57	32.0	30.2	27.7					
1923-25=100									
Factory employment.....	51, 53	136.1	137.1	P138.4					
Factory payrolls.....	51, 53	*186.7	191.8	P194.5					
Average hourly earnings (cents per hour).....	51	81.9	83.1						
Average hours worked (hours per week).....	51	42.4	42.6						
Department store sales ¹	59	117	108	104					
Department store stocks ¹	59	117	*126	P134					
In millions of dollars									
Residential contracts awarded: ¹									
Total.....	47	143	137	181					
Public.....	47	51	76	141					
Private, total.....	47	92	61	40					
1- and 2-family dwellings.....	47	85	50	35					
Other.....	47	7	11	5					
Construction contracts awarded: ⁴									
Total.....	49	524	650	*809					
Residential.....	49	151	140	P162					
Other.....	49	373	510	P647					
Nonagricultural employment ¹ (mill. persons):									
Total.....	50	*40.98	41.14	P41.17					
Manufacturing and mining.....	50	*13.78	13.91	P14.07					
Trade.....	50	6.69	6.70	P6.59					
Government.....	50	4.75	4.79	P4.87					
Transportation and utilities.....	50	3.36	3.39	P3.40					
Construction.....	50	2.00	1.96	P1.85					
Income payments: ¹									
Total.....	54	*9,041	9,108	P9,259					
Salaries and wages.....	54	6,128	6,242	P6,406					
Other.....	54	*2,913	2,866	P2,853					
Cash farm income:									
Total.....	55	982	1,030	P1,059					
Crops.....	55	262	259	P281					
Livestock and products.....	55	720	734	P778					
Gov't. payments.....	55		37						
Exports and imports:									
Exports.....	61	682							
Imports.....	61	234							
Excess of exports.....	61	448							
MONTHLY FIGURES (cont.)									
INTERNATIONAL FINANCE									
1926 = 100									
Wholesale prices:									
Canada.....	65	95.0	95.2						
Germany.....	65	P85.0							
Japan.....	65								
Sweden.....	65	P147.8	P148.6						
Switzerland.....	65	144.3							
United Kingdom.....	65	128.8	129.7	P129.0					
In cents per unit of foreign currency									
Foreign exchange rates:									
Argentina (peso).....	67	29.77	29.77	29.77					
Canada (dollar).....	67	87.17	88.56	89.96					
United Kingdom (pound).....	67	403.50	403.50	403.50					
1942									
		Feb.	Mar.	Apr.					
In billions of dollars									
Increase in U. S. gold stock: ⁵									
Total.....	63	15.68	15.67	15.67					
Net capital inflow:									
Total.....	62, 63	5.48	5.49	5.72					
Inflow of foreign capital.....	62	3.37	3.37	3.60					
Return of domestic capital.....	62	2.01	2.01	2.02					
Merchandise export surplus.....	63	6.84	7.63	8.86					
Other factors.....	63	3.36	2.54	1.09					
Short-term foreign liabilities and assets of banks:									
Due to foreigners.....	64	3.30	3.32	3.55					
Due from foreigners.....	64	.35	.34	.33					
Net due to foreigners.....	64	2.95	2.99	3.22					
1941									
		Oct.-Dec.	Jan.-Mar.	Apr.-June					
QUARTERLY FIGURES									
In billions of dollars									
Cash income and outgo of U. S. Treas.:									
Cash income.....	18	2.86	5.55	4.42					
Cash outgo.....	18	7.19	9.04	13.18					
Excess of cash outgo.....	18	4.33	3.49	8.76					
Domestic corporation security issues:									
Total.....	32	*.47	.36	.36					
New.....	32	*.27	.22	.28					
Refunding.....	32	*.20	.14	.09					
Per cent per annum									
Bank rates on customers' loans:									
Total, 19 cities.....	25	2.41	2.48	2.62					
New York City.....	27	1.88	1.85	2.07					
7 other Northern and Eastern cities.....	27	2.45	2.48	2.56					
11 Southern and Western cities.....	27	2.99	3.20	3.34					
P Preliminary. * Revised.									
1 Adjusted for seasonal variation.									
2 In points in total index.									
3 Estimate for July is shown on page 835.									
4 Three-month moving average, adjusted for seasonal variation.									
5 Cumulated from Jan. 31, 1934.									

* Preliminary. † Revised.

1 Adjusted for seasonal variation.

2 In points in total index.

3 Estimate for July is shown on page 835.

4 Three-month moving average, adjusted for seasonal variation.

5 Cumulated from Jan. 31, 1934.

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOK—Continued
(In billions of dollars)

	Chart book page	1939			1940			1941				1942	
		June 30	Oct. 2	Dec. 30	Mar. 26	June 29	Dec. 31	Apr. 4	June 30	Sept. 24	Dec. 31	Apr. 4	
CALL REPORT FIGURES													
ALL BANKS IN THE U. S.													
Total deposits and currency.....	12	60.95	62.87	64.10	64.88	66.96	70.75	72.43	74.15	76.09	78.25	*80.00	
Demand deposits adjusted.....	12	27.35	29.09	29.79	30.54	31.96	34.94	36.10	37.32	38.68	39.00	*40.00	
Time deposits.....	12	26.80	26.81	27.06	27.28	27.47	27.74	27.90	27.88	27.90	27.73	*27.20	
Currency outside banks.....	12	6.01	6.19	6.40	6.23	6.70	7.32	7.78	8.20	8.56	9.62	*10.40	
Loans and investments, total.....	13	49.62	49.95	50.89	51.14	51.34	54.19	56.15	57.95	59.30	61.10	*62.00	
Loans.....	13	21.32	21.63	22.17	22.19	22.34	23.74	24.32	25.31	26.19	26.62	*26.30	
Investments.....	13	28.30	28.32	28.72	28.95	29.00	30.45	31.83	32.63	33.11	34.48	*35.70	
MEMBER BANKS													
Investments, total.....	(1)	19.46	19.61	19.98	20.22	20.48	21.81	23.10	23.93	24.40	25.50	26.45	
U. S. Government obligations:													
Direct.....	14	10.95	10.89	11.18	11.31	11.60	12.34	13.50	14.24	14.09	15.71	16.98	
Guaranteed.....	14	2.83	2.92	3.14	3.11	3.12	3.49	3.49	3.84	4.24	3.83	3.47	
State and local government obligations.....	14	2.55	2.76	2.69	2.90	2.89	3.01	3.21	2.98	3.16	3.09	3.17	
Other domestic securities.....	14	2.94	(2)	2.77	(2)	2.70	2.80	(2)	2.72	(2)	2.73	(2)	
Foreign securities.....	14	.19	(2)	.19	(2)	.17	.17	(2)	.15	(2)	.14	(2)	
Loans, total.....	(1)	13.14	13.47	13.96	13.94	13.97	15.32	15.88	16.73	17.55	18.02	17.83	
Commercial loans (incl. open-market paper).....	15	5.99	(2)	6.57	(2)	6.72	7.52	(2)	8.55	(2)	9.64	(2)	
Street loans (brokers' loans).....	15	.56	(2)	.61	(2)	.32	.47	(2)	.42	(2)	.41	(2)	
Other security loans ³	15	.91	(2)	.88	(2)	.80	.83	(2)	.79	(2)	.78	(2)	
Real estate loans.....	15	2.83	(2)	2.96	(2)	3.07	3.23	(2)	3.37	(2)	3.49	(2)	
All other loans.....	(1)	2.85	(2)	2.94	(2)	3.06	3.27	(2)	3.61	(2)	3.69	(2)	
SEMI-ANNUAL FIGURES													
OWNERSHIP OF U. S. GOVERNMENT OBLIGATIONS													
Total direct and guaranteed obligations outstanding.....	(1)	45.34	.....	47.07	.....	47.87	50.36	.....	54.75	.....	63.77	.....	
Amount held by:													
U. S. Government agencies and trust funds:													
Public issues.....	20	2.14	.....	2.32	.....	2.29	2.25	.....	2.36	.....	2.55	.....	
Special issues.....	20	3.77	.....	4.23	.....	4.77	5.37	.....	6.12	.....	6.98	.....	
Federal Reserve Banks.....	20	2.55	.....	2.48	.....	2.47	2.18	.....	2.18	.....	2.25	.....	
Commercial banks.....	20	15.70	.....	16.30	.....	16.55	17.76	.....	20.10	.....	21.79	.....	
Mutual savings banks.....	20	3.04	.....	3.10	.....	3.11	3.22	.....	3.43	.....	3.70	.....	
Insurance companies.....	20	5.90	.....	6.30	.....	6.50	6.80	.....	6.90	.....	7.90	.....	
Other investors.....	20	12.20	.....	12.30	.....	12.20	12.80	.....	13.70	.....	18.60	.....	

¹ Estimated. ² Series not shown in Chart Book. ³ Figures available for June and December dates only.
⁴ Includes only loans made for the purpose of purchasing or carrying securities.

EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS DURING THE SIX-MONTH PERIOD ENDED JUNE 30, 1942

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
<i>Current Earnings</i>													
Discounted bills.....	\$28,407	\$2,250	\$15,666	\$4,672	\$951	\$145	\$201	\$54	\$582	\$759	\$1,960	\$957	\$210
Purchased bills.....													
U. S. Government securities.....	21,608,463	1,605,036	5,912,566	1,709,693	2,167,201	1,299,506	926,375	2,652,974	1,025,807	652,991	952,417	840,953	1,862,944
Industrial advances.....	215,098	24,360	24,551	92,069	5,644	20,216	17,702	8,021	712	12,366	1,980	4,740	2,737
Commitments to make industrial advances.....	58,897	1,289	1,138	291	4,329	7,950	6,290	7,705	6,211	48	1,408	7	22,231
All other.....	323,777	9,441	58,832	6,451	39,821	10,731	5,206	80,628	9,211	3,876	82,556	5,508	11,516
Total current earnings.....	22,234,642	1,642,376	6,012,753	1,813,176	2,217,946	1,338,548	955,774	2,749,382	1,042,523	670,040	1,040,321	852,165	1,899,638
<i>Current Expenses</i>													
Operating expenses:													
Salaries:													
Officers.....	1,145,740	56,119	251,338	61,933	94,750	76,902	72,233	124,196	85,879	62,494	73,946	69,118	116,832
Employees.....	13,082,591	775,097	3,273,020	892,632	1,176,208	753,020	601,056	1,795,012	682,254	447,300	696,542	629,987	1,360,463
Retirement System contributions for current service.....	708,237	37,702	176,574	45,322	58,842	40,034	37,170	97,073	40,157	26,192	41,942	35,791	71,438
Legal fees.....	13,260	2,819	—480	1,275	2,500	32	16	443	.....	4,668	519	.....	1,468
Directors' fees and expenses.....	64,466	4,696	5,715	4,430	4,478	4,470	7,216	3,083	6,333	4,952	7,250	5,076	6,767
Federal Advisory Council fees and expenses.....	10,474	750	780	774	701	344	767	1,201	850	885	897	675	1,850
Traveling expenses (other than directors and members of Federal Advisory Council).....	211,311	7,276	32,601	13,252	20,248	16,320	12,497	30,189	14,888	11,066	9,485	10,727	32,762
Postage and expressage.....	3,266,719	336,081	557,405	251,861	349,507	232,524	173,909	471,347	139,226	103,292	176,471	137,872	337,224
Telephone and telegraph.....	289,971	12,609	50,933	18,459	27,110	17,783	24,870	22,123	20,779	13,583	23,197	19,776	38,749
Printing, stationery, and supplies.....	1,178,314	116,428	272,326	78,487	98,457	64,650	55,950	161,958	61,471	35,209	50,213	63,500	119,665
Insurance on currency and security shipments.....	140,713	22,819	24,170	10,469	12,293	13,360	10,017	15,375	4,029	3,528	4,907	4,816	14,930
Other insurance.....	109,514	5,806	24,964	8,202	8,461	6,348	8,790	8,031	7,058	5,681	8,604	7,693	9,876
Taxes on bank premises.....	765,548	75,000	240,994	45,718	68,205	36,990	31,228	95,567	26,263	33,660	46,710	16,863	48,350
Depreciation on bank building.....	524,807	27,916	109,980	63,266	57,238	47,158	21,274	38,544	23,010	14,423	37,417	45,365	39,216
Light, heat, power, and water.....	227,702	15,916	46,701	16,061	25,792	17,685	15,720	24,945	13,858	10,701	10,212	14,717	15,394
Repairs and alterations to bank building.....	128,487	5,806	23,827	8,513	15,415	6,491	9,731	14,754	6,483	11,517	8,530	3,988	13,432
Rent.....	137,721	139	39,910	420	34,567	1,428	25	2,039	1,500	.....	.....	120	57,573
Furniture and equipment.....	463,301	18,362	66,161	49,363	57,345	56,290	16,720	47,690	44,420	11,482	22,894	24,231	48,343
All other.....	505,876	55,687	78,988	49,099	35,888	21,808	33,630	66,370	27,472	16,181	29,126	30,518	61,109
Total operating expenses.....	22,974,752	1,577,028	5,275,907	1,619,536	2,148,005	1,413,637	1,132,819	3,019,940	1,205,930	816,814	1,248,862	1,120,833	2,395,441
Less reimbursements for certain fiscal agency and other expenses.....	7,408,667	398,135	1,628,031	438,362	637,559	352,581	429,203	993,141	358,191	319,359	414,293	436,798	1,003,014
Net operating expenses.....	15,566,085	1,178,893	3,647,876	1,181,174	1,510,446	1,061,056	703,616	2,026,799	847,739	497,455	834,569	684,035	1,392,427
Assessment for expenses of Board of Governors.....	940,211	66,890	332,718	90,684	86,380	40,864	32,594	115,105	28,546	20,609	26,928	27,641	71,252
Federal Reserve Currency:													
Original cost.....	1,480,819	125,792	267,106	88,607	128,891	128,183	102,937	262,447	80,592	22,969	44,770	27,245	201,280
Cost of redemption.....	110,369	7,119	18,369	8,303	10,695	11,800	10,146	6,340	2,313	5,355	5,355	5,352	9,673
Total current expenses.....	18,097,484	1,378,694	4,266,562	1,368,768	1,736,412	1,241,903	849,293	2,418,762	963,217	543,346	911,622	744,273	1,674,632
Current net earnings.....	4,137,158	263,682	1,746,191	444,408	481,534	96,645	106,481	330,620	79,306	126,694	128,699	107,892	225,006

INTERNATIONAL FINANCIAL STATISTICS

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Tables on the following pages include the principal available statistics of current significance relating to gold, international capital transactions of the United States, and financial developments abroad. The data are compiled for the most part from regularly published sources such as central and commercial bank statements and official statistical bulletins; some data are reported to the Board directly. Figures on international capital transactions of the United States are collected by the Federal Reserve Banks from banks, bankers, brokers, and dealers in the United States in accordance with the Treasury Regulation of November 12, 1934. Back figures may in most cases be obtained from earlier BULLETINS and from Annual Reports of the Board of Governors for 1937 and earlier years.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

[In millions of dollars]

End of month	United States	Argentina	Belgium	Brazil	British India	Bulgaria	Canada	Chile	Colombia	Czechoslovakia	Denmark	Egypt	France	Germany	Greece
1936-Dec.	11,258	501	632	25	275	20	188	29	19	91	54	55	2,995	27	26
1937-Dec.	12,760	469	597	32	274	24	184	30	16	92	53	55	2,564	28	24
1938-Dec.	14,512	431	581	32	274	24	192	30	24	83	53	55	2,430	29	27
1939-Dec.	17,644	466	609	40	274	24	214	30	21	56	53	55	2,709	1 29	28
1940-Dec.	21,995	2 353	2 734	51	274	24	47	30	17	58	52	52	2,000		28
1941-July	22,675	353	734	63	274	24	7	30	18	61	45	52	2,000		1 28
Aug.	22,719	352	734	65	274	24	11	30	17	61	45	52	2,000		
Sept.	22,761	352	734	66	274	24	6	30	17	61	44	52	2,000		
Oct.	22,800	354	734	68	274	24	6	30	17	61	44	52	2,000		
Nov.	22,785	354	734	69	274	24	8	30	17	61	44	52	2,000		
Dec.	22,737	354	734	70	274	24	5	30	16	61	44	52	2,000		
1942-Jan.	22,747	354	734	71	274	24	7	30	18	61	44	52	2,000		
Feb.	22,705	354	734	72	274	24	5	30	17	61	44	52	2,000		
Mar.	22,687	354	734	74	274		5	30	15	61	44	52	2,000		
Apr.	22,691	355		74	274		6	30	16	61			2,000		
May	22,714			76			7	30	16						
June	22,737						5		16						

End of month	Hungary	Iran (Persia)	Italy	Japan	Java	Mexico	Netherlands	New Zealand	Norway	Peru	Poland	Portugal	Rumania	South Africa	Spain
1936-Dec.	25	25	208	463	60	46	491	23	98	20	75	68	114	203	5 718
1937-Dec.	25	25	210	261	79	24	933	23	82	21	83	69	120	189	5 525
1938-Dec.	37	26	193	164	80	29	998	23	94	20	85	69	133	220	
1939-Dec.	24	26	144	164	90	32	692	23	94	20	1 84	69	152	249	
1940-Dec.	24	26	1 137	164	140	47	617	23	1 84	20		59	158	367	
1941-July	24	26		6 164	173	60	573	23		20		59	178	431	
Aug.	24	26			193	59	573	23		20		59	178	436	
Sept.	24	26			201	57	573	23		21		59	179	450	
Oct.	24	26			200	54	573	23		21		59	180	422	
Nov.	24	26			228	52	574	23		21		59	181	400	
Dec.	24	26			235	47	575	23		21		59	182	366	
1942-Jan.	24	26			216	42	575	23		21		59	182	363	
Feb.	24	26				28	575	23		21		59		380	
Mar.	24	26				30	575	23		21				397	
Apr.						31		23		21				429	
May						30		23		21					
June						32				21					

End of month	Sweden	Switzerland	Turkey	United Kingdom	Uruguay	Venezuela	Yugoslavia	B.I.S.	Other countries ⁷	Government gold reserves ¹ not included in previous figures					
										End of month	United States	United Kingdom	France ²	Belgium	
1936—Dec.	240	657	26	2,584	77	59	48	11	183	1936—Dec.				93	
1937—Dec.	244	650	29	2,689	74	52	51	5	185	1937—June	169	2 934		115	
1938—Dec.	321	701	29	2,690	69	52	57	14	142	Dec.		1 395		81	
1939—Dec.	308	549	29	8 1	68	52	59	7	153	1938—Mar.		1,489			
1940—Dec.	160	502	88	1	90	29	82	12	145	June.	44			62	
1941—	July	189	533	95	1	108	40	183	9	144	Dec.	80	4 759	331	44
	Aug.	191	525	93	1	108	41		9	144	1939—Mar.	154	1,732	559	
	Sept.	191	543	92	1	106	41		9	137	May			477	
	Oct.	192	560		1	102	41		10	137	June.	85			17
	Nov.	196	602	92	1	101	41		10	138	Sept.	164			
1942—	Dec.	223	665	92	1	100	41		12	138	Dec.	156			17
	Jan.	225	702	89	1	97	49		12	138	1940—Mar.	145			
	Feb.	251	764	100	1	97	52		13	138	June.	86			17
	Mar.	277	784	100	1	97	52		14	138	Sept.	105			
	Apr.	280	796		1	97	56		15	139	Dec.	48	292		17
	May	308	795		1		56			139	1941—Mar.	88			
	June		795		1		56			139	June.	89			
										Sept.	24	5 151			

¹ Figures relate to last official report dates for the respective countries, as follows: Germany—June 15, 1939; Greece—Mar. 31, 1941; Italy—late in Mar. 1940; Norway—Mar. 30, 1940; Poland—July 31, 1939; Yugoslavia—Feb. 28, 1941.

² Beginning Apr. 1940, reports on certain Argentine gold reserves no longer available.

³ Change from previous December due largely to inclusion of gold formerly not reported.

⁴ On May 1, 1940, gold belonging to Bank of Canada transferred to Foreign Exchange Control Board. Gold reported since that time is gold held by Minister of Finance.

⁵ Figures for Dec. 1936 and Dec. 1937 are those officially reported on Aug. 1, 1936, and Apr. 30 1938, respectively.

⁶ Figure for Feb. 1941; beginning Mar. 29, 1941, gold reserves no longer reported separately.

⁷ These countries are: Albania, Algeria, Australia, Austria through Mar. 7, 1938, Belgian Congo, Bolivia, China, Danzig through Aug. 31, 1939, Ecuador, El Salvador, Estonia, Finland, Guatemala, Iceland, Latvia, Lithuania, Morocco, and Thailand (Siam). Figures for certain of these countries have been carried forward from last previous official report.

⁸ Gold holdings of Bank of England reduced to nominal amount by gold transfers to British Exchange Equalization Account during 1939.

⁹ Beginning Dec. 1940, figures refer to gold reserves of new Central Bank only.

NOTE.—For description of table and back figures see BULLETIN for September 1940, pp. 925-934 and pp. 1000-1007; details regarding special internal gold transfers affecting the reported figures through April 1940 appear on p. 926 in that issue.

¹ Reported at infrequent intervals or on delayed basis: U. S.—Exchange Stabilization Fund (Special A/c No. 1); U. K.—Exchange Equalization Account; France—Exchange Stabilization Fund and Rentes Fund; Belgium—Treasury.

² For complete monthly series from Oct. 1938-May 1939, see BULLETIN for February 1941, p. 170.

³ Figure for end of Mar. 1937, first date reported.

⁴ Figure for end of September.

⁵ Figure for September 1.

NOTE.—For details regarding special gold transfers in 1939-40 between the British E. E. A. and the Bank of England, and between the French E. S. F. and the Bank of France, see BULLETIN for September 1940, p. 926.

GOLD PRODUCTION

OUTSIDE U. S. S. R.
[In thousands of dollars]

Year or month	Estimated world production outside U.S.S.R. ¹	Production reported monthly												
		Total	Africa				North and South America					Other		
			South Africa	Rhodesia	West Africa ²	Belgian Congo ³	United States ⁴	Canada ⁵	Mexico	Colombia	Chile	Nicaragua ⁶	Australia	British India ⁷
\$1 = 15½ grains of gold fine; i.e., an ounce of fine gold = \$35														
1934.....	823,003	708,453	366,795	24,264	12,153	6,549	108,191	104,023	23,135	12,045	8,350	1,166	30,559	11,223
1935.....	882,533	752,847	377,090	25,477	13,625	7,159	126,325	114,971	23,858	11,515	9,251	868	31,240	11,468
1936.....	971,514	833,895	396,768	28,053	16,295	7,386	152,509	131,181	26,465	13,632	9,018	807	40,118	11,663
1937.....	1,041,576	893,384	410,710	28,296	20,784	8,018	168,159	143,367	29,591	15,478	9,544	848	46,982	11,607
1938.....	1,136,360	958,770	425,649	28,532	24,670	8,470	178,143	165,379	32,306	18,225	10,290	1,557	54,264	11,284
1939.....	1,208,705	1,020,297	448,753	28,009	28,564	8,759	196,391	178,303	29,426	19,951	11,376	3,506	56,182	11,078
1940.....	1,279,455	1,094,264	491,628	29,155	32,163	*8,862	210,109	185,890	30,878	22,117	11,999	5,429	55,878	10,157
1941.....	1,287,720	*1,088,150	504,268	27,765	32,414	.....	208,443	186,568	27,969	22,961	9,259	7,525	*51,039	9,940
1941—June.....	105,875	89,581	41,186	2,353	2,800	.....	16,395	15,890	2,845	1,777	1,023	533	3,399	840
July.....	109,970	93,597	43,093	2,319	2,800	.....	18,463	15,983	2,485	2,072	628	693	4,185	875
Aug.....	108,535	92,443	42,458	2,329	2,800	.....	17,413	16,353	2,579	1,739	860	661	4,376	875
Sept.....	109,935	93,863	42,135	2,312	2,765	.....	20,807	15,578	1,984	1,984	504	717	4,271	805
Oct.....	111,265	94,890	43,061	2,319	2,590	.....	18,781	16,141	2,300	2,098	703	699	5,357	840
Nov.....	107,940	91,596	41,807	2,240	2,590	.....	19,740	15,499	1,688	1,726	701	718	4,047	840
Dec.....	105,035	*88,823	42,436	2,302	2,590	.....	16,700	14,746	1,832	1,749	622	770	*4,200	875
1942—Jan.....	*104,510	*88,599	42,556	*2,283	2,695	.....	14,982	14,198	3,790	2,075	558	772	*3,850	840
Feb.....	90,440	*75,654	39,651	*2,187	2,625	.....	10,034	13,147	563	1,573	537	647	*3,430	1,260
Mar.....	*100,590	*85,074	42,618	*2,310	2,625	.....	10,959	15,372	3,457	*1,925	596	663	*3,675	875
Apr.....	.....	*83,419	41,491	*2,310	*2,555	.....	11,058	14,728	*3,457	*1,855	*596	644	*3,815	910
May.....	.....	*84,419	42,539	*2,310	*2,555	.....	10,807	14,881	*3,457	*1,855	*596	694	*3,815	*910

Gold production in U. S. S. R.: No regular Government statistics on gold production in U. S. S. R. are available, but data of percentage changes irregularly given out by officials of the gold mining industry, together with certain direct figures for past years, afford a basis for estimating annual production as follows: 1934, 133 million dollars; 1935, 158 million; 1936, 187 million; 1937, 185 million; 1938, 180 million.

¹ Preliminary. ² Revised.

³ Figure carried forward.

⁴ Annual figures through 1940 are estimates of U. S. Mint. Monthly figures are based on estimates of American Bureau of Metal Statistics given in thousands of fine ounces.

⁵ Beginning April 1941, figures are those reported by American Bureau of Metal Statistics.

⁶ Beginning May 1940, monthly figures no longer reported. Annual figure for 1940 estimated at three times production for first four months of the year.

⁷ Includes Philippine Islands production received in United States. Monthly figures for 1941 represent estimates of American Bureau of Metal Statistics revised by deducting from each monthly figure \$73,585 so that aggregate for 1941 is equal to preliminary annual estimate compiled by Bureau of Mint in cooperation with Bureau of Mines.

⁸ Figures for Canada beginning January 1941 are subject to official revision.

⁹ Gold exports, reported by the Banco Nacional de Nicaragua, which states that they represent approximately 90 per cent of total production.

¹⁰ Beginning May 1940, figures are those reported by American Bureau of Metal Statistics.

NOTE.—For explanation of table and sources see BULLETIN for February 1939, p. 151; June 1938, p. 540; and April 1933, pp. 233-235. For annual figures of world production back to 1873 (including Russia-U. S. S. R.), see Annual Report of Director of Mint for 1941, pp. 103-104, and 1936, pp. 108-109.

GOLD MOVEMENTS

UNITED STATES

[In thousands of dollars at approximately \$35 a fine ounce]

Year or month	Total net imports	United Kingdom	France	Belgium	Netherlands	Sweden	Switzerland	Canada	Mexico	Colombia	Philippine Islands	Australia	South Africa	Japan	British India	All other countries
Net imports from or net exports (—) to:																
1934 ¹	1,131,994	499,870	260,223	8,902	94,348	.....	12,402	86,829	30,270	16,944	12,038	1,029	12	4	76,820	32,304
1935.....	1,739,019	315,727	934,243	3	227,185	.....	968	95,171	13,667	10,899	15,335	3,498	65	.....	75,268	46,989
1936.....	1,116,584	174,093	573,671	3,351	71,006	.....	2	7,511	72,648	39,966	11,911	21,513	23,280	8	77,892	39,735
1937.....	1,585,503	891,531	—13,710	90,859	6,461	.....	6	54,452	111,480	38,482	18,397	25,427	34,713	181	246,464	29,998
1938.....	1,973,569	1,208,728	81,135	15,488	163,049	60,146	1,363	76,315	36,472	10,557	27,880	39,162	401	168,740	16,159	*67,975
1939.....	3,574,151	1,826,403	3,798	165,122	341,618	28,715	86,987	612,949	33,610	23,239	35,636	74,250	22,862	165,605	50,956	*102,404
1940.....	4,744,472	633,083	241,778	977	63,260	161,489	90,320	2,622,330	29,880	23,999	38,627	103,777	184,756	111,739	49,989	*388,468
1940.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nov.....	330,107	936	.....	.....	7	.....	.....	262,718	545	.....	3,283	14,441	6,240	12,186	2,170	27,580
Dec.....	137,176	99	.....	.....	.....	.....	.....	80,389	347	2,814	3,268	14,994	1,751	13,262	7,446	12,805
1941.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Jan.....	234,242	37	1	.....	.....	1,746	563	46,876	1,147	3,168	3,185	11,136	149,735	6,085	4,501	6,062
Feb.....	108,609	1,218	.....	.....	.....	.....	337	81,529	814	11	2,772	6,738	96	.....	.....	*15,093
Mar.....	118,567	817	.....	.....	.....	.....	.....	95,619	866	2,232	3,984	6,262	2,788	3,046	.....	2,951
Apr.....	171,992	21	.....	.....	.....	.....	.....	20,216	1,147	2,934	3,587	4,720	132,261	313	.....	6,793
Gross imports from: ⁶																
May.....	34,830	2	.....	.....	.....	.....	.....	16,309	969	2,794	3,384	4,194	3,594	.....	.....	3,589
June.....	30,712	474	.....	.....	.....	.....	1	17,521	800	7	2,114	4,593	69	.....	131	5,009
July.....	37,041	542	.....	.....	.....	.....	.....	19,228	1,088	2,128	4,972	5,199	88	.....	.....	3,811
Aug.....	36,973	79	.....	.....	.....	.....	.....	10,845	843	2,230	5,098	6,742	137	.....	1,995	5,911
Sept.....	65,702	250	.....	.....	.....	.....	.....	42,563	495	2,488	3,107	2,064	3,694	.....	.....	*11,045
Oct.....	40,440	55	.....	.....	.....	.....	.....	16,074	1,020	2,107	3,143	6,151	200	.....	2,327	5,936
Nov.....	50,374	121	.....	.....	.....	.....	.....	24,921	6,336	2,110	1,832	5,980	40	.....	.....	*9,041

¹ Differs from official customhouse figures in which imports and exports for January 1934 are valued at approximately \$20.67 a fine ounce.

² Includes \$31,830,000 from Argentina.

³ Includes \$28,097,000 from China and Hong Kong, \$15,719,000 from Italy, \$10,953,000 from Norway, \$10,077,000 from Chile, and \$37,555,000 from other countries.

⁴ Includes \$75,087,000 from Portugal, \$59,072,000 from Argentina, \$43,935,000 from Italy, \$33,405,000 from Norway, \$30,851,000 from U. S. S. R., \$26,178,000 from Hong Kong, \$20,583,000 from Netherlands Indies, \$16,310,000 from Yugoslavia, \$11,873,000 from Hungary, \$10,802,000 from Chile, \$10,775,000 from Brazil, \$10,416,000 from Spain, \$10,247,000 from Peru, and \$28,935,000 from other countries.

⁵ Includes imports from U. S. S. R. as follows: Feb.—\$11,236,000, Aug.—\$3,407,000, Sept.—\$5,652,000, Oct.—\$5,550,000, Nov.—\$5,615,000.

⁶ Beginning May 1941, the Department of Commerce suspended publication of export statistics by country of destination.

⁷ Beginning December 4, 1941, the Department of Commerce suspended publication of gold import and export statistics.

NOTE.—For gross import and export figures and for additional countries see table on p. 816.

NET CAPITAL MOVEMENT TO UNITED STATES SINCE JANUARY 2, 1935

[In millions of dollars]

From Jan. 2, 1935, through—	Total	Increase in foreign banking funds in U. S.			Decrease in U. S. banking funds abroad	Foreign securities: Return of U. S. funds	Domestic securities: Inflow of foreign funds	Inflow in brokerage balances
		Total	Central bank funds in N. Y. ¹	Other				
1935—Dec. (Jan. 1, 1936)	1,412.5	603.3	9.8	593.5	361.4	125.2	316.7	6.0
1936—Dec. 30	2,608.4	930.5	81.1	849.4	431.5	316.2	917.4	12.9
1937—Dec. 29	3,410.3	1,168.5	243.9	924.6	449.1	583.2	1,162.0	47.5
1938—Mar. 30	3,207.2	949.8	149.9	799.9	434.4	618.5	1,150.4	54.2
June 29	3,045.8	786.2	125.9	660.4	403.3	643.1	1,155.3	57.8
Sept. 28	3,472.0	1,180.2	187.0	993.2	477.2	625.0	1,125.4	64.1
Dec. (Jan. 4, 1939)	3,844.5	1,425.4	238.5	1,186.9	510.1	641.8	1,219.7	47.6
1939—Mar. 29	4,197.6	1,747.6	311.4	1,436.2	550.5	646.7	1,188.9	63.9
June 28	4,659.2	2,111.8	425.3	1,686.5	607.5	664.5	1,201.4	74.0
Sept. 27	5,035.3	2,479.5	552.1	1,927.3	618.4	676.9	1,177.3	83.1
Dec. (Jan. 3, 1940)	5,021.2	2,430.8	542.5	1,888.3	650.4	725.7	1,133.7	80.6
1940—Mar. (Apr. 3)	5,115.9	2,539.0	539.1	1,999.9	631.6	761.6	1,095.0	88.7
June (July 3)	5,440.7	2,830.1	922.3	1,907.8	684.1	785.6	1,042.1	98.9
Sept. (Oct. 2)	5,748.1	3,092.8	1,112.3	1,980.5	773.6	793.1	987.0	101.6
Dec. (Jan. 1, 1941)	5,727.6	3,159.0	1,200.8	1,958.3	775.1	803.8	888.7	100.9
1941—Mar. (Apr. 2)	5,526.5	3,148.8	1,307.7	1,841.0	767.4	812.7	701.8	95.9
1941—June 4	5,608.9	3,235.2	1,418.6	1,816.6	803.6	836.3	637.1	96.8
June 11	5,602.7	3,226.9	1,401.3	1,825.6	811.6	832.6	634.4	97.2
June 18	5,627.8	3,249.3	1,407.9	1,841.4	815.7	831.6	634.4	96.7
June 25	5,620.7	3,240.9	1,410.3	1,830.7	817.8	833.1	632.4	96.5
July 2	5,575.4	3,193.3	1,375.1	1,818.2	818.6	834.1	631.2	98.2
July 9	5,584.6	3,194.6	1,366.2	1,828.4	826.2	835.5	630.0	98.3
July 16	5,561.8	3,171.5	1,362.8	1,808.7	826.2	837.8	628.2	98.2
July 23	5,534.0	3,153.6	1,342.7	1,810.9	819.4	838.3	624.8	97.9
July 30	5,506.9	3,141.4	1,320.3	1,821.1	803.5	838.9	623.6	99.5
Aug. 6	5,556.1	3,185.5	1,378.9	1,806.6	807.3	839.7	624.8	98.8
Aug. 13	5,535.8	3,166.9	1,369.7	1,797.3	805.7	841.0	623.1	99.1
Aug. 20	5,521.2	3,156.2	1,374.2	1,782.0	803.7	842.0	619.7	99.6
Aug. 27	5,467.2	3,105.5	1,318.1	1,787.4	801.8	841.4	617.3	101.0
Sept. 3	5,478.3	3,113.2	1,313.3	1,799.9	805.6	841.7	616.5	101.2
Sept. 10	5,448.3	3,073.2	1,292.0	1,781.1	814.9	842.0	617.0	101.2
Sept. 17	5,397.3	3,022.1	1,262.4	1,759.7	814.8	841.8	618.2	100.5
Sept. 24	5,422.7	3,050.9	1,255.2	1,795.6	810.1	839.8	622.1	99.9
Oct. 1	5,510.3	3,139.5	1,321.7	1,817.7	805.3	841.1	623.5	100.9
Oct. 8	5,494.3	3,123.0	1,309.3	1,813.7	804.6	841.7	623.9	101.1
Oct. 15	5,478.1	3,108.0	1,337.2	1,770.8	802.1	843.3	623.2	101.5
Oct. 22	5,460.2	3,091.1	1,291.6	1,799.5	803.4	843.2	621.2	101.3
Oct. 29	5,503.2	3,138.3	1,334.1	1,804.2	797.7	845.2	621.3	100.6
Nov. 5	5,429.2	3,074.3	1,266.7	1,807.5	785.5	846.9	621.6	100.9
Nov. 12	5,429.7	3,063.2	1,262.8	1,800.4	796.1	847.6	622.1	100.8
Nov. 19	5,383.3	3,021.7	1,208.4	1,813.3	792.4	846.7	621.7	100.8
Nov. 26	5,384.0	3,018.5	1,195.2	1,823.3	795.8	847.7	621.3	100.7
Dec. 3	5,379.3	3,011.6	1,192.2	1,819.4	795.2	851.0	620.5	101.0
Dec. 10	5,358.4	2,989.1	1,154.1	1,835.0	796.6	852.7	620.4	99.6
Dec. 17	5,290.9	2,919.4	1,102.2	1,817.3	795.4	853.6	622.5	100.1
Dec. 24	5,266.8	2,894.9	1,075.5	1,819.4	792.6	854.5	624.6	100.1
Dec. 31	5,230.7	2,856.2	1,053.7	1,802.6	791.3	855.5	626.7	100.9
1942—Jan. 7	5,225.3	2,841.7	1,052.6	1,789.1	798.5	856.2	627.6	101.4
Jan. 14	5,199.1	2,816.9	1,012.3	1,804.6	796.5	856.7	627.0	102.0
Jan. 21	5,178.5	2,787.7	980.3	1,807.4	803.0	857.8	627.9	102.0
Jan. 28	5,163.7	2,771.6	977.6	1,793.9	801.6	857.5	631.0	102.0
Feb. 4	5,098.2	2,703.5	936.7	1,766.8	803.5	858.8	630.2	102.1
Feb. 11	5,081.6	2,687.5	926.4	1,761.1	802.9	859.1	630.0	102.2
Feb. 18	5,035.7	2,646.2	866.1	1,780.2	806.8	855.9	624.5	102.4
Feb. 25	5,069.0	2,675.5	879.4	1,796.0	809.2	856.2	626.2	102.0
Mar. 4	5,105.8	2,706.1	941.0	1,765.1	814.6	855.4	627.0	102.6
Mar. 11	5,112.1	2,714.6	955.6	1,759.0	815.8	852.7	626.6	102.4
Mar. 18	5,070.3	2,672.5	917.8	1,754.7	817.5	851.6	625.6	103.1
Mar. 25	5,051.7	2,654.4	908.1	1,746.3	817.2	851.4	625.0	103.7
Apr. 1	5,082.4	2,684.0	932.0	1,752.0	819.7	849.6	624.9	104.3
Apr. 8	5,079.5	2,675.1	918.2	1,756.9	827.3	847.2	625.2	104.7
Apr. 15	5,300.8	2,893.6	1,132.1	1,761.6	830.1	845.3	627.1	104.6
Apr. 22	5,317.1	2,912.9	1,129.7	1,783.2	829.1	844.4	626.6	104.1
Apr. 29	5,309.6	2,906.1	1,106.7	1,799.4	829.8	843.2	626.6	103.9

¹ Including funds in accounts transferred from central bank to government names; for original explanation of funds included under this heading see BULLETIN for April 1939, p. 285.

² Outstanding amounts on Apr. 29, 1942, in millions of dollars: Foreign central bank funds in New York, 1,171.8; other foreign banking funds in U. S., 2,374.4; U. S. banking funds abroad, 329.3; brokerage balances (net due "foreigners"), 26.7.

NOTE.—Statistics reported by banks, bankers, brokers, and dealers. Data by countries and geographic areas through December 31, 1941, have been published in earlier BULLETINS for all types of capital movement in the above table (except columns 3 and 4), and for outstanding short-term liabilities to and claims on "foreigners" as reported by banks and brokers. For description of the statistics, see BULLETIN for April 1939, pp. 284-296, and May 1937, pp. 394-431.

CENTRAL BANKS

Bank of England (Figures in millions of pounds sterling)	Assets of issue department		Assets of banking department					Note circula- tion ³	Liabilities of banking department			
	Gold ¹	Other assets ²	Cash reserves		Dis- counts and ad- vances	Securi- ties	Deposits			Other liabili- ties		
			Coin	Notes			Bankers'		Public		Other	
1929—Dec. 25.....	145.8	260.0	.2	26.3	22.3	84.9	379.6	71.0	8.8	35.8	17.9	
1930—Dec. 31.....	147.6	260.0	.6	38.8	49.0	104.7	368.8	132.4	6.6	36.2	18.0	
1931—Dec. 30.....	120.7	275.0	.6	31.6	27.3	133.0	364.2	126.4	7.7	40.3	18.0	
1932—Dec. 28.....	119.8	275.0	.8	23.6	18.5	120.1	371.2	102.4	8.9	33.8	18.0	
1933—Dec. 27.....	190.7	260.0	1.0	58.7	16.8	101.4	392.0	101.2	22.2	36.5	18.0	
1934—Dec. 26.....	192.3	260.0	.5	47.1	7.6	98.2	405.2	89.1	9.9	36.4	18.0	
1935—Dec. 25.....	200.1	260.0	.6	35.5	8.5	94.7	424.5	72.1	12.1	37.1	18.0	
1936—Dec. 30.....	313.7	200.0	.6	46.3	17.5	155.6	467.4	150.6	12.1	39.2	18.0	
1937—Dec. 29.....	326.4	220.0	.8	41.1	9.2	135.5	505.3	120.6	11.4	36.6	18.0	
1938—Dec. 28.....	326.4	230.0	.8	51.7	28.5	90.7	504.7	101.0	15.9	36.8	18.0	
1939—Dec. 27.....	⁴ 2	580.0	1.0	25.6	4.3	176.1	554.6	117.3	29.7	42.0	17.9	
1940—Dec. 25.....	.2	630.0	.9	13.3	4.0	199.1	616.9	135.7	12.5	51.2	17.9	
1941—June 25.....	.2	680.0	1.7	41.3	6.9	156.2	639.0	112.5	25.3	50.4	17.8	
July 30.....	.2	680.0	1.7	21.8	6.5	181.7	658.4	132.1	11.3	50.5	17.9	
Aug. 27.....	.2	680.0	1.8	15.5	6.4	183.9	664.7	125.7	14.9	49.1	18.0	
Sept. 24.....	.2	⁵ 730.0	1.6	58.8	4.6	149.8	671.4	133.9	10.6	52.2	18.1	
Oct. 29.....	.2	730.0	1.3	36.9	4.5	163.3	693.3	117.0	13.7	57.7	17.7	
Nov. 26.....	.2	730.0	.6	20.2	4.0	192.3	710.0	136.4	9.8	53.1	17.8	
Dec. 31.....	.2	⁵ 780.0	.3	28.5	6.4	267.8	751.7	219.9	11.2	54.1	17.9	
1942—Jan. 28.....	.2	780.0	.4	37.8	8.2	184.5	742.4	145.5	10.2	57.4	17.9	
Feb. 25.....	.2	780.0	.3	30.7	4.2	182.8	749.6	136.8	11.5	51.7	18.0	
Mar. 25.....	.2	780.0	.4	25.2	5.1	204.8	755.1	156.8	9.3	51.4	18.1	
Apr. 29.....	.2	⁵ 830.0	.7	59.1	7.5	138.4	771.2	122.6	14.0	51.4	17.7	
May 27.....	.2	830.0	1.2	41.6	6.6	170.5	788.6	146.6	7.6	47.8	17.8	
June 24.....	.2	830.0	1.3	34.2	5.5	165.8	796.0	133.6	8.0	47.3	17.8	

Bank of Canada (Figures in millions of Canadian dollars)	Assets					Liabilities				
	Gold	Sterling and United States dollars	Dominion and provin- cial government securities		Other assets	Note circulation ⁷	Deposits			Other liabilities
			Short- term ⁶	Other			Chartered banks	Dominion govern- ment	Other	
1935—Dec. 31.....	180.5	4.2	30.9	83.4	8.6	99.7	181.6	17.9	.8	7.7
1936—Dec. 31.....	179.4	9.1	61.3	99.0	8.2	135.7	187.0	18.8	2.1	13.4
1937—Dec. 31.....	179.8	14.9	82.3	91.6	21.7	165.3	196.0	11.1	3.5	14.4
1938—Dec. 31.....	185.9	28.4	144.6	40.9	5.2	175.3	200.6	16.7	3.1	9.3
1939—Dec. 30.....	225.7	64.3	181.9	49.9	5.5	232.8	217.0	46.3	17.9	13.3
1940—Dec. 31.....	(8)	38.4	448.4	127.3	12.4	359.9	217.7	10.9	9.5	28.5
1941—June 30.....		.5	501.5	142.9	28.9	393.4	200.3	54.5	10.6	15.0
July 31.....		.5	522.3	138.0	14.9	404.7	216.3	33.3	4.7	16.7
Aug. 30.....		40.6	519.7	141.4	21.3	422.2	212.9	60.7	10.0	17.2
Sept. 30.....		109.3	516.4	146.3	19.9	435.3	207.5	124.6	6.4	18.2
Oct. 31.....		42.5	462.2	234.7	29.6	448.9	231.8	60.3	2.4	25.7
Nov. 29.....		113.8	428.7	228.5	20.3	463.0	247.2	53.2	7.2	20.7
Dec. 31.....		200.9	391.8	216.7	33.5	496.0	232.0	73.8	6.0	35.1
1942—Jan. 31.....		299.1	245.7	203.8	14.9	479.1	200.6	46.6	18.7	18.7
Feb. 28.....		377.0	209.5	204.6	17.6	493.2	236.8	49.4	11.1	18.2
Mar. 31.....		276.3	386.6	209.4	19.7	508.9	241.9	118.8	6.1	16.3
Apr. 30.....		209.5	413.1	223.5	19.1	516.7	214.7	104.5	7.3	22.0
May 30.....		187.4	430.8	223.8	12.9	528.6	186.0	96.7	23.4	20.1
June 30.....		.9	493.7	322.1	26.2	541.2	221.3	31.3	26.7	22.4

¹ Through February 1939, valued at legal parity of 85 shillings a fine ounce; thereafter at market price, which fluctuated until Sept. 6, 1939, when it was officially set at 168 shillings per fine ounce.

² Securities and silver coin held as cover for fiduciary issue, the amount of which is also shown by this figure.

³ Notes issued less amounts held in banking department.

⁴ On Jan. 6, 1939, 200 million pounds sterling of gold (at legal parity) transferred from Bank to Exchange Equalization Account; on Mar. 1, 1939, about 5.5 million pounds (at current price) transferred from Exchange Account to Bank; on July 12, 1939, 20 million pounds transferred from Exchange Account to Bank; on Sept. 6, 1939, 279 million pounds transferred from Bank to Exchange Account.

⁵ Fiduciary issue increased by 50 million pounds on June 12, 1940, Apr. 30, Aug. 30, and Dec. 3, 1941, and Apr. 22, 1942.

⁶ Securities maturing in two years or less.

⁷ Includes notes held by the chartered banks, which constitute an important part of their reserves.

⁸ On May 1, 1940, gold transferred to Foreign Exchange Control Board in return for short-term government securities (see BULLETIN for July 1940, pp. 677-678).

NOTE.—For further explanation of table for Bank of England see BULLETIN for February 1931, pp. 81-83. The headings in the table for the Bank of Canada correspond to the items in that Bank's statements, except that the headings "Other assets" and "Other liabilities" include certain small asset and liability items shown separately in the statements.

Central Banks—Continued

Bank of France (Figures in millions of francs)	Assets							Liabilities					
	Gold ¹	Foreign ex- change	Domestic bills			Advances to Government		Other assets	Note circula- tion	Deposits			Other liabili- ties
			Open market ²	Special ²	Other	For oc- cupation costs ³	Other ²			Government	C.A.R. ⁴	Other	
1929—Dec. 27.....	41,668	25,942	5,612	.....	8,624	.....	.....	8,124	68,571	11,737	.....	7,850	1,812
1930—Dec. 26.....	53,578	26,179	5,304	.....	8,429	.....	.....	9,510	76,436	12,624	.....	11,698	2,241
1931—Dec. 30.....	68,863	21,111	7,157	.....	7,389	.....	.....	11,275	85,725	5,898	.....	22,183	1,989
1932—Dec. 30.....	83,017	4,484	6,802	.....	3,438	.....	.....	11,712	85,028	2,311	.....	20,072	2,041
1933—Dec. 29.....	77,098	1,158	6,122	.....	4,739	.....	.....	11,173	82,613	2,322	.....	13,414	1,940
1934—Dec. 28.....	82,124	963	5,837	.....	3,971	.....	.....	11,500	83,412	3,718	.....	15,359	1,907
1935—Dec. 27.....	66,296	1,328	5,800	.....	9,712	.....	.....	11,705	81,150	2,862	.....	8,716	2,113
1936—Dec. 30.....	60,359	1,460	5,640	1,379	8,465	.....	17,698	12,642	89,342	2,089	.....	13,655	2,557
1937—Dec. 30.....	58,933	911	5,580	652	10,066	.....	31,909	11,733	93,837	3,461	.....	19,326	3,160
1938—Dec. 29.....	87,265	821	7,422	1,797	7,880	.....	20,627	18,498	110,935	5,061	.....	25,595	2,718
1939—Dec. 28.....	97,267	112	11,273	2,345	5,149	.....	34,673	20,094	151,322	1,914	.....	14,751	2,925
1940—June 10.....	84,616	108	44,173	1,518	11,885	.....	36,250	25,221	174,469	1,049	.....	25,405	2,848
Aug. 29 ⁶	84,616	(7)	(7)	(7)	(7)	27,200	64,195	(7)	198,578	995	27,200	28,226	(7)
Sept. 26 ⁶	84,616	(7)	(7)	(7)	(7)	39,200	69,340	(7)	205,439	990	34,930	25,700	(7)
Oct. 31 ⁶	84,616	(7)	(7)	(7)	(7)	56,806	65,250	(7)	213,131	1,097	38,932	25,075	(7)
Nov. 28 ⁶	84,616	(7)	(7)	(7)	(7)	64,397	61,200	(7)	214,176	748	39,107	24,941	(7)
Dec. 26 ⁶	84,616	42	43,494	661	3,646	72,317	63,900	23,179	218,383	984	41,400	27,202	3,586
1941—July 31.....	84,598	37	40,776	.....	6,419	117,715	69,500	22,605	242,000	1,318	60,612	33,978	3,741
Aug. 28.....	84,598	37	40,720	.....	6,139	117,555	67,700	21,826	244,099	1,341	60,193	29,179	3,763
Sept. 25 ^p	84,598	37	41,014	.....	(7)	123,578	64,700	20,846	248,993	(7)	59,714	(7)	4,402
Oct. 30.....	84,598	37	41,138	1	7,849	129,518	60,500	23,555	255,684	1,272	60,932	25,999	3,309
Nov. 27.....	84,598	38	41,654	5	5,348	129,568	68,900	21,016	260,772	1,371	61,073	24,431	3,479
Dec. 31.....	84,598	38	42,115	12	4,517	142,507	69,500	22,121	270,144	1,517	64,580	25,272	3,894
1942—Jan. 29.....	84,598	38	42,071	16	4,855	149,562	64,700	20,138	273,281	1,350	59,649	27,797	3,900
Feb. 26.....	84,598	38	42,043	18	5,588	149,754	67,400	20,086	278,392	1,173	59,203	27,287	3,469
Mar. 26.....	84,598	38	42,314	16	4,433	156,386	67,000	20,056	282,848	852	56,396	30,251	4,493
Apr. 30.....	84,598	38	42,651	13	4,581	162,898	68,300	21,365	291,654	775	59,668	28,955	3,391

Reichsbank (Figures in millions of reichsmarks)	Assets						Liabilities			
	Reserves of gold and foreign exchange		Bills (and checks), including Treasury bills	Security loans	Securities		Other assets	Note circula- tion	Deposits	Other liabili- ties
	Total reserves	Gold			Eligible as note cover	Other				
1929—Dec. 31.....	2,687	2,283	2,848	251	.....	92	656	5,044	755	736
1930—Dec. 31.....	2,685	2,216	2,572	256	.....	102	638	4,778	652	822
1931—Dec. 31.....	1,156	984	4,242	245	.....	161	1,065	4,776	755	1,338
1932—Dec. 31.....	920	806	2,806	176	.....	398	1,114	3,560	540	1,313
1933—Dec. 30.....	396	386	3,226	183	.....	259	735	3,645	640	836
1934—Dec. 31.....	84	79	4,066	146	.....	319	827	3,901	984	1,001
1935—Dec. 31.....	88	82	4,552	84	.....	349	853	4,285	1,032	923
1936—Dec. 31.....	72	66	5,510	74	.....	221	303	4,980	1,012	953
1937—Dec. 31.....	76	71	6,131	60	.....	106	286	5,493	1,059	970
1938—Dec. 31.....	76	71	8,244	45	.....	557	298	1,621	8,223	1,527
1939—Dec. 30.....	78	(8)	11,392	30	.....	804	393	2,498	11,798	2,018
1940—Dec. 31.....	78	.....	15,419	38	.....	32	357	2,066	14,033	2,561
1941—Mar. 31.....	78	.....	15,367	23	.....	32	352	1,672	14,188	2,127
Apr. 30.....	78	.....	15,644	32	.....	22	488	1,548	14,689	2,006
May 31.....	78	.....	15,918	23	.....	18	438	1,922	15,210	2,012
June 30.....	78	.....	16,258	20	.....	45	416	2,336	15,565	2,373
July 31.....	78	.....	16,754	27	.....	12	359	2,302	16,031	2,243
Aug. 30.....	77	.....	17,306	25	.....	16	384	2,343	16,502	2,326
Sept. 30.....	77	.....	18,016	25	.....	24	383	2,260	16,918	2,511
Oct. 31 ^p	77	.....	18,456	26	.....	20	(7)	(7)	17,432	2,470
Nov. 29 ^p	77	.....	18,899	24	.....	58	(7)	(7)	17,793	2,493
Dec. 31 ^p	77	.....	21,656	32	.....	107	(7)	(7)	19,324	3,649
1942—Jan. 31 ^p	77	.....	20,884	28	.....	151	288	(7)	18,987	2,417
Feb. 28 ^p	77	.....	21,458	23	.....	144	(7)	(7)	19,443	2,426
Mar. 31 ^p	77	.....	21,673	23	.....	72	(7)	(7)	19,774	2,762

^p Preliminary.

¹ Gold revalued in Mar. 1940, Nov. 1938, July 1937, and Oct. 1936. For further details see BULLETIN for May 1940, pp. 406-407; January 1939, p. 29; September 1937, p. 853; and November 1936, pp. 878-880.

² For explanation of this item, see BULLETIN for July 1940, p. 732.

³ By a series of Conventions between the Bank of France and the Treasury, dated from Aug. 25, 1940, through Apr. 30, 1942, advances of 169,000 million francs were authorized to meet the costs of the German army of occupation.

⁴ Central Administration of the Reichskreditkassen.

⁵ In each of the weeks ending Apr. 20 and Aug. 3, 1939, 5,000 million francs of gold transferred from Exchange Stabilization Fund to Bank of France; in week ending Mar. 7, 1940, 30,000 million francs of gold transferred from Bank of France to Stabilization Fund.

⁶ Figures taken from annual report of Bank for 1940.

⁷ Figure not available.

⁸ Gold not shown separately on Reichsbank statement after June 15, 1939.

NOTE.—For further explanation of tables see BULLETIN for February 1931, pp. 81-83, and July 1935, p. 463.

Central Banks—Continued

Central Bank (Figures as of last report date of month)	1942			1941	Central Bank (Figures as of last report date of month)	1942			1941
	June	May	Apr.	June		June	May	Apr.	June
Central Bank of the Argentine Republic (millions of pesos):					Bank of the Republic of Colombia—Cont.				
Gold reported separately			1,077	1,071	Deposits	56,336	59,021	52,405	
Other gold and foreign exchange			529	363	Other liabilities	43,116	43,682	40,212	
Negotiable Government bonds			376	364	National Bank of Denmark (millions of kroner):		(Mar.) ²		
Rediscounted paper				15	Gold		98	103	
Other assets			224	252	Foreign exchange		26	25	
Note circulation			1,472	1,248	Clearing accounts (net)		910	581	
Deposits—Member bank			588	635	Loans and discounts		42	64	
Government			30	104	Securities		53	173	
Other			24	10	Government compensation accounts		125		
Foreign exchange sold forward			3	3	Other assets		(8)	728	
Other liabilities			88	67	Note circulation		815	748	
Commonwealth Bank of Australia (thousands of pounds):					Deposits		1,172	719	
Issue department:					Other liabilities		(8)	208	
Gold and English sterling	25,954	24,954	17,705		Central Bank of Ecuador (thousands of sucres):		(Feb.) ²		
Securities	80,939	78,453	51,367		Gold		73,797	67,426	
Banking department:					Foreign exchange (net)		42,879	12,756	
Coin, bullion, and cash	6,704	6,702	4,136		Loans and discounts		86,690	62,041	
London balances	32,883	29,148	53,995		Other assets		23,123	23,652	
Loans and discounts	29,647	29,447	21,234		Note circulation		117,892	81,330	
Securities	106,130	103,213	49,219		Demand deposits		74,294	51,224	
Deposits	127,592	122,222	120,883		Other liabilities		34,301	33,322	
Note circulation	98,364	95,864	67,864		National Bank of Egypt (thousands of pounds):		(Mar.) ²		
National Bank of Belgium and Bank of Issue of Brussels (millions of belga): ¹			(Mar.) ²		Gold		6,251	6,241	
Gold			4,332	4,331	Foreign exchange		4,273	1,749	
Foreign exchange			2,198	736	Loans and discounts		2,268	2,678	
Credits to State and public bodies			4,063	3,010	British, Egyptian, and other Government securities		107,357	78,937	
Credits to private economy			164	110	Other assets		6,557	6,238	
Reichskreditkasse			744	620	Note circulation		52,035	41,616	
Other assets			(8)	(8)	Deposits—Government		18,604	7,515	
Note circulation			10,388	7,987	Other		43,678	35,051	
Demand deposits			694	415	Other liabilities		12,388	11,660	
Postal Checking Office			760	709	Central Reserve Bank of El Salvador (thousands of colones):				
Other liabilities			(8)	(8)	Gold	15,244	15,241	13,233	
National Bank of Bohemia and Moravia (millions of koruny):			(Mar.) ²		Foreign exchange	12,250	11,738	1,638	
Gold			1,514	1,503	Loans and discounts	468	422	1,084	
Foreign exchange			777	788	Government debt and securities	7,211	7,224	6,449	
Discounts			840	660	Other assets	2,257	2,327	1,534	
Loans			(4)	(4)	Note circulation	22,886	22,904	14,961	
Other assets			13,231	9,735	Deposits	10,554	10,064	4,405	
Note circulation			9,755	7,101	Other liabilities	3,991	3,985	4,572	
Demand deposits			2,943	2,091	Bank of Finland				
Other liabilities			3,664	3,494	Bank of Greece				
Central Bank of Bolivia (thousands of bolivianos):			(Dec 1941) ²		National Bank of Hungary (millions of pengö):		(Mar.) ²		
Gold at home and abroad			377,199	106,533	Gold ³		100	124	
Foreign exchange			377,141	284,235	Foreign exchange reserve		18	25	
Loans and discounts			147,904	231,955	Discounts		1,117	825	
Securities—Government			451,177	443,504	Loans—To Treasury		760	803	
Other			11,204	9,127	To foreign countries		267		
Other assets			33,727	32,530	Other		(4)	35	
Note circulation			641,572	531,199	Other assets		(4)	454	
Deposits			597,290	464,407	Note circulation		1,999	1,754	
Other liabilities			159,490	112,277	Demand deposits		380	209	
National Bank of Bulgaria					Consolidated foreign credits of 1931		(4)	35	
Central Bank of Chile (millions of pesos):					Other liabilities		(4)	267	
Gold		148	148	147	Reserve Bank of India (millions of rupees):				
Discounts for member banks		320	317	208	Issue department:		(Mar.) ²		
Loans to Government		733	733	738	Gold at home and abroad		444	444	
Other loans and discounts		854	836	507	Steking securities		2,129	1,188	
Other assets		104	93	102	Indian Gov't. securities		1,363	913	
Note circulation		1,547	1,579	1,232	Rupee coin		275	366	
Deposits—Bank		227	211	160	Note circulation		4,101	2,769	
Other		169	120	85	Banking department:				
Other liabilities		217	217	225	Notes of issue department		110	142	
Bank of the Republic of Colombia (thousands of pesos):					Balances abroad		353	371	
Gold		28,339	28,288	31,508	Treasury bills discounted		4	2	
Foreign exchange		31,636	29,213	20,919	Loans to Government		175	99	
Loans and discounts		25,338	31,124	21,503	Other assets		174	99	
Government loans and securities		59,126	58,245	56,582	Deposits		637	457	
Other assets		32,280	32,528	30,794	Other liabilities		179	156	
Note circulation		77,268	75,695	68,688					

¹ Separate figures for National Bank of Belgium not available. The Bank of Issue of Brussels was founded by the German Military Administration on June 27, 1940; it has no note issue, drawing its resources principally from advances from the National Bank and deposits by the Postal Checking Office.

² Latest month for which report is available for this institution.

³ Figure not available.

⁴ Less than 500,000.

⁵ For last available reports from the central banks of Bulgaria (May 1941), Finland (May 1941), and Greece (March 1941), see BULLETIN for March 1942, pp. 280-281.

⁶ Represents Bank's claim on the Government for the Bank's foreign exchange losses resulting from the revaluation of the krone on Jan. 23, 1942.

⁷ Items for issue and banking departments consolidated; after March 1942, statements published only irregularly.

⁸ Gold revalued in week ending Sept. 30, 1941, at 0.2175 gram fine gold per pengö, an increase in gold value of the pengö of approximately 24 per cent.

Central Banks—Continued

Central Bank (Figures as of last report date of month)	1942			1941	Central Bank (Figures as of last report date of month)	1942			1941
	June	May	Apr.	June		June	May	Apr.	June
Bank of Japan¹					South African Reserve Bank—Cont.				
Bank of Java (millions of guilders):			(Jan.) ²		Note circulation.....			28,567	25,761
Gold.....			407	327	Deposits.....			73,599	64,234
Foreign bills.....			24	19	Other liabilities.....			4,448	3,944
Loans and discounts.....			171	79	Bank of Sweden (millions of kronor):				
Other assets.....			140	111	Gold.....		678	616	424
Note circulation.....			339	238	Foreign assets (net).....		542	620	803
Deposits.....			366	260	Domestic loans and investments.....		876	913	678
Other liabilities.....			37	37	Other assets.....		1,126	1,094	947
Bank of Mexico (thousands of pesos):					Note circulation.....		1,629	1,638	1,449
Metallic reserves.....	219,442	213,631	205,831	174,443	Demand deposits.....		1,094	1,090	603
"Authorized" holdings of securities, etc.....	599,075	576,562	550,058	503,437	Other liabilities.....		500	495	800
Bills and discounts.....	108,112	118,844	115,340	45,227	Swiss National Bank (millions of francs):				
Other assets.....	57,754	49,625	54,781	70,082	Gold.....	3,442	3,442	3,443	2,283
Note circulation.....	607,209	584,815	563,073	460,997	Foreign exchange.....	142	136	129	1,311
Demand liabilities.....	270,559	269,680	260,251	236,778	Loans and discounts.....	154	287	223	1,031
Other liabilities.....	106,616	104,167	102,686	95,414	Other assets.....	(4)	(4)	281	220
Netherlands Bank (millions of guilders):			(Mar.) ²		Note circulation.....	2,246	2,237	2,241	2,115
Gold.....			1,026	1,023	Other sight liabilities.....	1,477	1,622	1,535	1,546
Silver (including subsidiary coin).....			8	14	Other liabilities.....	(4)	(4)	300	255
Foreign bills.....			1,128	308	Central Bank of the Republic of Turkey (thousands of pounds):			(Jan.) ²	
Discounts.....			1	95	Gold.....			111,454	120,572
Loans.....			195	194	Foreign clearing accounts.....			71,022	44,988
Other assets.....			(4)	275	Loans and discounts.....			485,744	446,226
Note circulation.....			2,217	1,686	Securities.....			191,019	191,321
Deposits—Government.....				12	Other assets.....			18,636	32,535
Other.....			295	154	Note circulation.....			520,521	522,066
Other liabilities.....			(4)	55	Deposits—Gold.....			79,358	79,358
Reserve Bank of New Zealand (thousands of pounds):					Other.....			110,438	103,268
Gold.....		2,802	2,802	2,802	Other liabilities.....			167,558	130,951
Sterling exchange reserve.....		22,775	20,614	19,967	Bank of the Republic of Uruguay (thousands of pesos):			(Mar.) ²	
Advances to State or State undertakings.....		33,753	31,191	18,766	Issue department:				
Investments.....		4,146	4,146	3,773	Gold and silver.....			86,235	86,235
Other assets.....		1,058	861	1,648	Note circulation.....			119,858	109,479
Note circulation.....		24,652	24,077	21,843	Banking department:				
Demand deposits.....		36,895	32,592	22,678	Gold.....			66,839	82,841
Other liabilities.....		2,985	2,945	2,434	Notes and coin.....			32,488	23,075
Bank of Norway¹					Advances to State and to government bodies.....			31,661	41,336
Central Reserve Bank of Peru (thousands of soles):					Other loans and discounts.....			103,992	87,462
Gold and foreign exchange.....			67,254	58,102	Other assets.....			120,103	107,309
Discounts.....			31,320	22,942	Deposits.....			125,929	127,660
Government loans.....			208,330	144,375	Other liabilities.....			229,154	214,364
Other assets.....			6,861	10,497	Central Bank of Venezuela (thousands of bolívares):				
Note circulation.....			222,437	162,234	Gold.....	170,677	170,677	170,677	123,805
Deposits.....			70,331	50,704	Foreign exchange (net).....	26,234	19,936	17,925	33,065
Other liabilities.....			20,996	22,977	Credits to national banks.....	35,230	35,230	35,230	38,000
Bank of Portugal (millions of escudos):			(Dec. 2 1941)		Other assets.....	10,228	8,003	13,473	6,492
Gold ⁶			1,343	1,274	Note circulation—				
Other reserves (net).....			1,536	1,228	Central Bank.....	147,030	144,161	141,155	77,405
Non-reserve exchange.....			3,193	1,273	National banks.....	46,600	47,581	50,298	89,728
Loans and discounts.....			337	358	Deposits.....	42,782	35,813	39,811	30,587
Government debt.....			1,031	1,031	Other liabilities.....	5,957	6,291	6,041	3,642
Other assets.....			935	872	National Bank of the Kingdom of Yugoslavia¹				
Note circulation.....			4,488	3,158	Bank for International Settlements (thousands of Swiss gold francs ⁶):				
Other sight liabilities.....			3,101	2,148	Gold in bars.....			45,493	30,805
Other liabilities.....			786	699	Cash on hand and on current account with banks.....			33,729	36,288
National Bank of Rumania (millions of lei):			(Oct. 1941) ²		Sight funds at interest.....			15,942	16,665
Gold.....			33,881	32,974	Rediscountable bills and acceptances (at cost).....			147,553	143,071
Special exchange accounts.....			18,133	10,045	Time funds at interest.....			21,050	22,414
Loans and discounts.....			32,182	30,143	Sundry bills and investments.....			212,383	220,933
Special loans (in liquidation).....			565	583	Other assets.....			142	140
Government debt.....			9,629	9,609	Demand deposits (gold).....			29,026	22,838
Other assets.....			38,684	27,713	Short-term deposits (various currencies):				
Note circulation.....			92,244	77,081	Central banks for own account.....			16,135	18,298
Demand deposits.....			28,215	22,176	Other.....			5,955	3,446
Other liabilities.....			12,617	11,810	Long-term deposits: Special accounts.....			229,001	229,001
South African Reserve Bank (thousands of pounds):					Other liabilities.....			196,176	196,733
Gold.....			52,036	51,788					
Foreign bills.....			1,060	780					
Other bills and loans.....			25	518					
Other assets.....			53,493	40,874					

¹ For last available reports from the central banks of Japan (September 1941), Norway (March 1940), and Yugoslavia (February 1941), see BULLETIN for March 1942, p. 282.

² Latest month for which report is available for this institution.

³ Includes gold, silver, and foreign exchange forming required reserve (25 per cent) against notes and other demand liabilities.

⁴ Figure not available.

⁵ Valued at average cost beginning October 1941.

⁶ See BULLETIN for December 1936, p. 1025.

MONEY RATES IN FOREIGN COUNTRIES

DISCOUNT RATES OF CENTRAL BANKS

[Per cent per annum]

Date effective	Central bank of—							Central bank of—	Rate July 31	Date effective	Central bank of—	Rate July 31	Date effective
	United Kingdom	France	Germany	Belgium	Netherlands	Sweden	Switzerland						
In effect Oct. 2, 1936.....	2	3	4	2	3	2½	2	Albania.....	5½	Mar. 21, 1940	Japan.....	3.29	Apr. 7, 1936
Oct. 9.....		2½						Argentina.....	3½	Mar. 1, 1936	Java.....	3	Jan. 14, 1937
Oct. 16.....		2						Belgium.....	2	Jan. 25, 1940	Latvia.....	5	Feb. 17, 1940
Oct. 20.....					2½			Bohemia and Moravia.....	3½	Oct. 1, 1940	Lithuania.....	6	July 15, 1939
Nov. 26.....							1½				Mexico.....	4½	June 4, 1942
Dec. 3.....					2								
Jan. 28, 1937.....		4						Bolivia.....	6	Nov. 8, 1940	Netherlands.....	2½	June 27, 1941
June 15.....		6						British India.....	3	Nov. 28, 1935	New Zealand.....		
July 7.....		5						Bulgaria.....	5	Dec. 1, 1940	land.....	1½	July 26, 1941
Aug. 4.....		4						Canada.....	2½	Mar. 11, 1935	Norway.....	3	May 13, 1940
Sept. 3.....		3½						Chile.....	3-4½	Dec. 16, 1936	Peru.....	5	Aug. 1, 1940
Nov. 13.....		3						Colombia.....	4	July 18, 1933	Portugal.....	4	Mar. 31, 1941
May 10, 1938.....		2½		4									
May 13.....								Denmark.....	4	Oct. 16, 1940	Rumania.....	3	Sept. 12, 1940
May 30.....		3						Ecuador.....	7	May 26, 1938	South Africa.....	3	June 2, 1941
Sept. 28.....		2½						El Salvador.....	3	Mar. 30, 1939	Spain.....	4	Mar. 29, 1939
Oct. 27.....		2½						Estonia.....	4½	Oct. 1, 1935	Sweden.....	3	May 29, 1941
Nov. 25.....		2						Finland.....	4	Dec. 3, 1934	Switzerland.....	1½	Nov. 26, 1936
Jan. 4, 1939.....													
Apr. 17.....				4				France.....	1½	Mar. 17, 1941	Turkey.....	4	July 1, 1938
May 11.....				3				Germany.....	3½	Apr. 9, 1940	United Kingdom.....	2	Oct. 26, 1939
July 6.....				2½				Greece.....	6	Mar. 1, 1942	U. S. S. R.....	4	July 1, 1936
Aug. 24.....	4							Hungary.....	3	Oct. 22, 1940	Yugoslavia.....	5	Feb. 1, 1935
Aug. 29.....								Italy.....	4½	May 18, 1936			
Sept. 28.....	3												
Oct. 26.....	2												
Dec. 15.....													
Jan. 25, 1940.....				2		3							
Apr. 9.....			3½			3½							
May 17.....		1¾											
Mar. 17, 1941.....						3							
May 29.....													
June 27.....					2½								
In effect July 31, 1942.....	2	1¾	3½	2	2½	3	1½						

1 Not officially confirmed.

NOTE.—Changes since June 30: none.

OPEN MARKET RATES

[Per cent per annum]

Month	United Kingdom				Germany		Netherlands		Sweden	Switzerland
	Bankers' acceptances 3 months	Treasury bills 3 months	Day-to-day money	Bankers' allowance on deposits	Private discount rate	Day-to-day money	Private discount rate	Money for 1 month	Loans up to 3 months	Private discount rate
1929—May.....	5.21	5.21	4.67	3½	7.49	9.32	5.37	5.88	4¼-6¼	3.34
1930—May.....	2.16	2.11	1.93	1	3.89	3.62	2.29	2.53	3½-5½	2.44
1931—May.....	2.24	2.21	1.87	1	4.65	5.38	1.39	1.55	3-5	1.12
1932—May.....	1.44	1.10	1.29	½-1	4.87	5.91	.60	1.03	4¼-6¼	1.50
1933—May.....	.50	.37	.58	½	3.88	5.24	2.11	1.69	3½-5½	1.50
1934—May.....	.91	.85	.85	½	3.88	4.72	1.33	1.22	2½-5	1.50
1935—May.....	.59	.51	.75	½	3.09	3.17	3.78	2.96	2½-4½	2.39
1936—May.....	.55	.54	.75	½	2.92	2.76	2.15	1.82	2½-5	2.25
1937—May.....	.55	.51	.75	½	2.88	2.69	.17	1.00	2½-5	1.00
1938—May.....	.53	.51	.75	½	2.88	2.66	.13	.50	2½-5	1.00
1939—May.....	.73	.70	.75	½	2.77	2.46	.72	.80	2½-5	1.00
1940—May.....	1.03	1.02	1.00	½	2.38	1.98	1.20	1.3, 21	3½-5½	1.41
1941—May.....	1.03	1.00	1.00	½	2.25	1.78	1.93	2.36	3-5½	1.25
1941—June.....	1.03	1.00	1.00	½	2.13	1.93	1.88	2.25	3-5½	1.25
July.....	1.03	1.00	1.00	½	2.13	1.63	1.88	2.25	3-5½	1.25
Aug.....	1.03	1.00	1.00	½	2.13	1.73	1.88	2.25	3-5½	1.25
Sept.....	1.03	1.01	1.00	½	2.13	1.94	1.88	2.25	3-5½	1.25
Oct.....	1.03	1.00	1.00	½	2.13	1.76			3-5½	1.25
Nov.....	1.03	1.00	1.00	½	2.13	1.75				1.25
Dec.....	1.03	1.01	1.03	½	2.13	1.98				1.25
1942—Jan.....	1.03	1.01	1.04	½	2.13	1.92				1.25
Feb.....	1.03	1.00	1.04	½	2.13	1.75				1.25
Mar.....	1.03	1.00	1.03	½	2.13					1.25
Apr.....	1.03	1.01	1.00	½	2.13					1.25
May.....	1.03	1.00	1.03	½						1.25

° Corrected.

1 Figures are for period May 1-9, inclusive.

NOTE.—For figures for other countries and references to explanation of tables see BULLETIN for September 1940, p. 1018.

COMMERCIAL BANKS

United Kingdom ¹ (11 London clearing banks. Figures in millions of pounds sterling)	Assets							Liabilities			
	Cash reserves	Money at call and short notice	Bills dis- counted	Treasury deposit receipts ²	Securities	Loans to customers	Other assets	Deposits			Other liabilities
								Total	Demand ³	Time ³	
1936—December.....	244	195	322	.....	660	890	249	2,315	1,288	1,012	245
1937—December.....	244	163	300	.....	635	984	256	2,330	1,284	1,026	252
1938—December.....	243	160	250	.....	635	971	263	2,254	1,256	997	269
1939—December.....	274	174	334	.....	609	1,015	290	2,441	1,398	1,043	256
1940—December.....	324	159	265	314	771	924	293	2,800	1,770	1,030	250
1941—June.....	311	143	193	482	880	874	311	2,946	1,870	1,075	248
July.....	306	139	275	476	902	866	267	2,991	1,898	1,093	240
August.....	316	140	266	469	935	850	264	2,997	1,909	1,088	242
September.....	330	134	315	531	939	839	269	3,115	1,991	1,123	243
October.....	328	132	270	596	986	837	273	3,176	2,023	1,153	246
November.....	332	127	246	651	999	825	280	3,208	2,054	1,154	250
December.....	366	141	171	758	999	823	324	3,329	2,168	1,161	253
1942—January.....	330	118	157	739	1,008	832	288	3,222	2,088	1,134	249
February.....	318	122	112	646	1,017	840	275	3,085	2,003	1,082	243
March.....	347	137	163	476	1,050	853	291	3,072	2,012	1,060	244
April.....	319	136	258	450	1,048	832	278	3,082	2,001	1,081	240
May.....	326	133	291	471	1,049	822	277	3,131	2,036	1,095	238

Canada (10 chartered banks. End of month figures in millions of Canadian dollars)	Assets						Liabilities				
	Entirely in Canada			Security loans abroad and net due from foreign banks	Securities	Other assets	Note circula- tion	Deposits payable in Canada excluding interbank deposits			Other liabilities
	Cash reserves	Security loans	Other loans and dis- counts					Total	Demand	Time	
1936—December.....	240	114	791	161	1,384	554	103	2,303	755	1,548	837
1937—December.....	255	76	862	102	1,411	575	96	2,335	752	1,583	850
1938—December.....	263	65	940	166	1,463	535	88	2,500	840	1,660	843
1939—December.....	292	53	1,088	132	1,646	612	85	2,774	1,033	1,741	963
1940—December.....	323	40	1,108	159	1,531	570	80	2,805	1,163	1,641	846
1941—June.....	288	33	1,292	191	1,688	575	80	3,075	1,608	1,467	913
July.....	314	34	1,279	188	1,681	559	80	3,068	1,579	1,489	907
August.....	299	35	1,255	190	1,698	553	81	3,031	1,509	1,522	919
September.....	308	36	1,237	197	1,696	579	79	3,037	1,482	1,555	938
October.....	325	37	1,233	199	1,643	594	80	3,012	1,420	1,592	939
November.....	342	36	1,218	182	1,690	593	76	3,041	1,402	1,639	944
December.....	356	32	1,169	168	1,759	653	71	3,105	1,436	1,669	962
1942—January.....	296	31	1,128	158	1,916	585	71	3,096	1,376	1,720	945
February.....	324	30	1,135	164	1,960	595	72	3,181	1,517	1,664	955
March.....	348	34	1,300	166	1,881	624	71	3,305	1,755	1,550	976
April.....	322	32	1,252	178	1,899	637	72	3,262	1,725	1,537	986
May.....	285	29	1,215	175	1,878	601	71	3,118	1,562	1,556	993

France (End of month figures in millions of francs)	Assets					Liabilities				
	Cash reserves	Due from banks	Bills dis- counted	Loans	Other assets	Deposits			Own accept- ances	Other liabilities
						Total	Demand	Time		
4 large banks										
1936—December.....	3,100	2,975	17,582	7,631	1,957	28,484	27,955	529	473	4,289
1937—December.....	3,403	4,116	18,249	7,624	2,134	30,348	29,748	600	661	4,517
1938—December.....	3,756	4,060	21,435	7,592	1,940	33,578	33,042	537	721	4,484
1939—December.....	4,599	3,765	29,546	7,546	2,440	42,443	41,872	571	844	4,609
1940—January.....	4,066	4,080	29,808	7,756	1,745	42,850	42,302	548	938	3,667
February.....	4,293	3,993	30,810	7,579	1,849	43,737	43,195	542	1,034	3,753
March.....	4,110	3,920	34,123	7,499	1,961	46,608	46,064	544	1,105	3,901
3 large banks										
1940—March.....	4,021	3,691	32,003	7,113	1,690	43,755	43,410	345	1,044	3,718
September ⁴	5,817	3,615	37,051	9,121	1,690	52,599	52,287	312	551	4,143
October.....	5,453	3,526	40,757	8,533	1,760	55,194	54,868	326	511	4,325
November.....	5,111	3,562	43,251	8,060	1,823	56,741	56,306	436	502	4,564
December.....	6,258	3,546	44,243	7,984	1,999	58,890	58,413	477	535	4,604
1941—February ⁴	5,628	3,197	48,596	8,155	1,357	62,528	62,003	525	599	3,805
March.....	5,661	3,191	50,401	7,784	1,403	63,998	63,465	533	534	3,909
April.....	5,407	3,190	51,158	7,768	1,429	64,441	63,910	531	467	4,044
May.....	5,549	3,279	52,961	7,720	1,351	66,229	65,712	516	454	4,176
June.....	5,641	3,359	54,826	8,035	1,371	68,376	67,867	509	474	4,383
July ⁴	5,837	3,239	53,951	7,511	1,526	67,148	66,640	508	460	4,456

¹ Through August 1939, averages of weekly figures; beginning September 1939, end-of-month figures, representing aggregates of figures reported by individual banks for days, varying from bank to bank, toward the end of the month.

² Represent six-month loans to the Treasury at $\frac{1}{2}$ per cent, callable by the banks in emergency at a discount equal to the Bank of England rate.

³ Through December 1937, excludes deposits in offices outside England and Wales which are included in total.

⁴ No data available April through August 1940, January 1941, and since July 1941.

NOTE.—For other back figures and explanation of tables, and for figures for German commercial banks, see BULLETIN for August 1939, p. 699; June 1935, pp. 388-390, and October 1933, pp. 641-646.

FOREIGN EXCHANGE RATES

[Averages of certified noon buying rates in New York for cable transfers. In cents per unit of foreign currency]

Year or month	Argentina (peso)		Australia (pound)		Belgium (belga)	Brazil (milreis)		British India (rupee)	Bulgaria (lev)	Canada (dollar)		Chile (peso)		China (yuan Shanghai)
	Official	Special Export	Official	Free		Official	Free			Official	Free	Official	Export	
1934.....	33.579			400.95	23.287	8.4268	.....	37.879	1.2852		101.006	10.1452	.....	34.094
1935.....	32.659			388.86	18.424	8.2947	.....	36.964	1.2951		99.493	5.0833	.....	36.571
1936.....	33.137			395.94	16.917	8.5681	15.8788	37.523	1.2958		99.913	5.1240	.....	29.751
1937.....	32.959			393.94	16.876	8.6437	6.1983	37.326	1.2846		100.004	5.1697	14.0000	29.606
1938.....	32.597			389.55	16.894	8.8438	.....	36.592	1.2424		99.419	5.1716	4.0000	21.360
1939.....	30.850			353.38	16.852	6.0027	5.1248	33.279	1.2111		96.018	5.1727	4.0000	11.879
1940.....	29.773		1322.80	305.16	16.880	6.0562	5.0214	30.155	.....	90.909	85.141	5.1668	4.0000	6.000
1941.....	29.773	123.704	322.80	321.27	.....	6.0575	5.0705	30.137	.....	90.909	87.345	15.1664	14.0000	45.313
1941—July.....	29.773	23.704	322.80	321.31	.....	6.0575	5.0616	30.128	.....	90.909	88.271	.....	.....	5.243
Aug.....	29.773	23.704	322.80	321.28	.....	6.0575	5.0646	30.130	.....	90.909	88.961	.....	.....	.....
Sept.....	29.773	23.704	322.80	321.33	.....	6.0575	5.0616	30.137	.....	90.909	89.134	.....	.....	.....
Oct.....	29.773	23.704	322.80	321.37	.....	6.0575	5.0803	30.151	.....	90.909	88.781	.....	.....	.....
Nov.....	29.773	23.704	322.80	321.43	.....	6.0575	5.0896	30.151	.....	90.909	88.604	.....	.....	.....
Dec.....	29.773	23.704	322.80	321.50	.....	6.0576	5.1331	30.130	.....	90.909	87.395	.....	.....	.....
1942—Jan.....	29.773	23.704	322.80	321.50	.....	6.0580	5.1331	30.123	.....	90.909	87.833	.....	.....	.....
Feb.....	29.773	23.704	322.80	321.50	.....	6.0580	5.1369	30.122	.....	90.909	88.418	.....	.....	.....
Mar.....	29.773	23.704	322.80	321.50	.....	6.0580	5.1369	30.122	.....	90.909	87.666	.....	.....	.....
Apr.....	29.773	23.704	322.80	321.50	.....	6.0580	5.1384	30.122	.....	90.909	87.173	.....	.....	.....
May.....	29.773	23.704	322.80	321.50	.....	6.0580	5.1387	30.122	.....	90.909	88.537	.....	.....	.....
June.....	29.773	23.704	322.80	321.50	.....	6.0580	5.1435	30.122	.....	90.909	89.958	.....	.....	.....

Year or month	Colombia (peso)	Czechoslovakia (koruna)	Denmark (krone)	Finland (markka)	France (franc)	Germany (reichsmark)	Greece (drachma)	Hong Kong (dollar)	Hungary (pengo)	Italy (lira)	Japan (yen)	Mexico (peso)	Netherlands (guilder)	New Zealand (pound)
1934.....	61.780	4.2424	22.500	2.2277	6.5688	39.375	.9402	38.716	29.575	8.5617	29.715	27.742	67.383	402.46
1935.....	56.011	4.1642	21.883	2.1627	6.6013	40.258	.9386	48.217	29.602	8.2471	28.707	27.778	67.715	391.26
1936.....	57.083	4.0078	22.189	2.1903	6.1141	40.297	.9289	31.711	29.558	7.2916	29.022	27.760	64.481	398.92
1937.....	56.726	3.4930	22.069	2.1811	4.0460	40.204	.9055	30.694	19.779	5.2607	28.791	27.750	55.045	396.91
1938.....	55.953	3.4674	21.825	2.1567	2.8781	40.164	.8958	30.457	19.727	5.2605	28.451	22.122	55.009	392.35
1939.....	57.061	3.4252	20.346	1.9948	2.5103	40.061	.8153	27.454	19.238	5.1959	25.963	19.303	53.335	354.82
1940.....	57.085	.....	19.308	1.8710	2.0827	40.021	1.6715	22.958	18.475	5.0407	23.436	18.546	53.128	306.38
1941.....	57.004	.....	.....	2.0101	.....	39.968	.....	24.592	19.770	15.0703	23.439	20.538	.....	322.54
1941—July.....	56.981	.....	.....	.....	.....	.....	.....	24.524	.....	.....	23.439	20.542	.....	322.57
Aug.....	56.982	.....	.....	.....	.....	.....	.....	25.110	.....	.....	.....	20.538	.....	322.54
Sept.....	56.982	.....	.....	.....	.....	.....	.....	25.099	.....	.....	.....	20.542	.....	322.60
Oct.....	56.980	.....	.....	.....	.....	.....	.....	25.088	.....	.....	.....	20.567	.....	322.63
Nov.....	56.993	.....	.....	.....	.....	.....	.....	25.088	.....	.....	.....	20.544	.....	322.71
Dec.....	56.987	.....	.....	.....	.....	.....	.....	25.043	.....	.....	.....	20.560	.....	322.78
1942—Jan.....	56.987	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	20.564	.....	322.78
Feb.....	56.997	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	20.562	.....	322.78
Mar.....	57.001	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	20.571	.....	322.78
Apr.....	57.049	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	20.574	.....	322.79
May.....	57.005	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	20.567	.....	322.78
June.....	57.037	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	20.568	.....	322.78

Year or month	Norway (krone)	Poland (zloty)	Portugal (escudo)	Rumania (leu)	South Africa (pound)	Spain (peseta)	Straits Settlements (dollar)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)		Uruguay (peso)		Yugoslavia (dinar)
										Official	Free	Controlled	Non-controlled	
1934.....	25.316	18.846	4.6089	1.0006	498.29	13.615	59.005	25.982	32.366	.....	503.93	79.956	.....	2.2719
1935.....	24.627	18.882	4.4575	.9277	484.66	13.678	57.173	25.271	32.497	.....	490.18	80.251	.....	2.2837
1936.....	24.974	18.875	4.5130	.7382	491.65	12.314	58.258	25.626	30.189	.....	497.09	79.874	.....	2.2965
1937.....	24.840	18.923	4.4792	.7294	489.62	6.053	57.973	25.487	22.938	.....	494.40	79.072	.....	2.3060
1938.....	24.566	18.860	4.4267	.7325	484.16	5.600	56.917	25.197	22.871	.....	488.94	64.370	.....	2.3115
1939.....	23.226	18.835	4.0375	.7111	440.17	10.630	51.736	23.991	22.525	.....	443.54	62.011	136.789	2.2716
1940.....	22.709	.....	3.7110	1.6896	397.99	9.322	46.979	23.802	22.676	1403.50	383.00	65.830	37.601	2.2463
1941.....	.....	.....	4.0023	.....	398.00	19.130	47.133	23.829	23.210	403.50	403.18	65.830	43.380	2.2397
1941—July.....	.....	.....	.....	.....	398.00	.....	47.160	.....	.....	403.50	403.23	65.830	43.789	.....
Aug.....	.....	.....	.....	.....	398.00	.....	47.160	.....	.....	403.50	403.18	65.830	43.745	.....
Sept.....	.....	.....	.....	.....	398.00	.....	47.160	.....	.....	403.50	403.27	65.830	43.836	.....
Oct.....	.....	.....	.....	.....	398.00	.....	47.160	.....	.....	403.50	403.29	65.830	45.796	.....
Nov.....	.....	.....	.....	.....	398.00	.....	47.160	.....	.....	403.50	403.42	65.830	48.125	.....
Dec.....	.....	.....	.....	.....	398.00	.....	47.160	.....	.....	403.50	403.50	65.830	52.783	.....
1942—Jan.....	.....	.....	.....	.....	398.00	.....	47.007	.....	.....	403.50	403.50	65.830	52.571	.....
Feb.....	.....	.....	.....	.....	398.00	.....	46.710	.....	.....	403.50	403.50	65.830	52.785	.....
Mar.....	.....	.....	.....	.....	398.00	.....	.....	.....	.....	403.50	403.48	65.830	52.717	.....
Apr.....	.....	.....	.....	.....	398.00	.....	.....	.....	.....	403.50	403.50	65.830	52.735	.....
May.....	.....	.....	.....	.....	398.00	.....	.....	.....	.....	403.50	403.50	65.830	52.740	.....
June.....	.....	.....	.....	.....	398.00	.....	.....	.....	.....	403.50	403.50	65.830	52.744	.....

¹ Average of daily rates for that part of the year during which quotations were available.

NOTE.—Developments affecting averages during 1942:

No rates certified: Straits Settlements—since February 14.

Changes in nominal status (noted only if affecting quotations for at least five days a month): none.

For further information concerning the bases and nominal status of exchange quotations, and concerning suspensions of quotations prior to 1942, see BULLETIN for March 1942, p. 285; February 1941, p. 183; February 1940, p. 178; September 1939, p. 831; March 1939, p. 236; and March 1938, p. 244.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES
WHOLESALE PRICES—ALL COMMODITIES

[Index numbers]

Year or month	United States (1926=100)	Canada (1926=100)	United Kingdom (1930=100)	France (1913=100)	Germany (1913=100)	Italy (1928=100)	Japan (October 1900=100)	Netherlands (1926-30=100)	Sweden (1935=100)	Switzerland (July 1914=100)
1926.....	100	100	¹ 124	695	134	.....	237	106	¹ 126	144
1930.....	86	87	100	554	125	85	181	90	¹ 103	126
1931.....	73	72	88	500	111	75	153	76	¹ 94	110
1932.....	65	67	86	427	97	70	161	65	¹ 92	96
1933.....	66	67	86	398	93	63	180	63	¹ 90	91
1934.....	75	72	88	376	98	62	178	63	¹ 96	90
1935.....	80	72	89	338	102	68	186	62	100	90
1936.....	81	75	94	411	104	76	198	64	102	96
1937.....	86	85	109	581	106	89	238	76	114	111
1938.....	79	79	101	653	106	95	251	72	111	107
1939.....	77	75	103	² 681	107	99	278	74	115	111
1940.....	79	83	137	.....	110	.....	311	³ 88	146	143
1941.....	87	90	153	.....	² 112	.....	329	.....	172	184
1941—June.....	87	90	152	.....	112	.....	331	.....	173	184
July.....	89	91	153	.....	112	.....	329	.....	173	188
August.....	90	92	153	.....	113	.....	330	.....	174	189
September.....	92	93	154	.....	113	.....	330	.....	175	191
October.....	92	94	155	.....	² 113	.....	337	.....	176	193
November.....	93	94	155	.....	² 113	.....	340	.....	178	198
December.....	94	94	156	.....	² 113	.....	347	.....	179	199
1942—January.....	96	94	156	.....	² 114	.....	² 351	.....	181	202
February.....	97	95	159	.....	² 114	.....	² 352	.....	183	205
March.....	98	95	159	.....	² 114	.....	.....	.....	184	207
April.....	99	95	160	.....	² 114	.....	.....	.....	² 186	208
May.....	99	95	161	.....	.....	.....	.....	.....	² 187	.....
June.....	99	.....	² 160	.....	.....	.....	.....	.....	.....	.....

² Preliminary.

¹ Approximate figure, derived from old index (1913=100).

² Average based on figures for 8 months; no data available since August 1939, when figure was 674.

³ Average based on figures for 5 months; no data available since May 1940, when figure was 89.

Sources.—See BULLETIN for January 1941, p. 84; April 1937, p. 372; March 1937, p. 276; and October 1935, p. 678.

WHOLESALE PRICES—GROUPS OF COMMODITIES

[Indexes for groups included in total index above]

Year or month	United States (1926=100)			Canada (1926=100)			United Kingdom (1930=100)		Germany (1913=100)		
	Farm products	Foods	Other commodities	Farm products	Raw and partly manufactured goods	Fully and chiefly manufactured goods	Foods	Industrial products	Agricultural products	Industrial raw and semi-finished products	Industrial finished products
1926.....	100	100	100	100	100	100	.....	.....	129	130	150
1930.....	88	91	85	82	82	87	100	100	113	120	150
1931.....	65	75	75	56	62	75	89	87	104	103	136
1932.....	48	61	70	48	55	70	88	85	91	89	118
1933.....	51	61	71	51	57	70	83	87	87	88	113
1934.....	65	71	78	59	64	73	85	90	96	91	116
1935.....	79	84	78	64	66	73	87	90	102	92	119
1936.....	81	82	80	69	71	74	92	96	105	94	121
1937.....	86	86	85	87	84	81	102	112	105	96	125
1938.....	69	74	82	74	73	78	97	104	106	94	126
1939.....	65	70	81	64	67	75	97	106	108	95	126
1940.....	68	71	83	67	75	82	133	138	111	99	129
1941.....	82	83	89	71	82	89	146	156	.....	.....	.....
1941—June.....	82	83	89	71	82	89	145	156	114	100	132
July.....	86	85	90	72	82	90	146	157	114	100	132
August.....	87	87	91	72	83	91	146	157	114	100	132
September.....	91	90	92	73	85	92	147	158	113	101	132
October.....	90	89	93	74	85	93	148	158	.....	.....	.....
November.....	91	89	94	74	85	93	148	158	.....	.....	.....
December.....	95	91	94	75	86	92	151	158	.....	.....	.....
1942—January.....	101	94	95	77	87	92	152	159	.....	.....	.....
February.....	101	95	95	78	88	92	157	159	.....	.....	.....
March.....	103	96	95	79	88	92	158	159	.....	.....	.....
April.....	105	99	96	80	89	92	160	159	.....	.....	.....
May.....	104	99	96	80	89	92	163	159	.....	.....	.....
June.....	104	99	96	.....	.....	.....	.....	.....	.....	.....	.....

Sources.—See BULLETIN for May 1942, p. 451; March 1935, p. 180; and March 1931, p. 159.

Price Movements—Continued

RETAIL FOOD PRICES

[Index numbers]

COST OF LIVING

[Index numbers]

Year or month	United States (1935-39 =100)	Canada (1935-39 =100)	United Kingdom (July 1914 =100)	Germany (1913-14 =100)	Netherlands (1911-13 =100)	Switzerland (June 1914 =100)
1932.....	87	86	126	116	119	125
1933.....	84	85	120	113	120	117
1934.....	94	93	122	118	124	115
1935.....	100	95	125	120	118	114
1936.....	101	98	130	122	120	120
1937.....	105	103	139	122	127	130
1938.....	98	104	141	122	130	130
1939.....	95	101	141	123	130	132
1940.....	97	106	164	128	140	146
1941.....	106	116	168	129	146	175
1941—June.....	106	113	170	131	.....	178
July.....	107	117	167	134	.....	179
August.....	108	121	167	133	.....	180
September.....	111	123	166	128	.....	181
October.....	112	123	165	128	.....	185
November.....	113	125	165	126	.....	188
December.....	113	124	165	126	.....	189
1942—January.....	116	122	163	129	.....	191
February.....	117	123	163	129	.....	194
March.....	119	124	162	131	.....	195
April.....	120	124	160	132	.....	197
May.....	122	124	160	.....	.....	.....
June.....	123	126	159	.....	.....	.....

^p Preliminary.

¹ Revised index from March 1936 (see BULLETIN for April 1937, p. 373).

² Average based on figures for 3 months; no data available since March 1940, when figure was 141.

³ Average based on figures for 5 months; no data available since May 1940, when figure was 149.

Sources.—See BULLETIN for May 1942, p. 451; October 1939, p. 943; and April 1937, p. 373.

SECURITY PRICES

[Index numbers except as otherwise specified]

Year or month	Bonds					Common stocks			
	United States (derived price) ¹	United Kingdom (December 1921=100)	France (1913=100)	Germany (average price) ²	Netherlands ³	United States (1935-39 =100)	(1926=100)		
							United Kingdom	France	Germany
Number of issues.....	15	87	36	² 139	8	402	278	300	(4)
1926.....	90.1	110.0	57.4	.....	.....	105.6	100.0	100.0	100.0
1932.....	84.4	113.2	88.6	⁵ 67.1	94.8	51.2	67.9	105.2	⁵ 50.3
1933.....	91.2	119.7	81.3	82.5	105.3	67.0	78.6	99.6	61.7
1934.....	98.2	127.5	82.1	90.7	113.4	76.6	85.7	85.3	71.1
1935.....	105.5	129.9	83.5	⁶ 95.1	107.8	82.9	86.3	79.7	82.9
1936.....	109.5	131.2	76.3	95.8	109.1	117.5	97.0	77.2	91.6
1937.....	¹ 110.2	124.6	75.1	98.7	³ 101.8	117.5	96.3	97.4	102.6
1938.....	111.1	121.3	77.3	99.9	105.9	88.2	80.8	89.7	100.1
1939.....	113.8	112.3	83.9	99.0	90.9	94.2	75.9	98.3	94.1
1940.....	115.9	118.3	84.7	100.7	⁷ 77.9	88.1	70.8	.....	⁸ 95.0
1941.....	117.8	123.8	.....	.....	.....	80.0	72.5	.....	.....
1941—June.....	117.7	122.9	.....	103.3	.....	79.5	70.7	^p 272	138.1
July.....	118.7	124.7	.....	103.1	.....	83.2	72.5	^p 270	142.6
August.....	118.5	124.5	.....	103.1	.....	83.2	73.8	^p 292	144.0
September.....	118.1	125.9	.....	103.1	.....	83.6	75.1	^p 305	146.4
October.....	118.8	125.5	.....	.....	.....	80.4	74.8	^p 311	.....
November.....	119.2	125.7	.....	.....	.....	77.4	76.0	^p 329	.....
December.....	117.5	125.5	.....	.....	.....	71.8	74.8	^p 348	.....
1942—January.....	117.5	126.8	.....	.....	.....	72.6	76.0	^p 387	.....
February.....	117.1	126.5	.....	.....	.....	69.9	73.0	^p 390	.....
March.....	116.7	127.1	.....	.....	.....	66.0	72.6	.....	.....
April.....	117.8	127.5	.....	.....	.....	63.3	72.5	.....	.....
May.....	117.7	126.8	.....	.....	.....	63.2	73.0	.....	.....
June.....	118.0	126.7	.....	.....	.....	66.1	73.7	.....	.....

^p Preliminary.

¹ Figures represent calculated prices of a 4 per cent, 20-year bond offering a yield equal to the monthly average yield for 15 high-grade corporate bonds for the series beginning 1937 and for a varying number of high-grade bonds for the series prior to that date. The yearly average for 1937 is the same for both series. Source: Standard and Poor's Corporation.

² Since April 1, 1935, the 139 bonds included in the calculation of the average price have all borne interest at 4½ per cent. The series prior to that date is not comparable to the present series, principally because the 169 bonds then included in the calculation bore interest at 6 per cent.

³ Indexes of reciprocals of average yields. For old index, 1929-1936, 1929 = 100; average yield in base year was 4.57 per cent. For new index beginning Jan. 1937, Jan.-Mar. 1937 = 100; average yield in base period was 3.39 per cent.

⁴ This number, originally 329, has declined as the number of securities eligible for inclusion in the index has diminished. In May 1941, it was down to 287.

⁵ Average May-Dec. only; exchange closed Jan. 1-Apr. 11.

⁶ Average Apr.-Dec. only—see note 2. Average Jan.-Mar. on old basis was 95.9.

⁷ Average based on figures for 7 months; no data available May-September.

⁸ Average based on figures for 9 months; no data available May-July.

Sources.—See BULLETIN for November 1937, p. 1172; July 1937, p. 698; April 1937, p. 373; June 1935, p. 394; and February 1932, p. 121.

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AUGUST 1942

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Federal Reserve Bank of—	Managing Director	Federal Reserve Bank of—	Managing Director
New York:		Minneapolis:	
Buffalo Branch.....	R. B. Wiltse	Helena Branch.....	R. E. Towle
Cleveland:		Kansas City:	
Cincinnati Branch.....	B. J. Lazar	Denver Branch.....	Jos. E. Olson
Pittsburgh Branch.....	P. A. Brown	Oklahoma City Branch	G. H. Pipkin
Richmond:		Omaha Branch.....	L. H. Earhart
Baltimore Branch.....	W. R. Milford		
Charlotte Branch.....	W. T. Clements	Dallas:	
Atlanta:		El Paso Branch.....	J. L. Hermann
Birmingham Branch.....	P. L. T. Beavers	Houston Branch.....	W. D. Gentry
Jacksonville Branch.....	Geo. S. Vardeman, Jr.	San Antonio Branch.....	M. Crump
Nashville Branch.....	Joel B. Fort, Jr.		
New Orleans Branch.....	E. P. Paris	San Francisco:	
Chicago:		Los Angeles Branch.....	W. N. Ambrose
Detroit Branch.....	H. J. Chalfont	Portland Branch.....	D. L. Davis
St. Louis:		Salt Lake City Branch.....	W. L. Partner
Little Rock Branch.....	A. F. Bailey	Seattle Branch.....	C. R. Shaw
Louisville Branch.....	C. A. Schacht		
Memphis Branch.....	W. H. Glasgow		

