

Twenty-Sixth

ANNUAL REPORT

of the

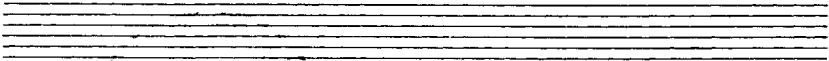
BOARD OF GOVERNORS *of the*

FEDERAL RESERVE SYSTEM



**COVERING OPERATIONS FOR
THE YEAR**

1939



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

December 31, 1939

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LETTER OF TRANSMITTAL

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, April 12, 1940.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

Pursuant to the requirements of section 10 of the Federal Reserve Act, as amended, I have the honor to submit the Twenty-sixth Annual Report, prepared by direction of the Board of Governors of the Federal Reserve System, covering operations during the calendar year 1939.

Yours respectfully,

M. S. ECCLES, *Chairman.*

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Annual Report of the Board of Governors of the Federal Reserve System

SUMMARY

AT THE beginning of 1939 business activity had recovered about half of the severe decline that had occurred between the middle of 1937 and the summer of 1938. In the early months of 1939 there was a slight recession in industrial output but other types of business activity were for the most part maintained. In the middle of the year an upward movement got under way, which was sharply accelerated in September when war broke out in Europe. In the closing months of the year the current rate of output in terms of quantity of goods and services was higher than at any time in the country's history. With continued growth of population, however, output per capita was no larger than in 1929. Unemployment, while reduced materially from the highest level of the depression, was still in large volume. In the latter part of the year there was an increase in commitments for new industrial plant and particularly for new equipment, which will further increase and improve productive capacity. Building activity increased in 1939 but was still far below the levels of the 1920's. National income and distribution of commodities to consumers also increased in the last few months, and exports were considerably larger. In many lines, however, it appears that production rose more rapidly than consumption, with a consequent increase in inventories in the hands of producers and distributors. Unfilled orders, which had been in unusually large volume after the buying wave in the early autumn, had declined somewhat by the end of the year.

During the year recurring war crises in Europe resulted in an increased flow of gold to this country, and at the end of the year our gold stock reached the unprecedented total of \$17,650,000,000, representing two-thirds of the world's monetary gold.

This inflow of gold resulted in a corresponding growth of member bank reserves and deposits, and this, together with some expansion of bank loans and investments, carried bank deposits to new high levels. Required reserves increased correspondingly but this increase fell far short of absorbing the additions to bank reserves, so that excess reserves rose further to a volume in excess of five billion dollars.

The principal medium of Federal Reserve policy during the year was open-market operations. In the middle of the year, when rates on Treasury bills were practically on a no-yield basis, the Federal Open Market Committee decided that, whenever market conditions warranted, holdings of Treasury bills would be allowed to mature without replacement.

In the autumn when hostilities broke out in Europe and United States securities, as well as other high-grade fixed-interest obligations, fell rapidly in price, the System bought Government securities freely with a view to cushioning the decline and exerting an influence against disorganization in the capital market. It was not the System's objective to hold Government security prices at any given level but to prevent them from falling so rapidly as to result in panicky conditions in the market. When the shock of the outbreak of the war had subsided and prices of Government securities, after a substantial recovery, had advanced further, the System sold some securities from its portfolio. As a net result of the year's operations, the System's open-market portfolio at the end of 1939 was \$80,000,000 lower than at the beginning of the year.

In its annual report for 1938 the Board presented a brief review of the problems of banking and bank supervision with which the country is confronted. No material changes in the situation described in the report occurred during 1939, except a further large expansion of bank reserves. In the summer the United States Senate adopted a resolution introduced by Senator Wagner of New York, reading in part as follows: "Resolved, That the Committee on Banking and Currency is authorized to conduct a study and to hold hearings to consider and recommend a national monetary and banking policy by which the monetary and banking authorities of the Federal Government shall be guided and governed, and to consider and recommend the character of governmental machinery best calculated to carry out such policy. The Committee shall report to the Senate as soon as practicable the results of its study, together with its recommendation for the enactment of any legislation it may deem necessary."

FEDERAL RESERVE POLICY

An important change in the System's open-market policy during 1939 was the departure from the practice of recent years of maintaining a constant amount of securities in the System account. This change reflected a shift in emphasis in the use of open-market operations from their influence on member bank reserves to their direct influence on conditions in the capital market. As a corollary of this change it was no longer necessary to attach as much importance as previously to having at all times a large amount of securities of short maturity.

Since the autumn of 1933 the System's open-market portfolio had been approximately \$2,500,000,000. No net changes in the portfolio had occurred, except for relatively minor purchases in the spring of 1937 for the purpose of attempting to preserve orderly market conditions and in the autumn of that year for the purpose of providing funds to meet seasonal requirements. Maintenance of a constant portfolio had reflected

**Flexible
open-market
portfolio**

the judgment of the Federal Open Market Committee that, so long as business recovery was incomplete and there was no evidence of over-expansion of credit, there was no occasion for a reduction in the System's open-market holdings. On the other hand, there was no occasion to increase the portfolio materially so long as excess reserves were abundant and growing, bank deposits were in unusually large volume, and interest rates were low.

In 1939, however, developments in the market caused the System to depart from the practice of maintaining a constant portfolio. These developments were, first, the difficulty of replacing maturing Treasury bills without paying a premium over a no-yield basis, and, later, the sharp decline in United States Government security prices at the outbreak of the war in Europe.

As early as the last quarter of 1938, the diminution in the supply of Treasury bills in the face of a growing demand had resulted in a decline in the rate on weekly bill issues almost to zero, and on some occasions bills were not obtainable except at a premium above a no-yield basis. This matter was discussed by the Federal Open Market Committee as early as December 1938, and the following statement was released to the press on December 30:

**Liquidation of
Treasury bills**

“The Federal Open Market Committee announced, following a meeting today, that weekly statements of the total holdings in the Federal Reserve System's Open Market Account may at times show some fluctuation depending upon conditions in the market affecting the Committee's ability to replace maturing Treasury bills held in its portfolio. The volume of Treasury bills available on the market has declined materially during the year and, owing to the large and increasing demand, such bills are already selling either on a no-yield basis or at a premium above a no-yield basis. It has, therefore, become difficult and in some weeks impossible for the System to find sufficient bills on the market to replace those that mature. Short-term notes are also selling on a no-yield basis and longer-term notes have at times been difficult to obtain. In these circumstances, it may be necessary from time to time to permit bills held in the portfolio to mature without replacement, not because of any change in Federal Reserve policy but solely because of the technical situation in the market. Because no change in Federal Reserve policy is contemplated at this time, maturing bills will be replaced to the extent that market conditions warrant.”

For nearly six months after this announcement it was found possible to replace maturing bills each week with other bills or with short-term Treasury notes without paying a premium above a no-yield basis or with

longer-term Treasury notes without causing undue disturbance in the market for such notes. The difficulty of replacing bills, however, became continuously more pronounced. On June 21, the Open Market Committee considered the matter again and decided that no useful purpose would be served by continuing to replace maturing bills for which there was a strong demand in the market and that, therefore, the System's holdings of bills should be allowed to run off without replacement unless market conditions made this undesirable for any given week. On June 30 the following statement was issued:

"As a result of a reduction in holdings of Treasury bills, this week's statement of condition of Federal Reserve banks shows a decline of \$13,378,000 in the System Open Market Account. This is in accordance with action taken by the Federal Open Market Committee on June 21, 1939. For some time past, Treasury bills have been purchased for the System's account at or near a no-yield basis and the account at times has had difficulty in replacing its maturing bills. It was decided that it would serve no useful purpose to continue full replacement of maturing bills, the supply of which is not always equal to the market demand. This action is in response to technical conditions in the bill market and does not represent a change in general credit policy."

In the course of 24 weeks the total of Treasury bills held on June 21 amounting to \$477,000,000 was liquidated, and since December 6 no Treasury bills have been held in the System's open-market account.

While the gradual liquidation of the System's Treasury bills was in process, world events precipitated conditions in the bond market which caused the System to make purchases of other United States obligations on a substantial scale. As early as its meeting on April 19 the Federal Open Market Committee had taken cognizance of the possibility of serious disturbances in the Government security market in the event of an armed conflict in Europe. At that meeting the committee gave authority to its executive committee to arrange for large-scale purchases of United States Government securities in case war should break out and result in serious disturbances in the capital market in the United States. This authority was renewed on June 21 at the last meeting of the committee before the outbreak of the war.

On September 1, when war in Europe actually began, prices of United States Government and high-grade corporate bonds declined abruptly. Prices of Government bonds had advanced almost continuously from September 1937 to June 1939 and were at that time at the highest level on record, with the average yield on long-term Treasury bonds at 2 $\frac{1}{4}$ per cent. Even prior to the actual outbreak of hostilities high-grade

**Open-market
purchases on
outbreak of war**

bond prices had declined somewhat as the result of uncertainties in the world outlook, but early in September the break in the bond market became more pronounced.

In the circumstances, the Federal Reserve System deemed it to be in the public interest to exert its influence in a positive way toward maintaining orderly conditions in the market for United States Government securities. While the System has neither the obligation nor the power to assure any given level of prices or yields for Government securities, it has been its policy in so far as its powers permit to protect the market for these securities from violent fluctuations of a speculative, or panicky nature. Prices of fixed-interest rate securities, including those of the Government, inevitably adjust to changes in long-time interest rates. Consequently, an orderly rise or fall in United States bond prices in response to changes in underlying credit conditions, as expressed in interest rates, does not call for action by the System. Violent temporary movements, however, caused by such circumstances as the shock of the outbreak of European hostilities, make it in the public interest for the System to use its influence toward preventing a disorganized condition in the market.

In undertaking large-scale open-market operations in September 1939, the System was guided principally by the following considerations:

(1) By helping to maintain orderly conditions in the market for United States Government securities the System can exert a steadying influence on the entire capital market, which is an essential part of the country's economic machinery, and disorganization in which would be a serious obstacle to the progress of economic recovery. The market for United States Government securities is the only part of the capital market in which the System is authorized by law to operate, and Government securities occupy a vital place in that market.

(2) The System also has a measure of responsibility for safeguarding the large United States Government portfolio of the member banks from unnecessarily wide and violent fluctuations in price. The System cannot and does not guarantee any current prices of Government obligations, nor does it undertake to preserve for member banks such profits as they may have on their Government securities, or to protect them against losses in this account. The Government security market, however, has become in recent years the principal part of the money market, and member banks are in the habit of adjusting their cash positions through sales and purchases of United States Government securities. This practice has arisen partly because of a shrinkage in the availability of other liquid assets, such as Street loans and bankers' acceptances, which in earlier years were in much larger volume and were the medium through which banks were likely to adjust their positions. In the enhanced importance of the Government portfolio to member banks, the System sees

an additional reason for exerting its influence against undue disturbances in Government security prices.

On September 1 the System announced that all the Federal Reserve banks stood ready to make advances on Government securities to member and nonmember banks at par and at the discount rate. The discount rate at the time was 1 per cent in New York and 1½ per cent at the other Reserve banks. During September the rate for such advances was reduced to 1 per cent at six Federal Reserve banks. The purpose of the announcement and of the reduction in the discount rates was to assure all banks, as large holders of Government obligations, that a temporary decline in prices of Government securities should not be regarded as an occasion for selling these securities, as, in case of need, these holdings could be the basis for obtaining their par value in cash at the Federal Reserve banks.

A more tangible expression of System policy, however, was the active intervention of the Federal Reserve banks, at the direction of the Federal Open Market Committee, in the market for Government securities. In the early part of September the System made substantial purchases with a view to preventing the development of disorderly conditions or unreasonably abrupt declines in prices. Offerings were increasing and there was a scarcity of buyers. Consequently, prices were falling rapidly.

A few purchases of United States Government securities were made in the closing days of August. On September 1, when war actually broke out and long-term Government bonds declined by a full point, the System purchased more than \$100,000,000 of Government securities. This amount included \$61,000,000 purchased from dealers in order to prevent these holdings from hanging over the market, or from demoralizing the market further if the dealers attempted to liquidate them at once. The understanding with dealers during this period was that they were expected to act in effect as brokers only and were not to take positions on either the long or the short side of the market. For a brief period from September 1 to September 6 dealers were also requested, when offering securities to the Federal Reserve banks, to give the names of the sellers of the securities. This plan was adopted as a means of detecting possible speculative short sales and in general as a method of having better knowledge of developments in the market. The policy of requiring the names of sellers was discontinued as soon as market conditions justified its abandonment. As a further precaution it was agreed that dealers would stop trading in United States Government obligations at 4 o'clock in the afternoon.

During the period in September when the Federal Reserve banks were making purchases in the open market, many banks cooperated with the System's program by refraining from making sales from their portfolios of United States Government securities.

The aggregate amount of securities purchased by the System from August 28, when the purchases began, to September 25, when they terminated, was \$473,000,000.

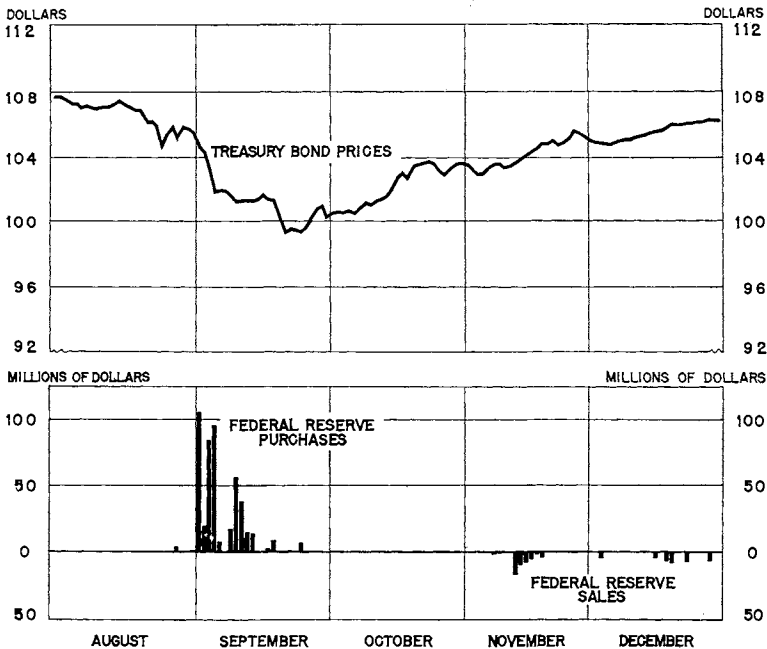
Toward the end of September prices of Government and high-grade corporate obligations steadied and shortly thereafter began to advance.

Recovery of bond prices

By the end of the year their level had advanced to that prevailing prior to the outbreak of the war in Europe. Advances in Government security prices during the last three months of the year were at times so rapid that it was thought advisable to sell some of the System's holdings, particularly of issues for which there was a strong market demand. In the course of these months a total of \$77,000,000 was sold. As a net result of the year's open-market operations, the System's portfolio at the end of December was about \$80,000,000 smaller than a year earlier.

Two charts are presented in this connection. The first chart shows for the last five months of 1939 daily changes in the price of a representative long-term Treasury bond (2¾ per cent bonds of 1960-65) and daily purchases or sales of securities by the Federal Reserve System. The chart shows that over a period of a few weeks a sharp drop in the

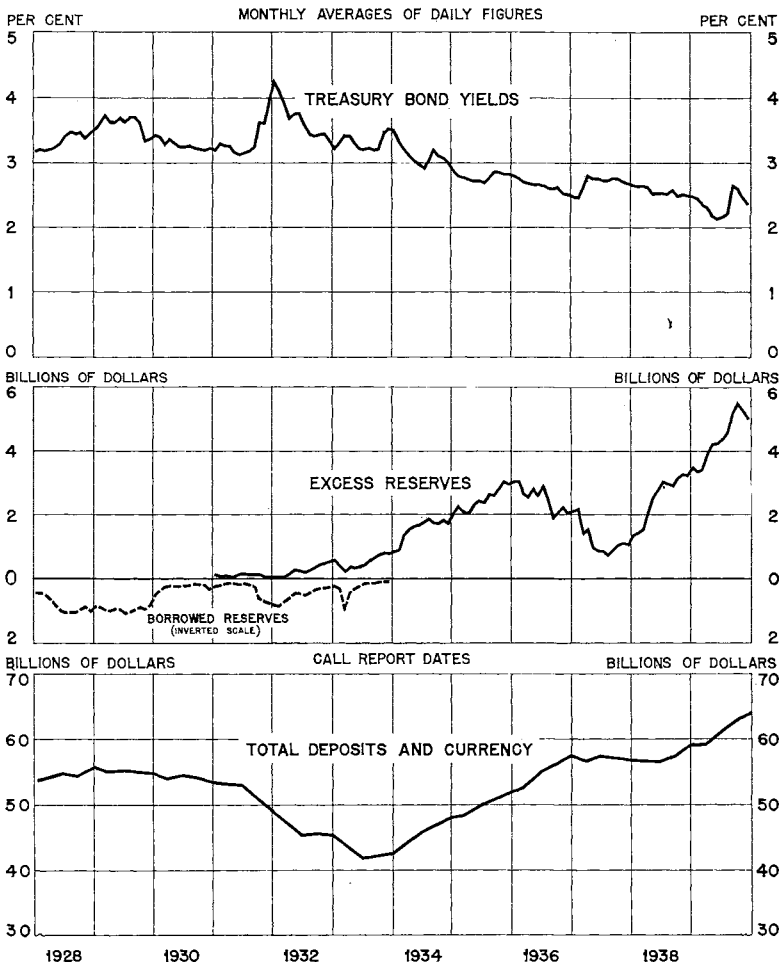
**OPEN-MARKET OPERATIONS AND TREASURY BOND PRICES
AUGUST—DECEMBER, 1939**



Prices of Treasury bonds of 1960-1965. Purchases and sales are shown as of date of purchase or sale rather than date of delivery and include all Government securities, except Treasury bills.

prices of Treasury bonds was followed first by a period of relative stability and subsequently by an advance toward the level that had prevailed before the outbreak of the war. It is apparent from the chart that open-market operations by the Reserve System were so timed as to moderate the more extreme daily movements of bond prices but not so as to prevent the market from following over the period the general pattern of decline and recovery. The second chart shows for a period of years average yields on long-term Government bonds, excess reserves

BOND YIELDS, EXCESS RESERVES, AND BANK DEPOSITS



Average yields on Treasury bonds due or callable after 12 years. Borrowed reserves are bills discounted by member banks at Federal Reserve banks. Excess reserves in the period 1928-1930 and borrowed reserves in the period 1934-1939 were small and are not shown. Bank deposits and currency figures are partly estimated. Currency figures represent amounts outside bank vaults. Deposit figures are for all commercial and savings banks in the United States and Postal Savings System; they exclude interbank deposits and are adjusted for cash items in process of collection.

of member banks, and bank deposits and currency outside of banks. The extraordinary inflow of gold has been the principal factor in the growth of excess reserves and of bank deposits in recent years with a consequent large volume of funds seeking investment. As a result, interest rates have declined to record low levels, as is indicated by the course of Government bond yields on the chart. The sudden sharp rise in these yields in the autumn of 1939, without a change in the deposit and reserve position of banks or a substantial increase in credit demands by commerce and industry, was a temporary development rather than a reflection of a change in underlying credit conditions.

Adoption by the System in 1939 of a flexible portfolio in place of the fixed portfolio held for the preceding six years was in response to monetary conditions that had developed over the past few years. In earlier years changes in the System portfolio had been made with reference to their effect on member bank indebtedness or the volume of excess reserves. With bank reserves at an unprecedented and constantly mounting level, and with a vast amount of funds in the hands of individual and institutional investors seeking outlets, such changes in member bank reserves as are caused by System open-market operations are no longer a major factor in easing or tightening credit conditions. On the other hand, such operations exert an influence on conditions in the capital market. The entry or withdrawal of the System as an active buyer or seller has an influence not only on prices of the particular issues that the System buys or sells, but also on the market for Government obligations as a whole and to some extent on the capital market in general. In view of the fact that member banks hold a large volume of Government and corporate bonds, the endeavors of the System to contribute to the maintenance of an orderly bond market tend to stabilize banking conditions and, through their effect on the capital markets, they contribute to general economic recovery.

The change in the immediate objective of open-market operations has had the incidental effect of making it less important for the Federal Reserve System to have its portfolio of United States Government securities consist in large part of short-term obligations. The chart following shows the extent of the decrease in the last six months of 1939 in the System's holdings of obligations maturing in a year or less and the increase in obligations maturing in more than five years. At the end of the year about one-tenth of the System's portfolio had a maturity of one year or less, compared with one-third at the end of 1938.

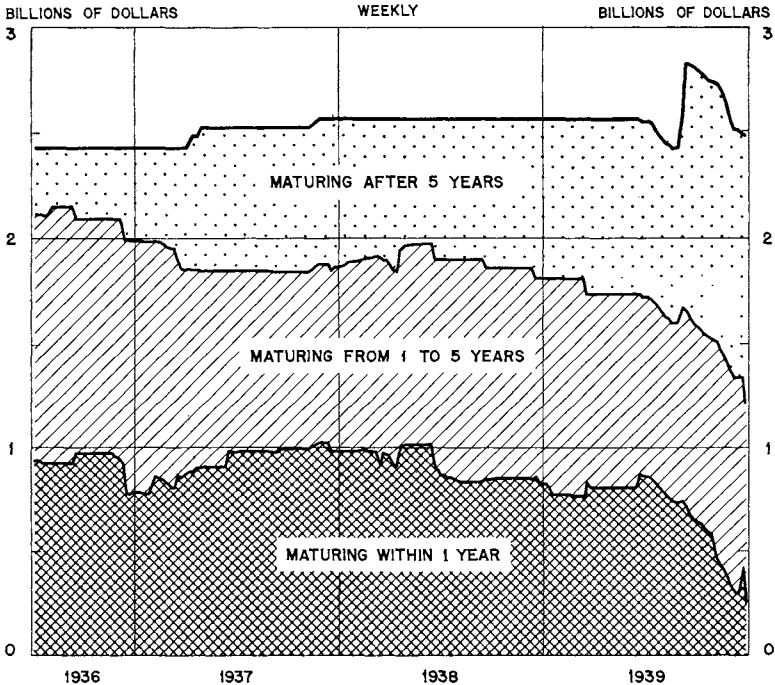
When open-market sales and purchases by the System were primarily for the purpose of affecting the volume of member bank reserves, it was

Significance of flexible portfolio

Change in maturity distribution

considered important to hold a large amount of securities that would mature in a short time or could be sold without sustaining losses or causing a disturbance in the market. With the shift in emphasis in open-market operations from their effect on member bank reserves to their effect in contributing to orderly conditions in the market for United States Government obligations, it has become less important for the

**UNITED STATES GOVERNMENT OBLIGATIONS
HELD BY FEDERAL RESERVE BANKS**



System to have a large proportion of its portfolio in short-term obligations. The change in the distribution of maturities in the portfolio during the year was consistent with this viewpoint.

UNITED STATES ACQUISITIONS OF FOREIGN GOLD

Gold movements to this country in recent years have been influenced to an increasing extent by apprehensions of war and by actual hostilities. In the last year and a half the movement of capital to the United States has been almost entirely determined by the war situation, which has also been a powerful influence on American exports.

The war flight of capital to the United States assumed large dimensions in September 1938 with the events leading up to the dismemberment of Czecho-Slovakia. During the year ending August 1939, according to the reported figures, \$1,800,000,000 of capital came to the United States from abroad, a larger sum than in any other period of equal length. Roughly half the total inflow occurred during the twelve weeks of severest crisis—four in September 1938 on the occasion of the first Czech crisis, five in March and April 1939 following the German absorption of Bohemia and Moravia, and three in August, immediately preceding the outbreak of war.

Prewar capital inflow

The bulk of the capital inflow represented private money seeking refuge in the United States, most of which was placed on deposit, but foreign central banks and governments also participated in the movement. In the year ending August 1939 official balances held with the Reserve banks and certain other institutions rose by \$260,000,000. The increase would no doubt have been much larger were it not for the fact that foreign central banks are permitted to hold gold in this country, a facility denied to private persons. Gold earmarked for foreign account increased \$700,000,000 in the year ending August 1939, bringing the total accumulation of foreign official resources in the United States during the period to approximately \$1,000,000,000.

A second important factor in the gold flow to the United States in the prewar period was the excess of merchandise exports. The sudden emergence of a large export surplus in the latter part of 1937 was due less to war influences than to the coincidence of diminishing business activity in the United States with increased agricultural output after a year of short crops occasioned by drought. Imports of industrial goods declined and certain agricultural commodities shifted from an import to an export basis. But in addition to these domestic developments there was also a strong foreign demand for American manufactures. Military expenditures abroad contributed to this demand, partly through enlarging the flow of goods and materials needed directly for armament and partly through intensifying the whole range of foreign business activity. The growth in exports of American manufactures was the chief factor in maintaining the export surplus of this country at an unusually high level even after the domestic conditions which had played a large part in creating the surplus in 1937 had disappeared.

Prewar merchandise balance

In the middle of 1938 business began to recover and in the ensuing year there was a renewed expansion of raw material imports, while exports of agricultural products, reflecting chiefly a decline in cotton exports, receded to an unusually low level; but owing to larger shipments of manufactured goods the excess of exports was maintained

during the year ending August 1939 at \$800,000,000, compared with \$1,100,000,000 in the previous twelve months.

Acquisitions of foreign gold by the United States during the year ending August 1939 reached the unprecedented total of \$3,400,000,000.

Prewar gold acquisitions

Most of this gold, as already indicated, was received in connection with the reported inflow of capital and the excess of exports, but a substantial portion represents transactions which have not been identified. It seems probable, however, that many of these transactions constituted capital transfers hidden for the purpose of evading exchange restrictions abroad and particularly the compulsory relinquishment of foreign assets to the governments.

With the outbreak of war and the imposition of war controls the recorded inflow of capital came to a halt, but the merchandise export surplus and credits due to unidentified transactions

First months of war

rose to greater volume. This country continued to acquire gold from abroad on nearly the same scale as before. Gold acquisitions in the first four months of the war averaged \$55,000,000 a week, compared with \$65,000,000 a week in the record year that preceded the declaration of war.

The cessation of the recorded capital inflow that occurred following the commencement of hostilities in Europe reflected two offsetting movements. Capital continued to arrive from the neutral countries of Europe at fully as great a rate as before the war, but the inflow from England, France, and Canada came to an end and was succeeded by a release of funds for account of these countries which offset the continuing receipts from other areas. The belligerent countries, with the exception of Germany, which had taken such steps some years before, imposed foreign exchange restrictions immediately after the outbreak of war. For the most part these restrictions were designed to prevent the further transfer of capital abroad. In England, moreover, the public was required to offer short-term assets denominated in dollars and other leading currencies to the Treasury, which was also authorized to requisition stocks and bonds. Compulsory sale of foreign assets was not decreed in France, but measures designed to encourage capital repatriation were taken. In the four war months of 1939 nationals of England, France, and Canada reduced their holdings of short-term balances in the United States by about \$300,000,000 and sold more than \$100,000,000 of American securities. Some of the proceeds of this liquidation went into official deposits in this country, and there was some further return of United States capital so that the net capital outflow to these countries was about \$300,000,000. The net inflow from the rest of the world was of approximately equal magnitude.

The effect of the war on American foreign trade was equally prompt though less spectacular. Exports from the United States increased sharply

in September and October and, after a setback in November, rose further in December. The rise was partly seasonal, but it carried the figures well above those of a year previous. By far the largest increase as compared with 1938 occurred in exports of raw cotton, which had been unusually small the year before. Iron and steel manufactures, aircraft, petroleum products, industrial machinery, coal, industrial chemicals, and copper also showed large advances. Except for cotton, agricultural exports showed few increases, and shipments of tobacco fell off sharply.

Imports also increased under the stimulus of rapidly expanding business activity, but not to the same extent as exports. The export surplus increased substantially during the last four months of 1939. At \$400,000,000 it was the principal known factor bringing gold to the United States. Transactions whose nature could not be determined precisely from available figures, but which probably in large part represented some form of capital movement, also continued to be important.

From the outbreak of war to the end of the year the United States acquired nearly \$1,000,000,000 of foreign gold. In the year and a half in which the war influence was predominant the United States acquired \$4,500,000,000 of gold, an amount larger than the dollar value of the entire gold stock of this country at the end of 1933. The gold stock at the end of 1939 was \$17,650,000,000; and it was increasing at the rate of about \$2,500,000,000 a year.

BANKING DEVELOPMENTS

Bank reserves and bank deposits increased further during 1939 to the highest level on record. The principal factor in the increase was the inflow of gold from abroad but deposits were expanded also by an increase in bank holdings of United States Government obligations. The growth of deposits during the year was larger than the rise in economic activity with the consequence that the turnover of deposits declined further.

Total reserves of member banks rose by \$3,000,000,000 in 1939, following a rise of \$2,000,000,000 in 1938; over the two-year period the amount of reserves held by banks in excess of legal requirements increased from about \$1,000,000,000 to about \$5,500,000,000, the highest on record. At the end of 1939, therefore, nearly half of the \$12,000,000,000 of reserves held by member banks were excess reserves. Rapid expansion of bank reserves in recent years has been due chiefly to the acquisition of foreign gold, discussed in the preceding section of this report.

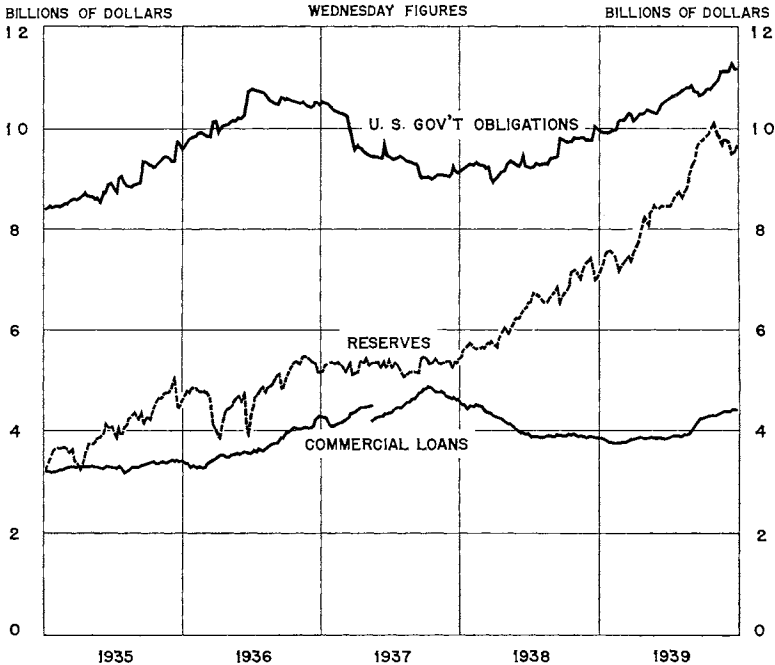
Gold imports, together with the increase in bank loans and investments, have also added to our already swollen volume of bank deposits. Although recent increases in bank deposits have been widespread, with substantial percentage increases in some of the Southern and far Western States, the largest growth has been at banks in New York City. These banks are the chief holders of balances of large institutional and indi-

vidual investors and receive most of the deposits of funds representing the capital inflow from abroad, which was mainly responsible for our gold imports and deposit growth in 1939.

Banks were purchasers of United States Government securities on a large scale in 1939 and their combined holdings of direct and guaranteed obligations rose above the previous peak reached in 1936. Changes in bank holdings of Government obligations in recent years have been chiefly at city banks.

In 1939 the increase was mainly at member banks in New York City, and in 1938 it was mainly at member banks in other leading cities. As shown by the chart, United States Government securities held by banks in New York and 100 other leading cities increased by \$1,900,000,000 from June 1938 to the end of 1939; this compares with an estimated increase of \$2,100,000,000 at all commercial banks.

MEMBER BANKS IN 101 LEADING CITIES



Government securities include direct and fully guaranteed obligations. Commercial loans based on new classification, beginning May 12, 1937.

The chart also shows that city banks experienced a livelier demand for loans from commercial and industrial borrowers in the latter half of 1939, when a sharp increase in business activity brought a growing need for funds to finance the current expansion of business operations, including the acquisition of enlarged inventories. In this period commercial loans at

Increase in commercial loans

banks in 101 leading cities rose by nearly \$600,000,000, or 13 per cent. About half of this increase was at New York City banks. Taking the year as a whole, commercial loans increased at city banks in each Federal Reserve district, except the San Francisco district. Outside the leading cities there were moderate but widespread increases in commercial and industrial loans and in real estate loans.

During 1939, as during the previous year, there was a decline in the number of operating banks which was offset only in part by an increase in the number of branches. As a result the number of offices at which banking business is conducted declined during the year, continuing the trend of the four previous years. The proportion of branches to total banking offices again increased but at a slower rate than in most earlier years. Details of these changes may be found in tables 15 and 16 on pages 53-54 of this report.

There was a net decrease of 160 operating banks during the year, reflecting principally 122 consolidations, absorptions, and mergers. There were 41 voluntary liquidations and 42 bank suspensions. Thirty new banks were organized and 15 were added to the records as a result of revisions. The number of Federal Reserve member banks increased during the year, while the number of insured nonmember banks and of noninsured banks continued to decline. The increase in Federal Reserve membership was due mainly to the admission of 85 nonmember State banks.

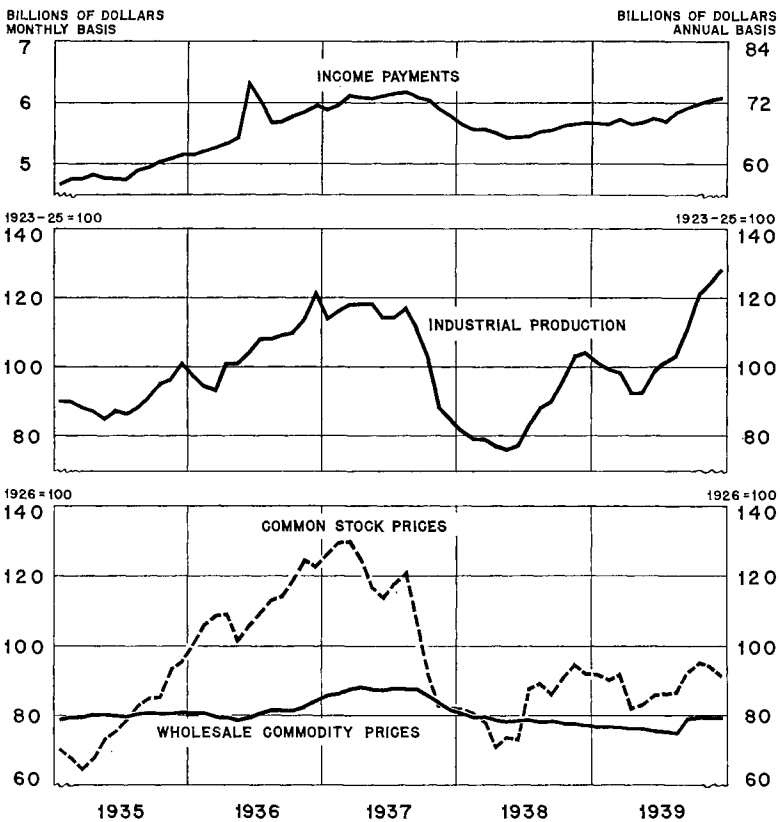
During 1939 the number of branch offices of banks showed a net increase of 49, slightly more than in 1938, but increases in each of these years are much less than those of the previous four years. The net increase in 1939 was wholly accounted for by branches located outside the head-office city; the number of head-office city branches has remained almost unchanged for several years.

BUSINESS CONDITIONS

By the end of 1939 business activity was at a much higher level than at the beginning of the year. A considerable part of the rise was due to the influence of war conditions abroad, which in early autumn stimulated a general wave of buying and greatly accelerated the rise in production already under way. The increase in production extended quite generally throughout industry and led to large increases in payrolls and many other types of income payments. Cash farm income from marketings rose more than seasonally in the autumn and for the year was about the same as in 1938, while Government payments to farmers were larger. Distribution of commodities to individual consumers in turn increased and this rise, together with larger orders for capital goods, particularly equipment, took a large part of the expanded output off the market; also,

exports of industrial products expanded. Part of the increased output, however, went into inventories and in some lines, as production toward the end of the year reached levels clearly in excess of current consumption, new orders fell to a level below current output and unfilled orders were being reduced from earlier peak levels. Such developments indicated that in these industries a decline in activity was to be expected during the early part of 1940. In some other lines, however, it appeared that new orders were continuing at relatively high levels and that the volume of unfilled orders on hand at the end of the year was sufficient to maintain activity at high levels for a considerable period. The extent of any decrease in output as a whole appeared to depend on whether the decline would prove cumulative or whether it would be stopped by new demands forthcoming from domestic sources or from abroad.

SELECTED BUSINESS SERIES



Sources: Income payments, Department of Commerce; industrial production, Board of Governors of the Federal Reserve System; common stock prices, Standard Statistics Company; wholesale commodity prices, Bureau of Labor Statistics. Income payments and industrial production are adjusted for seasonal variation.

The course of industrial production, as measured by the Board's seasonally adjusted index, is shown for 1939 and other recent years on the accompanying chart. During the first half of 1939 there was some decline, reflecting in large part reductions in activity in the steel and automobile industries and a protracted shutdown at bituminous coal mines pending settlement of contract negotiations between mine operators and the miners' union. In most important steel-consuming lines, with the exception of the automobile industry, activity was maintained during this period or increased further; the decline in steel production was due largely to the fact that in the latter part of 1938 steel production had been in excess of consumption and there had been some accumulation of inventories at steel-consuming establishments. Production of textiles, shoes, and certain other nondurable goods showed some reduction from the levels reached at the end of 1938.

In the construction industry activity during the first half of 1939 was maintained near the highest level in recent years owing to a large volume of public work and to a substantial amount of private residential building.

Total income payments, which include many items not affected directly or immediately by changes in industrial activity, did not decline and distribution of commodities to consumers showed about the usual seasonal fluctuations until May when there was a moderate decline.

In June industrial output began an advance, which continued through the summer. Steel production increased and coal production rose considerably, following reopening of mines in the latter half of May. There was an increase in automobile production schedules during the remainder of the model year, made possible by an improvement in retail sales of new and used cars. Activity in the machinery and other steel-consuming industries rose further. There were increases also in output of textiles and other nondurable goods. On the railroads, where shipments had decreased considerably during the shutdown of coal mines, loadings were in larger volume during the summer. In August retail trade advanced to the level prevailing in the first part of the year.

Throughout the first eight months of 1939 manufacturers and distributors had followed a policy of inventory reduction so that by the beginning of September their stocks of industrial materials and products were generally in smaller volume than earlier in the year and in some instances were at low levels. Stocks of agricultural products, however, particularly cotton and wheat, were large.

Commodity prices as a whole declined somewhat in the period, reflecting reductions in prices of farm products, particularly livestock; prices of industrial products showed little change. Common stock prices at the end of August were generally somewhat lower than at the begin-

ning of the year, although during the summer they had advanced from the lower levels reached in the spring during the period of unusual international tension.

When war broke out in Europe at the beginning of September industrial activity had already increased to about the level reached at the close of 1938 and a further increase was anticipated in many quarters. The outbreak of war greatly accelerated the advance. Immediately a wave of buying developed, extending beyond the commodities and securities markets to industrial materials and products not traded in organized exchanges, such as steel and textiles, and, for a short time, even to some retail markets. For the most part the buying was from domestic sources, although foreign demand also increased. Prices of basic commodities and of many equity securities rose sharply in this period, while bond prices declined.

**Developments
subsequent to the
outbreak of war**

The buying wave that occurred at the outset soon subsided but purchasing of some materials continued in considerable volume and was supplemented by a large volume of orders for finished products, such as machine tools and other machinery and railway equipment. By the end of October producers in some lines had sufficient orders on their books for capacity or near-capacity production throughout the remainder of the year and in certain instances well into the first quarter of 1940. Commodity prices generally showed little change after the sharp advances of the first few weeks in September. Prices of semi-finished and finished steel for delivery in the first quarter of 1940 were reaffirmed in November, and in December prices of grains, cotton, and silk rose substantially, while there were declines in prices of steel scrap and some nonferrous metals. Commodity prices at the end of 1939 were generally somewhat higher than a year earlier but considerably below the levels reached in 1937 at the culmination of the previous recovery in business.

Prices of common stocks, particularly those that earlier had risen sharply, declined after the middle of October. At the year end stock prices were generally about the same as a year earlier. In a few lines, however, notably the public utility and aircraft industries and some companies producing nondurable goods, especially textiles and foods, prices were above the level prevailing at the end of 1938.

Industrial output rose sharply in September and October and in the remaining months of the year continued at a high rate, near capacity levels in a number of industries. There were also considerable increases in employment, in total income payments, and in distribution of commodities to consumers. Expenditures on publicly-financed construction, other than works projects, continued at the high level reached in the summer, but the volume of public construction undertaken declined toward the end of the year and was considerably below that of a year

earlier when a new Public Works Administration program was initiated. Private residential building continued at the highest level in recent years. Other private work was at a level somewhat greater than during the summer but still considerably below the levels reached in 1937.

FEDERAL RESERVE BANK OPERATIONS

Current earnings, current expenses, net earnings and distribution of net earnings of the twelve Federal Reserve banks for 1939 as compared with 1938 are shown in the following table.

Earnings and expenses of Federal Reserve banks As in other recent years, most of the earnings of the Federal Reserve banks were derived from interest and discount on their holdings of United States Government obligations.

EARNINGS, EXPENSES, AND DISTRIBUTION OF NET EARNINGS OF FEDERAL RESERVE BANKS DURING 1939 AND 1938

[In thousands of dollars]

	1939	1938
Current earnings.....	38,501	36,261
Current expenses:		
Net operating expenses.....	25,669	25,557
Assessments for Board's expenses.....	1,621	1,725
Cost of Federal Reserve currency.....	1,357	1,629
Total.....	28,647	28,911
Current net earnings.....	9,854	7,350
Additions to current net earnings ¹	4,814	9,827
Deductions from current net earnings ²	2,425	7,595
Net additions.....	2,389	2,232
Net earnings.....	12,243	9,582
Payment to United States Treasury (sec. 13b).....	25	120
Dividends paid.....	8,110	8,019
Transferred to surplus (sec. 13b).....	-426	-419
Transferred to surplus (sec. 7).....	4,534	1,862

¹ Principally profits on sales of U. S. Government securities.

² Principally charge-offs on bank premises and reserves for losses, and in 1938 contributions to retirement system for prior service.

Since nearly all member banks have reserves substantially in excess of requirements, they have had little occasion to borrow from their Federal Reserve banks. As a result, earnings on discounts for and advances to member banks amounted to only \$61,000 in 1939. Earnings on industrial advances and commitments made under section 13b of the Federal Reserve Act, which authorizes the Federal Reserve banks, under certain conditions and limitations, to make industrial advances to established commercial and industrial enterprises either direct or in participation with financing institutions and to enter into commitments to make such advances, aggregated \$744,000. Expenses connected with industrial

advances and commitments amounted to \$424,000 and in addition provision was made in 1939 for estimated losses on such advances in the amount of \$739,000.

Net operating expenses of the Federal Reserve banks, which consisted of total operating expenses after deducting reimbursements of \$4,939,000 received from the United States Treasury and other Government agencies for fiscal agency, depository and custodianship work, were slightly larger in 1939 than in 1938, but decreases in the assessments for expenses of the Board of Governors and in the cost of Federal Reserve currency resulted in a slightly smaller total of current expenses as compared with 1938. Principal items of expenses were salaries and contributions to the Retirement System, \$20,663,000, postage and expressage, \$3,356,000, taxes and normal depreciation allowances on bank premises, \$2,717,000, and printing, stationery and supplies, \$783,000.

As shown in the foregoing table current net earnings of the Federal Reserve banks amounted to \$9,854,000 in 1939. After adding to this amount \$4,391,000 net profits on sales of United States Government securities and other credits to profit and loss aggregating \$423,000 and deducting \$1,417,000 for special depreciation allowances and charge-offs on bank premises, \$739,000 for losses and reserves for estimated losses on industrial advances, and other charges to profit and loss aggregating \$269,000, there remained net earnings of \$12,243,000, as compared with \$9,582,000 in 1938.

Federal Reserve banks paid dividends to member banks aggregating \$8,110,000 at the rate of 6 per cent per annum on paid-in capital, as provided in the Federal Reserve Act. Payments to the United States Treasury under provisions of section 13b of the Federal Reserve Act, relating to industrial advances, amounted to \$25,000. These payments are made in accordance with the provisions of the Federal Reserve Act which require the Federal Reserve banks to pay to the Secretary of the Treasury 2 per cent, if earned, on the amounts paid to the Federal Reserve banks by the Secretary of the Treasury for the purpose of making industrial advances. The remaining net earnings of the Federal Reserve banks, transferred to surplus, amounted to \$4,108,000, as compared with \$1,443,000 in 1938. Itemized earnings and expenses in 1939 and distribution of net earnings for each Federal Reserve bank are shown in Table 5 on pages 40-41.

Total earnings on bills and securities were \$2,177,000 more in 1939 than in 1938. The increase in earnings was the result of an increase of \$20,000,000 in daily average holdings of United States Government securities and an increase from 1.34 per cent to 1.43 per cent in the average rate of earnings thereon. The increase in the rate of earnings was due to the replacement of maturing bills with bonds and notes. Average daily holdings of bills and securities, together with average rates and

amounts of earnings thereon, during the last four years are shown in the following table:

EARNINGS ON BILLS AND SECURITIES

[Amounts in thousands of dollars]

	Total	Bills discounted	Bills bought in open market	United States Government securities, direct and guaranteed	Industrial advances
Daily average holdings:					
1936.....	2,469,688	6,135	3,725	2,430,657	29,171
1937.....	2,542,545	13,749	3,390	2,503,865	21,541
1938.....	2,590,597	8,739	543	2,564,877	16,438
1939.....	2,602,590	5,103	440	2,584,268	12,779
Earnings:					
1936.....	36,909	108	30	35,184	1,587
1937.....	40,352	212	24	39,025	1,091
1938.....	35,404	124	3	34,446	831
1939.....	37,581	61	2	36,903	615
Average rate of earnings (per cent):					
1936.....	1.49	1.76	.81	1.45	5.44
1937.....	1.59	1.54	.71	1.56	5.06
1938.....	1.37	1.42	.48	1.34	5.05
1939.....	1.44	1.20	.45	1.43	4.81

The number of banks on the Federal Reserve par list at the end of 1939 was 11,758, comprising all of the 6,362 member banks and 5,396 nonmember banks. The number of nonmember banks (other than mutual savings banks and banks on which no checks are drawn) not on the par list was 2,719. Banks on the par list pay without deduction of exchange charges such checks drawn upon them as are forwarded for payment by the Federal Reserve banks.

Changes in the number of par and nonpar banks during 1939 reflect principally changes in the banking structure.¹ During the year there was a net reduction of 3 in the number of nonpar banks, due to 44 such banks terminating their existence and 16 becoming par banks, offset by 21 new banks opening as nonpar banks and 36 par banks assuming a nonpar status. As these figures show, more of the banks which were in existence throughout the year withdrew from the par list than were added to it. The number of banks on the par list declined 185 during the year, as a result of mergers, voluntary liquidations, suspensions, and withdrawals from the par list.

Of the gross addition of 57 to the number of nonpar banks, 20 were in the Atlanta and 15 in the St. Louis Federal Reserve districts. The net increase in the number of nonpar banks in the Atlanta district was 9 and in the St. Louis district 5. The distribution of the number of nonpar banks by States at the end of the year was as follows: Minnesota 411, Georgia 260, Mississippi 175, Tennessee 171, Nebraska 161, Wisconsin 158, Arkansas 132, Alabama 130, North Carolina 126, South Carolina 120, North Dakota 117, Iowa 110, Missouri 106, Louisiana 104,

¹ See page 15 and table 17, page 55.

Texas 102, South Dakota 93, Florida 87, Virginia 43, and twelve other States 113.

The credit to the National Bank of Hungary, granted by the Federal Reserve banks in 1931, was reduced during 1939 in accordance with the terms of the renewal agreement of 1937 (Annual Report for 1937, p. 35). On December 31, 1939, the share of the Federal Reserve banks in the outstanding amount of the credit was \$1,830,000, as compared with \$2,055,000 at the end of 1938.

With authorization of the Board of Governors, four loans secured by gold earmarked at the Federal Reserve Bank of New York were granted by that and other Federal Reserve banks to a foreign central bank in June, September, November, and December. The first loan, which had been renewed once, and the second loan matured in December, when they were replaced by a fourth loan in the form of a credit for a larger amount, to be made available as required. Repayment in full of this credit is due not later than June 15, 1940. The third loan, which was not covered by the fourth, was repayable in February 1940. Amounts outstanding on December 31, 1939, under the third and fourth loans totaled \$5,020,000.

LEGISLATION RELATING TO THE FEDERAL RESERVE SYSTEM

Renewal of Loans to Executive Officers of Member Banks.—By an Act of Congress approved June 20, 1939, section 22(g) of the Federal Reserve Act was amended so as to permit loans made to an executive officer of a member bank prior to June 16, 1933, to be renewed or extended, subject to the other provisions of the law, for periods expiring not later than June 16, 1944. (The law had previously limited such renewals or extensions to June 16, 1939.)

Repeal of Compulsory Federal Reserve Membership of Insured State Banks.—The Act of June 20, 1939, which amended section 22(g) of the Federal Reserve Act as indicated above, also repealed section 12B(y) (1) of the Federal Reserve Act which had required that after July 1, 1942, each State bank with average deposits of \$1,000,000 or more must be a member of the Federal Reserve System in order to have its deposits insured by the Federal Deposit Insurance Corporation under section 12B of the Federal Reserve Act.

Government Obligations as Collateral for Federal Reserve Notes.—By an Act of Congress approved June 30, 1939, the second paragraph of section 16 of the Federal Reserve Act was amended so that the authority of the Board of Governors of the Federal Reserve System to permit direct obligations of the United States to be used as collateral for Federal Reserve notes was extended from June 30, 1939, until June 30, 1941.

Existing Interlocking Bank Directorates.—A bill, S. 2150, to amend the second paragraph of section 8 of the Clayton Act so as to extend

from February 1, 1939, to February 1, 1944, the period during which certain interlocking relationships lawfully existing on the date of the Banking Act of 1935 might continue was vetoed by the President of the United States on August 5, 1939.

CHANGES IN REGULATIONS OF THE BOARD OF GOVERNORS

The regulations of the Board of Governors were changed during the year 1939 in the following respects:

Rediscount of Notes Secured by Adjusted Service Certificates.—On April 6, 1939, the Board of Governors repealed its Regulation G, series of 1932, relating to the rediscount by Federal Reserve banks of notes secured by adjusted service certificates. No notes covered by the regulation had been discounted with the Federal Reserve banks in several years, and the Board announced that if any applications for the rediscount of any such notes should be received in the future they would be handled under the pertinent provisions of the law in the same manner as if the provisions of the regulation were still in effect. (As indicated below, the designation "Regulation G" was applied later in the year to the regulation issued by the Board on noncash collections.)

Extension of Credit by Brokers, Dealers, and Members of National Securities Exchanges.—Effective May 22, 1939, the Board of Governors amended its Regulation T, relating to the extension and maintenance of credit by brokers, dealers, and members of national securities exchanges. The amendment clarified and liberalized, with appropriate safeguards, provisions that relate to *bona fide* cash transactions in securities and to certain other classes of transactions that are not effected in margin accounts.

Loans to Executive Officers.—Effective July 1, 1939, the Board of Governors amended the definition of the term "executive officer" contained in section 1(b) of its Regulation O, which relates to loans to executive officers of member banks. The regulation had previously included as "executive officers," among others, all persons who have certain titles, such as chairman of the board, president, vice-president, etc., regardless of their actual duties. The amendment provided that the term should include only those officers who actually participate or have authority to participate in the operating management of the bank or a branch, but provided that persons having certain titles, such as chairman of the board, president, vice-president, etc., would be assumed to be executive officers "unless it is provided by resolution of the board of directors or the bank's by-laws that any such officer is not authorized to participate in the operating management of the bank and he does not actually participate therein."

The amendment also changed the date in section 4(a) of the regulation to "June 16, 1944." This change was made to conform to the change

in the law, as referred to above, which extended until June 16, 1944, the date to which loans made by member banks to their executive officers prior to June 16, 1933, may be extended or renewed.

Interlocking Bank Directorates under the Clayton Act.—Effective August 1, 1939, the Board of Governors amended sections 3(a) and 3(e) of its Regulation L, relating to interlocking bank directorates under the Clayton Act, so as to extend until February 1, 1940, the time during which certain persons who had been serving member banks might continue to serve a member bank and not more than one other bank.

Check Clearing and Collection.—Effective September 1, 1939, the Board revised its Regulation J, relating to check clearing and collection. The revision, which made a number of technical changes in the regulation, was adopted in connection with the new procedure established at the Federal Reserve banks to give their member banks more prompt credit for checks deposited with the Reserve banks for collection and to reduce the amount of work required in preparing checks for deposit with the Reserve banks.

Trust Powers of National Banks.—Effective November 20, 1939, the Board of Governors amended its Regulation F, relating to trust powers of national banks. The only substantial change made was in the requirements of section 11 regarding self-dealing in the investment of trust funds and the sale or transfer of trust assets. The change exempted from the requirements of the section all transactions which are specifically authorized by court order. Certain other clarifying and technical changes also were made in the regulation.

Membership of State Banking Institutions in the Federal Reserve System.—Effective November 20, 1939, the Board of Governors amended its Regulation H, relating to membership of State banking institutions in the Federal Reserve System. A number of technical changes were made in the regulation, but the principal changes were those made necessary by the repeal, as referred to above, of the statutory requirement in subsection (y) of section 12B of the Federal Reserve Act that after July 1, 1942, each State bank with average deposits of \$1,000,000 or more must be a member of the Federal Reserve System in order to have its deposits insured by the Federal Deposit Insurance Corporation under section 12B of the Federal Reserve Act.

Regulation on Noncash Collections.—On December 26, 1939, the Board of Governors adopted a regulation governing the collection by Federal Reserve banks of notes and bills and other “noncash items” for member banks and nonmember clearing banks. The new regulation was made effective February 1, 1940, and was designated Regulation G. (The designation “Regulation G” had previously applied to the Board’s regulation relating to the rediscount by Federal Reserve banks of notes secured by adjusted service certificates, but that regulation, as indi-

cated above, was repealed on April 6, 1939.) The regulation on noncash collections was issued by the Board in order that the principal terms and conditions relating to the collection of such items might be published in the Federal Register and it required no change in the existing practices of the Federal Reserve banks. Other provisions regarding the collection of noncash items are contained, as heretofore, in the circulars of the individual Federal Reserve banks.

BANK EXAMINATIONS

Federal Reserve Banks.—Each of the 12 Federal Reserve banks was examined during the year by the Board's Division of Examinations.

Foreign Banking Corporations.—The head office of the one banking corporation now in active operation organized under the provisions of section 25(a) of the Federal Reserve Act to engage in foreign or international banking was examined during the year by the Board's Division of Examinations.

Member Banks.—All member banks are examined by a Federal agency; national banks by the Comptroller of the Currency, and State member banks by the Federal Reserve System.

State member banks are subject, under the provisions of the Federal Reserve Act, to examinations made by direction of the Board of Governors of the Federal Reserve System or of the Federal Reserve banks by examiners selected or approved by the Board of Governors. The policy approved by the Board of Governors for examinations pursuant to such provisions is that at least one regular examination of each State member bank, including its trust department, be made during each calendar year by examiners for the Federal Reserve banks. In order to avoid duplication of examinations and to minimize inconvenience to the banks examined, the policy of making joint examinations in cooperation with the State banking authorities wherever practicable was followed during the past year as in previous years.

GRANTS OF AUTHORITY

During the year 1939, 20 national banks were granted authority by the Board to exercise one or more trust powers under the provisions of section 11(k) of the Federal Reserve Act. This number includes grants of one or more additional powers to three banks which previously had been granted certain trust powers; it also includes one grant of trust powers contingent upon the consolidation of a national bank with a State institution having a trust department, and one grant of trust powers contingent upon the conversion of a State bank into a national banking association, neither of which transactions had been consummated by the end of the year.

Trust powers of national banks

In ten cases the grant of trust powers did not represent the establishment of new trust facilities. In nine of such cases the grants were made in connection with the conversion of a State bank into a national bank or the consolidation of a State bank with a national bank, thereby enabling the national banks concerned to continue operation of trust departments acquired by reason of such conversions or consolidations. In the other case the grant was made to a newly organized national bank to enable it to acquire the trust business of its predecessor national bank.

One grant of trust powers was made to a newly chartered national bank which was organized solely for the purpose of doing a trust business. It appears that this is the first instance of a national bank being chartered under such circumstances.

During the year, 12 operating national banks surrendered their trust powers, and the trust powers of 15 other national banks were terminated, 14 because of the banks being placed in voluntary liquidation and one because of a consolidation with another national bank having trust powers. The reasons generally given for the surrender of trust powers were either the entire lack of trust business, or that the small amount of such business, past or prospective, did not justify maintenance of a trust department.

The net result of the various actions with respect to trust powers during the year 1939 was a decrease of ten in the number of national banks holding one or more general powers, and a decrease of one in the number of national banks holding restricted trust powers.

On December 31, 1939, 1,873 national banks held permits to exercise trust powers. A list of such banks with indication of the power or powers each bank is authorized to exercise will be supplied to those requesting it. This list does not include 12 national banks which had authority at that time to exercise restricted trust powers only.

The term "restricted trust powers" as used above refers to powers granted a bank to acquire certain trust accounts but not to acquire other fiduciary business. Such restricted powers have been granted to enable a newly organized, consolidated, or converted institution to acquire the trust business held by a predecessor bank or banks, or to enable a bank to administer one or more specific trust accounts, when, in the light of all the facts and circumstances in the particular case, such action was deemed warranted.

During the year 1939 the Board acted upon the applications for voting permits submitted by holding company affiliates of member banks in accordance with the provisions of section 5144 of the Revised Statutes and section 9 of the Federal Reserve Act, and authorized the issuance of six permits for general purposes and six permits for limited purposes.

Under the authority of section 301 of the Banking Act of 1935, the

**Holding company
affiliates**

Board determined that seven organizations were not engaged directly or indirectly as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks or trust companies, and that, therefore, they were not holding company affiliates except for the purposes of section 23A of the Federal Reserve Act.

During the year there were no changes in the list of foreign banking corporations operating under agreements entered into with the Board of Governors pursuant to section 25 of the Federal Reserve Act and of foreign banking corporations chartered by the Board under the provisions of section 25(a) of the Federal Reserve Act.

Foreign banking corporations

The 4 corporations organized under State law and operating under agreements with the Board pursuant to the provisions of section 25 of the Federal Reserve Act relating to the investment by member banks in stocks of corporations engaged principally in international or foreign banking are: Bankers Company of New York, which is affiliated with the Bankers Trust Company of New York; International Banking Corporation, which is affiliated with the National City Bank of New York; First of Boston International Corporation, which is affiliated with the First National Bank of Boston; and French American Banking Corporation, which is owned by the Guaranty Trust Company of New York, the First National Bank of Boston, and the Comptoir National D'Escompte of Paris.

The Chase Bank, which commenced business in 1930 and is affiliated with the Chase National Bank of New York, is the only banking corporation in active operation organized under the provisions of section 25(a) of the Federal Reserve Act to engage in international or foreign banking.

Two of the five corporations referred to above have no foreign branches. The other three corporations operate, either directly or through subsidiary corporations, 11 foreign branches or offices. There has been no change in the list of such branches during the past year, and they are located as follows: in England, 3; France, 3; Spain, 2; China, 2; Hong Kong, 1.

During the year the Board granted a member bank permission to establish two foreign branches, which, however, had not been formally opened for business by the end of the year. Due to war conditions certain member banks with branches in London obtained the Board's permission to transfer the banking activities of the branches to points outside that city whenever such action is deemed necessary during the present emergency. Two London offices of member banks have been temporarily closed by reason of exigencies of the war.

Foreign branches of member banks

At the end of the year, 7 member banks were operating a total of 92

branches or offices located in 62 cities in 22 foreign countries or dependencies or insular possessions of the United States. Of the 92 branches and offices, 4 national banks were operating 83, and 3 State bank members were operating 9. The foreign branches were distributed geographically as follows:

Argentina	9	Dominican Republic ..	6	Peru	1
Belgium	3	England	11	Philippine Islands ...	1
Brazil	4	France	2	Puerto Rico	7
Canal Zone	4	Hong Kong	1	Straits Settlements...	1
Chile	2	India	4	Uruguay	1
China	7	Japan	4	Venezuela	1
Colombia	2	Mexico	1		
Cuba	16	Panama	4		

Under section 8(a) of the Securities Exchange Act of 1934 and the Board's Regulation T, brokers and dealers subject to the Act may not borrow in the ordinary course of business from a nonmember bank on registered securities (other than exempted securities) unless such nonmember bank has signed an agreement with and in the form prescribed by the Board of Governors of the Federal Reserve System. At the end of the year there were 152 nonmember banks with such agreements in force.

**Regulation T—
agreements with
nonmember banks**

MEETINGS OF THE FEDERAL OPEN MARKET COMMITTEE

Meetings of the Federal Open Market Committee were held in Washington on the following dates in 1939: March 6-7, March 20, April 19, June 20-21, September 18, and December 13. The executive committee of the Federal Open Market Committee met from time to time throughout the year as occasion required. A record of actions taken by the Committee on questions of policy relating to open-market operations is published as an appendix to this report.

MEETINGS OF THE FEDERAL ADVISORY COUNCIL

Four meetings of the Federal Advisory Council were held in Washington during 1939 on the following dates: February 13-14, June 5-6, October 9-10, and November 20-21. Recommendations of the Federal Advisory Council to the Board of Governors are published in the appendix to this report.

BOARD OF GOVERNORS—STAFF AND EXPENDITURES

Mr. Lauchlin B. Currie, who had been serving as an Assistant Director of the Board's Division of Research and Statistics since December 1934, was appointed as Administrative Assistant to the President of the United States, effective July 17, 1939.

**Change in
Board staff**

The total cost of conducting the work of the Board during the year

1939 was \$1,577,825.41. Details are shown in table 8 on pages 44-45.

**Board
expenditures**

For the general expenses of the board two assessments were levied against the Federal Reserve banks aggregating \$1,621,463.77 or about one-half of one per cent of their average paid-in capital and surplus for the year. Under an arrangement with the Federal Reserve Bank of Chicago the accounts of the Board were audited twice during the course of the year 1939 by the Auditor of the Federal Reserve Bank of Chicago, who certified them to be correct.

TABLES

**NO. 1.—STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS (IN DETAIL)
DECEMBER 30, 1939¹**

ASSETS

Amounts in the column to the right are those shown in the Board's weekly statement, their components being shown in the column to the left. (In thousands of dollars)

Gold certificates with Federal Reserve agents.....	5,371,000	
Gold certificates in interdistrict settlement fund with Board of Governors.....	8,317,876	
Gold certificates held by banks.....	1,510,444	
Gold certificates on hand and due from U. S. Treasury.....		15,199,120
Redemption fund—Federal Reserve notes.....		9,903
Total gold reserves.....		<u>15,209,023</u>
Other cash:		
United States notes.....	71,830	
Silver certificates.....	223,079	
Standard silver dollars.....	2,932	
National and Federal Reserve bank notes.....	1,128	
Subsidiary silver, nickels and cents.....	16,225	
Total other cash.....		<u>315,194</u>
Total reserves.....		<u>15,524,217</u>
Bills discounted:		
Secured by U. S. Government obligations, direct and guaranteed:		
Discounted for member banks.....	549	
For others.....	25	
Total secured by U. S. Government obligations, direct and guaranteed.....		<u>574</u>
Other bills discounted:		
For member banks.....	1,171	
For others.....	5,020	
Total other bills discounted.....		<u>6,191</u>
Total bills discounted.....		<u>6,765</u>
Industrial advances.....		11,044
U. S. Government securities, direct and guaranteed:		
Bonds.....	1,351,045	
Notes.....	1,133,225	
Total U. S. Government securities, direct and guaranteed.....		<u>2,484,270</u>
Total bills and securities.....		<u>2,502,079</u>
Due from foreign banks.....		47
Federal Reserve notes of other Reserve banks.....		33,454
Uncollected items:		
Transit items.....	813,755	
Exchanges for clearing house.....	28,776	
Other cash items.....	24,675	
Total uncollected items.....		<u>867,206</u>
Bank premises.....		43,106
Other assets:		
Miscellaneous assets acquired account industrial advances.....	1,215	
Industrial advances past due.....	2,565	
Other bills and securities past due.....	1,834	
Claims account closed banks.....	1,586	
Total.....	7,200	
Less reserves.....	4,446	
Net.....	2,754	
Interest accrued.....	8,551	
Premium on securities.....	43,831	
Deferred charges.....	608	
Suspense account and miscellaneous assets.....	3,387	
Total other assets.....		<u>59,131</u>
Total assets.....		<u>19,029,300</u>

¹ Before closing books at end of year.

No. 1.—Federal Reserve Banks (In Detail)—Continued

LIABILITIES

Amounts in the column to the right are those shown in the Board's weekly statement, their components being shown in the column to the left. (In thousands of dollars)

Federal Reserve notes outstanding (issued to Federal Reserve banks).....	5,274,522	
Held by issuing Federal Reserve banks and branches.....	300,531	
Forwarded for redemption.....	15,445	
Federal Reserve notes in actual circulation (including notes held by Treasury and by Federal Reserve banks other than issuing bank).....		4,958,546
Deposits:		
Member bank—reserve account.....		11,652,396
U. S. Treasurer—general account.....		634,245
Foreign bank.....		397,443
Other deposits:		
Nonmember clearing account.....	166,156	
Officers' checks.....	34,564	
Federal Reserve exchange drafts.....	137	
All other.....	54,980	
Total other deposits.....		255,837
Total deposits.....		12,939,921
Deferred availability items.....		776,665
Other liabilities:		
Accrued dividends unpaid.....	836	
Unearned discount.....	6	
Discount on securities.....		
Reserves for estimated losses on bills and securities.....	285	
Suspense account and miscellaneous liabilities.....	2,287	
Total other liabilities.....		3,414
Total liabilities.....		18,678,546

CAPITAL ACCOUNTS

Capital paid in.....		135,599
Surplus (sec. 7).....		149,152
Surplus (sec. 13b).....		27,264
Other capital accounts:		
Reserve for contingencies.....	32,665	
Earnings:		
Gross earnings.....	38,501	
Current expenses.....	28,647	
Current net earnings.....		9,854
Add—profit and loss.....		4,330
Deduct:		
Dividends accrued since closing of books.....	8,110	
Net earnings available for depreciation allowances, reserves and surplus.....	6,074	
Total other capital accounts.....		38,739
Total liabilities and capital accounts.....		19,029,300

NO. 2.—STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK AT END OF 1938 AND 1939

[In thousands of dollars]

	Total		Boston		New York		Philadelphia		Cleveland		Richmond	
	1939	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939	1938
ASSETS												
Gold certificates on hand and due from U. S. Treasury	15,199,120	11,787,720	865,816	660,319	7,225,434	5,115,945	846,062	546,461	1,027,910	783,882	405,603	356,645
Redemption fund—Federal Reserve notes	9,903	9,873	924	328	1,619	1,226	1,071	1,236	816	810	935	1,222
Other cash	315,194	368,213	28,528	36,112	71,716	103,924	26,470	29,221	21,340	23,751	20,223	21,917
Total reserves	15,524,217	12,165,806	895,268	696,759	7,298,769	5,221,095	873,603	576,918	1,050,066	808,443	426,761	379,784
Bills discounted:												
Secured by U. S. Government obligations, direct and guaranteed	574	2,099	30	32	90	804	150	704	113	191	42	54
Other bills discounted	6,191	1,872		9	2,258	241	513	473	542	54	230	153
Total bills discounted	6,765	3,971	30	41	2,348	1,045	663	1,177	655	245	272	207
Bills bought in open market		549		41		215		56		51		24
Industrial advances	11,044	15,644	1,301	1,945	2,035	3,879	3,084	3,120	315	618	948	1,466
U. S. Government securities, direct and guaranteed:												
Bonds	1,351,045	840,893	98,098	63,287	419,593	267,426	115,673	73,057	140,975	84,554	70,076	39,461
Notes	1,133,225	1,156,947	82,283	87,073	351,944	367,938	97,022	100,515	118,247	116,335	58,778	54,291
Bills		566,175		42,611		180,058		49,189		56,931		26,569
Total U. S. Government securities, direct and guaranteed	2,484,270	2,564,015	180,381	192,971	771,537	815,422	212,695	222,761	259,222	257,820	128,854	120,321
Total bills and securities	2,502,079	2,584,179	181,712	194,998	775,920	820,561	216,442	227,114	260,192	258,734	130,074	122,018
Due from foreign banks	47	172	3	13	18	65	5	17	4	16	2	7
Federal Reserve notes of other Federal Reserve banks	33,454	32,570	584	757	4,336	5,337	1,945	2,081	2,137	1,966	4,189	2,946
Uncollected items	867,206	710,849	82,640	69,882	245,509	207,064	73,955	54,506	97,538	74,509	64,944	47,040
Bank premises	41,749	42,768	2,889	2,945	9,895	9,038	4,573	4,699	5,547	6,017	2,545	2,621
Other assets	58,583	44,348	3,887	2,893	17,226	13,388	5,829	4,637	6,523	5,018	3,486	2,508
Total assets	19,027,335	15,580,692	1,166,983	968,247	8,351,673	6,276,548	1,176,352	869,972	1,422,007	1,154,703	632,001	556,924

LIABILITIES												
Federal Reserve notes in actual circulation ¹	4,958,546	4,451,824	408,195	384,130	1,269,922	1,029,296	348,938	320,562	463,123	427,467	229,550	208,287
Deposits:												
Member bank—reserve account.....	11,653,232	8,724,050	544,545	392,294	6,319,837	4,460,340	598,597	374,231	680,194	477,880	282,998	231,576
U. S. Treasurer—general account.....	634,270	923,225	77,716	81,324	139,593	212,295	65,043	58,155	113,236	116,296	25,590	48,507
Foreign bank.....	307,443	199,211	29,243	14,360	136,108	71,369	39,417	19,545	37,791	18,349	17,473	8,576
Other deposits.....	255,836	241,512	6,758	4,251	165,324	188,479	16,820	6,899	8,181	7,228	2,513	2,033
Total deposits.....	12,940,781	10,087,998	658,262	492,229	6,760,862	4,932,483	719,877	458,830	839,402	619,753	328,574	290,692
Defered availability items.....	776,665	694,217	76,082	67,897	199,137	194,382	73,866	57,591	86,696	75,047	58,805	43,155
Other liabilities including accrued dividends.....	2,558	2,998	183	175	873	1,214	965	664	126	134	10	108
Total liabilities.....	18,678,550	15,237,037	1,142,722	944,431	8,230,794	6,157,375	1,143,646	837,647	1,389,347	1,122,401	616,939	542,242
CAPITAL ACCOUNTS												
Capital paid in.....	135,599	134,575	9,384	9,411	50,972	51,043	12,115	12,213	13,830	13,546	5,171	5,005
Surplus (sec. 7).....	151,720	149,152	10,405	10,083	53,326	52,463	14,198	13,696	14,323	14,323	5,247	4,883
Surplus (sec. 13b).....	26,839	27,264	2,874	2,874	7,109	7,457	4,393	4,416	1,007	1,007	3,246	3,293
Other capital accounts.....	34,627	32,664	1,598	1,448	9,472	8,210	2,000	2,000	3,500	3,426	1,398	1,401
Total liabilities and capital accounts.....	19,027,335	15,580,692	1,166,983	968,247	8,351,673	6,276,548	1,176,352	869,972	1,422,007	1,154,703	632,001	556,924
Contingent liability on bills purchased for foreign correspondents.....		76		6		27		7		7		3
Commitments to make industrial advances.....	9,070	14,272	478	1,297	1,803	2,677	930	1,525	1,140	2,234	761	1,282
FEDERAL RESERVE NOTE STATEMENT												
Federal Reserve notes:												
Issued to Federal Reserve bank by Federal Reserve agent.....	5,274,522	4,790,047	429,660	408,865	1,362,927	1,134,257	368,874	340,668	488,021	451,834	245,605	222,006
Held by Federal Reserve bank.....	315,976	338,223	21,465	24,735	93,005	104,961	19,936	20,106	24,898	24,367	16,055	13,719
In actual circulation ¹	4,958,546	4,451,824	408,195	384,130	1,269,922	1,029,296	348,938	320,562	463,123	427,467	229,550	208,287
Collateral held by agent for notes issued to banks:												
Gold certificates on hand and due from U. S. Treasury.....	5,371,000	4,888,000	440,000	420,000	1,385,000	1,155,000	375,000	345,000	491,000	457,000	250,000	230,000
Eligible paper.....	1,365	3,397	30	36	184	997	177	827		232	57	207
Total collateral held.....	5,372,365	4,891,397	440,030	420,036	1,385,184	1,155,997	375,177	345,827	491,000	457,232	250,057	230,207

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

No. 2.—Statement of Condition—Continued

[In thousands of dollars]

	Atlanta		Chicago		St. Louis		Minneapolis		Kansas City		Dallas		San Francisco	
	1939	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939	1938	1939	1938
ASSETS														
Gold certificates on hand and due from U. S. Treasury ..	300,831	275,267	2,455,662	2,200,214	413,898	316,830	258,566	241,452	348,852	304,342	242,196	210,498	808,290	775,865
Redemption fund—Federal Reserve notes	745	583	624	629	772	843	219	606	478	509	364	191	1,336	1,690
Other cash	16,661	15,526	39,906	51,557	17,783	19,634	9,268	7,786	17,418	14,773	15,259	14,400	30,622	29,612
Total reserves	318,237	291,376	2,496,192	2,252,400	432,453	337,307	268,053	249,844	366,748	319,624	257,819	225,089	840,248	807,167
Bills discounted:														
Secured by U. S. Government obligations, direct and guaranteed	20	75		55	15		50	43	25	74	4	4	35	63
Other bills discounted	190	111	643	74	186	45	216	91	906	567	146	20	361	34
Total bills discounted	210	186	643	129	201	45	266	134	931	641	150	24	396	97
Bills bought in open market		19		68		2		2		16		16		39
Industrial advances	694	825	324	415	11	21	743	964	181	268	500	775	908	1,348
U. S. Government securities, direct and guaranteed:														
Bonds	54,597	34,279	148,547	90,644	45,803	35,023	36,677	18,633	61,021	37,140	48,970	30,913	111,015	66,476
Notes	45,795	47,163	124,599	124,714	38,419	48,187	30,764	25,636	51,183	51,101	41,075	42,531	93,116	91,463
Bills		23,080		61,031		23,581		12,546		25,007		20,814		44,758
Total U. S. Government securities, direct and guaranteed	100,392	104,522	273,146	276,389	84,222	106,791	67,441	56,815	112,204	113,248	90,045	94,258	204,131	202,697
Total bills and securities	101,296	105,552	274,113	277,001	84,434	106,859	68,450	57,915	113,316	114,173	90,695	95,073	205,435	204,181
Due from foreign banks	2	6	6	21	1	3	*	2	1	5	1	5	4	12
Federal Reserve notes of other Federal Reserve banks	3,617	3,443	5,475	5,886	2,510	2,931	1,316	1,428	1,975	1,453	865	1,308	4,505	3,034
Uncollected items	33,471	24,887	119,172	95,915	36,269	29,838	20,795	16,889	33,000	32,624	26,817	25,622	33,096	32,073
Bank premises	2,034	2,076	3,390	3,964	2,243	2,291	1,396	1,524	3,106	3,089	1,175	1,261	2,956	3,243
Other assets	2,359	1,809	5,974	4,349	1,903	1,679	1,622	1,096	2,514	1,779	2,140	1,565	5,120	3,627
Total assets	461,016	429,149	2,904,322	2,639,536	559,813	480,908	361,632	328,698	520,660	472,747	379,512	349,923	1,091,364	1,053,337

*Less than \$500.

LIABILITIES

Federal Reserve notes in actual circulation ¹	162,941	151,398	1,085,378	996,721	193,549	183,131	141,427	136,857	183,908	171,390	83,575	81,375	388,040	361,210
Deposits:														
Member bank—reserve account.....	211,821	188,709	1,528,702	1,299,880	270,676	209,543	154,788	113,568	260,687	227,796	216,794	183,468	583,593	564,765
U. S. Treasurer—general account.....	22,462	41,110	71,030	176,765	32,195	35,355	24,452	43,294	23,077	24,886	21,233	38,428	18,643	46,810
Foreign bank.....	14,222	6,980	49,169	23,734	11,784	5,983	9,346	4,587	11,784	5,784	11,784	5,784	29,322	14,160
Other deposits.....	6,813	4,168	5,312	1,658	7,294	5,098	6,105	3,779	991	1,476	9,584	2,686	20,141	13,782
Total deposits.....	255,318	240,967	1,654,213	1,502,037	321,949	255,974	194,691	165,228	296,539	259,942	259,395	230,366	651,699	639,497
Defered availability items.....	30,078	24,190	120,150	96,322	33,564	31,361	16,362	17,480	29,887	31,468	25,388	27,254	26,650	28,070
Other liabilities including accrued dividends.....	17	153	160	199	15	51	87	95	72	46	48	37	2	122
Total liabilities.....	448,354	416,708	2,859,901	2,595,279	549,077	470,517	352,567	319,660	510,406	462,846	368,406	339,032	1,066,391	1,028,899
CAPITAL ACCOUNTS														
Capital paid in.....	4,621	4,495	13,494	13,488	4,073	3,946	2,931	2,903	4,314	4,212	4,066	3,961	10,628	10,352
Surplus (sec. 7).....	5,725	5,630	22,824	22,666	4,709	4,685	3,152	3,153	3,613	3,613	3,974	3,892	10,224	9,965
Surplus (sec. 13b).....	713	713	1,429	1,429	538	545	1,001	1,001	1,142	1,142	1,266	1,266	2,121	2,121
Other capital accounts.....	1,603	1,603	6,674	6,674	1,416	1,215	1,981	1,981	1,185	934	1,800	1,772	2,000	2,000
Total liabilities and capital accounts.....	461,016	429,149	2,904,322	2,639,586	559,813	480,908	361,632	328,698	520,660	472,747	379,512	349,923	1,091,364	1,053,337
Contingent liability on bills purchased for foreign correspondents.....		3		9		2		2		2		2		6
Commitments to make industrial advances.....	78	157	22	58	303	548	62	212	532	658		46	2,960	3,578
FEDERAL RESERVE NOTE STATEMENT														
Federal Reserve notes:														
Issued to Federal Reserve bank by Federal Reserve agent.....	177,629	166,266	1,121,094	1,031,415	204,926	200,495	146,847	142,702	193,713	180,418	92,100	89,921	443,126	421,200
Held by Federal Reserve bank.....	14,688	14,868	35,716	34,694	11,377	17,364	5,420	5,845	9,805	9,028	8,525	8,546	55,086	59,990
In actual circulation ¹	162,941	151,398	1,085,378	996,721	193,549	183,131	141,427	136,857	183,908	171,390	83,575	81,375	388,040	361,210
Collateral held by agent for notes issued to banks:														
Gold certificates on hand and due from U. S. Treasury.....	180,000	169,000	1,140,000	1,050,000	209,000	207,000	147,500	143,500	195,000	185,000	94,500	92,500	464,000	434,000
Eligible paper.....		157		129	55		118	82	744	627		24		79
Total collateral held.....	180,000	169,157	1,140,000	1,050,129	209,055	207,000	147,618	143,582	195,744	185,627	94,500	92,524	464,000	434,079

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

**NO. 3.—HOLDINGS OF UNITED STATES GOVERNMENT SECURITIES BY FEDERAL RESERVE BANKS
AT END OF DECEMBER 1937, 1938, AND 1939**

[In thousands of dollars]

	Rate of interest (per cent)	Dec. 31, 1937	Dec. 31, 1938	Dec. 30, 1939
Treasury bonds of:				
1941	3¼	50,832	56,325	57,027
1941-43	3½	7,894	14,123	14,669
1940-43	3½	99	10,297	10,875
1943-45	3¼	24,743	41,202	46,523
1945	2½	41,466	19,820	29,258
1944-46	3¼	30,881	45,195	53,132
1943-47	3½	14,965	27,678	30,443
1945-47	2¾	31,816	41,443	63,681
1947	2		35,000	44,156
1946-48	3	45,901	53,972	71,870
1948	2½		3,183	25,197
1946-49	3¼	13,384	11,671	27,746
1948-51	2¾	100,044	54,502	88,536
1950-52	2½		36,558	80,715
1947-52	4¼	2,314	1,927	10,698
1949-52	3½	28,327	31,404	30,378
1949-53	2½	108,573	49,142	91,644
1951-53	2¼			96,000
1951-54	2¾	84,694	57,173	93,394
1944-54	4	20,041	28,455	35,078
1951-55	3	28,922	31,295	45,952
1946-56	3¾	13,901	15,331	24,025
1956-59	2¾	62,932	53,436	58,200
1955-60	2½	39,811	48,606	79,894
1958-63	2¾		54,591	57,006
1960-65	2¾		18,566	74,399
Total Treasury bonds		751,539	840,893	1,340,295
Guaranteed bonds:				
HOLC of 1942-44	2¼			4,000
HOLC of 1944-52	3			2,000
FFMC of 1942-47	3			1,000
FFMC of 1944-49	3			3,550
FFMC of 1944-64	3¼			200
Total guaranteed bonds				10,750
Treasury notes:				
Series maturing:				
Mar. 15, 1938	3	107,212		
June 15, 1938	2½	87,921		
Sept. 15, 1938	2½	90,784		
Dec. 15, 1938	1¼	42,785		
Mar. 15, 1939	1½	75,066		
June 15, 1939	2½	84,947	85,197	
Sept. 15, 1939	1½	34,700	70,466	
Dec. 15, 1939	1½	88,676	102,676	
Mar. 15, 1940	1½	89,875	156,440	
June 15, 1940	1½	97,862	139,628	136,783
Dec. 15, 1940	1½	80,974	94,586	105,974
Mar. 15, 1941	1½	62,060	91,410	118,822
June 15, 1941	1½	37,150	53,900	60,397
Dec. 15, 1941	1¼	48,450	42,950	44,069
Mar. 15, 1942	1¾	61,000	73,500	85,872
Sept. 15, 1942	2	46,035	62,535	68,294
Dec. 15, 1942	1¾	19,500	32,900	33,801
June 15, 1943	1½		113,259	144,420
Dec. 15, 1943	1½		37,500	79,096
Mar. 15, 1944	1			113,498
June 15, 1944	¾			79,441
Sept. 15, 1944	1			61,705
Total Treasury notes		1,154,997	1,156,947	1,132,172
Guaranteed notes:				
RFC of Jan. 15, 1942	¾			1,053
Treasury bills:				
Series maturing within:				
15 days	(1)	24,385	105,340	
16 to 30 days	(1)	33,296	88,872	
31 to 60 days	(1)	68,350	252,208	
61 to 90 days	(1)	170,581	119,755	
91 days to 6 months	(1)	280,541		
6 to 9 months	(1)	80,326		
Total Treasury bills		657,479	566,175	
Total holdings		2,564,015	2,564,015	2,484,270

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 Rates did not exceed 1 per cent on Treasury bills of any maturity.

**NO. 4.—VOLUME OF OPERATIONS IN PRINCIPAL DEPARTMENTS OF FEDERAL RESERVE BANKS,
1935-1939**

[Number in thousands; amounts in thousands of dollars]

	1935	1936	1937	1938	1939
NUMBER OF PIECES HANDLED ¹					
Bills discounted:					
Applications.....	5	3	7	6	2
Notes discounted.....	8	4	7	6	4
Advances made.....	5	3	7	6	2
Industrial advances:					
Advances made.....	1	.7	.2	.4	.2
Commitments to make industrial advances.....	.6	.3	.1	.2	.1
Bills purchased in open market for own account.....	2	1	2	.2	.1
Currency received and counted.....	2,148,485	2,232,980	2,257,892	2,089,987	2,134,908
Coin received and counted.....	2,590,859	2,665,190	2,730,387	2,676,248	2,644,418
Checks handled.....	885,190	1,009,264	1,044,553	1,098,115	1,157,140
Collection items handled:					
U. S. Government coupons paid ²	22,633	18,806	18,566	17,802	17,145
All other.....	7,119	6,968	6,705	6,389	6,177
Issues, redemptions, and exchanges by fiscal agency department:					
U. S. Government direct obligations.....	6,838	27,919	3,892	3,456	3,528
All other.....	3,742	1,538	661	575	1,162
Transfer of funds.....	982	951	980	853	814
AMOUNTS HANDLED					
Bills discounted:					
Notes discounted.....	9,622	6,886	16,187	10,472	11,285
Advances made.....	219,924	160,714	516,852	226,687	75,690
Industrial advances:					
Advances made.....	28,479	8,519	4,932	6,500	3,805
Commitments to make industrial advances.....	29,223	12,583	6,978	11,217	4,621
Bills purchased in open market for own account.....	31,446	25,207	25,252	2,781	2,133
Currency received and counted.....	9,837,681	10,059,637	10,199,559	8,883,728	9,285,921
Coin received and counted.....	275,608	276,323	287,708	271,128	276,589
Checks handled.....	202,989,742	234,417,787	255,453,609	231,820,217	255,937,980
Collection items handled:					
U. S. Government coupons paid ²	751,916	798,925	865,465	854,273	890,620
All other.....	7,948,641	7,089,008	6,159,828	5,321,443	5,442,645
Issues, redemptions, and exchanges by fiscal agency department:					
U. S. Government direct obligations.....	30,755,611	25,196,825	19,304,020	24,450,791	24,462,659
All other.....	3,346,189	2,223,136	1,691,863	2,581,611	4,537,228
Transfer of funds.....	80,483,190	87,001,630	94,596,861	82,219,749	88,080,756

^r Revised.¹ Two or more checks, coupons, etc., handled as a single item are counted as one "piece."² Includes coupons from obligations guaranteed by the United States.

NO. 5.—EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS DURING 1939

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
CURRENT EARNINGS													
Discounted bills.....	\$60,898	\$2,744	\$15,448	\$7,383	\$4,068	\$4,983	\$2,145	\$2,742	\$1,992	\$1,644	\$8,456	\$3,673	\$5,620
Purchased bills.....	2,323	174	897	235	216	100	81	293	14	11	68	67	167
U. S. Government securities.....	36,903,367	2,707,507	10,887,682	3,069,558	3,732,788	1,941,562	1,593,067	4,044,306	1,585,350	1,069,782	1,798,964	1,422,670	3,050,131
Industrial advances.....	615,169	77,168	117,648	132,954	18,367	61,823	38,564	22,677	333	50,206	10,459	32,598	52,372
Commitments to make industrial advances.....	128,577	5,641	21,312	2,035	14,199	9,335	635	1,068	5,511	1,295	12,592	127	54,827
All other.....	790,331	15,807	168,077	52,211	76,203	27,684	12,376	183,516	16,729	11,662	164,920	7,076	54,070
Total current earnings.....	38,500,665	2,809,041	11,211,064	3,264,376	3,845,841	2,045,487	1,646,868	4,254,602	1,609,929	1,134,600	1,995,459	1,466,211	3,217,187
CURRENT EXPENSES													
Operating expenses:													
Salaries:													
Officers.....	2,210,856	117,374	502,074	123,181	173,774	141,900	137,120	247,690	160,327	108,238	172,360	121,768	205,050
Employees.....	17,486,823	1,062,445	4,422,828	1,273,482	1,555,965	953,598	1,027,473	2,219,840	988,646	591,517	1,014,145	964,234	1,412,650
Retirement System contributions for current service.....	964,849	55,820	241,968	69,110	83,025	54,820	56,857	120,094	58,069	31,851	60,884	51,344	81,007
Legal fees.....	64,765	10,367	14,803	4,946	6,116	498	2,000	757	.....	9,112	98	4,368	11,700
Directors' fees and expenses.....	134,268	6,571	12,822	8,267	8,575	6,566	14,819	6,524	10,731	9,173	23,011	9,796	17,413
Federal Advisory Council, fees and expenses.....	16,102	1,157	930	750	1,105	575	1,382	1,196	1,275	1,323	1,610	1,371	3,428
Traveling expenses (other than of directors and members of Federal Advisory Council).....	282,815	15,247	43,907	23,369	25,872	23,143	22,206	28,296	20,161	21,726	16,734	13,301	28,853
Postage and expressage.....	3,356,450	363,225	552,584	289,284	316,413	269,660	204,927	411,864	160,717	132,970	216,124	162,681	276,001
Telephone and telegraph.....	459,716	18,633	82,748	28,910	46,778	28,778	44,987	32,274	34,878	19,029	43,182	34,099	45,420
Printing, stationery and supplies.....	782,704	73,843	147,103	66,659	77,987	44,835	60,581	81,525	45,840	30,179	44,639	42,010	67,503
Insurance on currency and security shipments.....	236,389	35,527	41,290	28,049	21,937	17,024	13,245	25,655	5,389	7,488	9,156	7,584	24,045
Other insurance.....	232,087	15,655	32,167	18,922	17,128	13,971	15,420	20,075	20,853	17,707	21,522	17,882	20,785
Taxes on bank premises.....	1,501,035	150,822	477,675	73,667	140,358	69,103	60,804	186,412	52,037	69,567	88,853	33,613	98,244
Depreciation on bank building.....	1,215,582	55,832	236,205	126,532	152,055	76,189	42,589	110,739	51,687	34,336	155,959	69,660	103,799
Light, heat, power, and water.....	388,167	27,523	64,472	32,100	46,581	22,664	34,100	40,584	21,722	19,622	28,537	24,202	26,060
Repairs and alterations to bank building.....	160,181	3,473	25,663	13,362	11,647	1,613	26,956	9,213	6,915	15,110	11,784	13,637	20,808
Rent.....	142,783	96	.....	695	71,077	16,994	1,277	.....	3,120	.....	4,112	1,751	43,661
Furniture and equipment.....	337,710	17,918	70,779	26,682	34,986	11,752	63,172	44,466	13,913	16,146	19,326	5,775	12,795
All other.....	634,707	36,432	46,029	76,544	56,701	34,602	58,174	80,624	52,797	35,181	42,127	44,756	70,740
Total operating expenses.....	30,607,989	2,067,960	7,016,047	2,284,411	2,848,060	1,788,285	1,888,089	3,667,828	1,709,077	1,170,275	1,974,163	1,623,832	2,569,962
Less reimbursements for certain fiscal agency and other expenses..	4,939,082	185,886	654,206	204,131	255,428	248,782	687,576	775,218	447,582	269,201	355,713	509,981	345,378

Net operating expenses.....	25,668,907	1,882,074	6,361,841	2,080,280	2,592,632	1,539,503	1,200,513	2,892,610	1,261,495	901,074	1,618,450	1,113,851	2,224,584
Assessment for expenses of Board of Governors.....	1,621,464	116,514	577,662	157,586	150,738	69,373	56,546	196,358	47,914	36,797	46,845	47,679	117,452
Federal Reserve currency:													
Original cost.....	1,196,535	103,259	336,877	93,129	102,936	69,000	38,228	201,953	41,367	30,752	38,004	31,931	109,099
Cost of redemption.....	159,949	10,053	35,156	10,315	14,182	12,157	10,675	25,431	7,202	6,116	6,715	6,015	15,932
Total current expenses.....	28,646,855	2,111,900	7,311,536	2,341,310	2,860,488	1,690,033	1,305,962	3,316,352	1,357,978	974,739	1,710,014	1,199,476	2,467,067

PROFIT AND LOSS

Current earnings (above).....	38,500,665	2,809,041	11,211,064	3,264,376	3,845,841	2,045,487	1,646,868	4,254,602	1,609,929	1,134,600	1,995,459	1,466,211	3,217,187
Current expenses (above).....	28,646,855	2,111,900	7,311,536	2,341,310	2,860,488	1,690,033	1,305,963	3,316,352	1,357,978	974,739	1,710,014	1,199,476	2,467,066
Current net earnings.....	9,853,810	697,141	3,899,528	923,066	985,353	355,454	340,905	938,250	251,951	159,861	285,445	266,735	750,121
Additions to current net earnings:													
Profits on sales of U. S. Government securities.....	4,390,869	319,978	1,261,918	369,951	432,876	229,376	189,295	487,914	201,044	139,648	216,909	169,192	372,768
All other.....	423,933	50,651	94,295	37,530	24,636	21,096	97,805	33,399	8,519	7,579	8,348	8,514	31,561
Total.....	4,814,802	370,629	1,356,213	407,481	457,512	250,472	287,100	521,313	209,563	147,227	225,257	177,706	404,329
Deductions from current net earnings:													
Losses and reserves for losses on industrial advances (net).....	739,040	32,475	405,308	120,286		70,554	14,819	14,000	39	33,000		14,000	34,559
Special reserves and charge-offs on bank premises.....	1,417,404				321,838		231,200	462,500		100,000		78,000	223,866
All other.....	268,803	18	19,048	5,198	224,363	12,245	9	146	4,045	655	172	240	2,664
Total.....	2,425,247	32,493	424,356	125,484	546,201	82,799	246,028	476,646	4,084	133,655	172	92,240	261,089
Net additions to current net earnings.....	2,389,555	338,136	931,857	281,997	-88,683	167,673	41,072	44,667	205,479	13,572	225,085	85,466	143,240
Net earnings.....	12,243,365	1,035,277	4,831,385	1,205,063	896,664	523,127	381,977	982,917	457,430	173,433	510,530	352,201	893,361
Paid U. S. Treasury (sec. 13b).....	24,579	51					14,810	5,120			3,981	617	
Dividends paid.....	8,110,462	563,982	3,054,991	725,380	823,216	305,414	272,229	819,532	239,369	174,905	256,136	241,185	634,123
Transferred to surplus (sec. 13b).....	425,633		-348,859	-22,527	-290	-46,834			-6,664	-479			
Transferred to surplus (sec. 7).....	4,533,977	471,244	2,125,253	502,210	73,738	264,547	94,938	158,265	224,725	-993	250,413	110,399	259,238
Surplus (sec. 7), Jan. 1, 1939.....	149,151,356	10,083,351	52,462,949	13,695,587	14,322,790	4,982,672	5,629,690	22,666,003	4,685,498	3,153,414	3,612,681	3,891,870	9,964,851
Addition, as above.....	4,533,977	471,244	2,125,253	502,210	73,738	264,547	94,938	158,265	224,725	-993	250,413	110,399	259,238
Transferred to reserves for contingencies.....	-1,964,919	-150,000	-1,261,917		-73,738				-201,044		-250,413	-27,807	
Surplus (sec. 7), Dec. 31, 1939.....	151,720,414	10,404,595	53,326,285	14,197,797	14,322,790	5,247,219	5,724,628	22,824,268	4,709,179	3,152,421	3,612,681	3,974,462	10,224,089

NO. 6.—CURRENT EARNINGS, CURRENT EXPENSES, AND NET EARNINGS OF FEDERAL RESERVE BANKS AND DISPOSITION OF NET EARNINGS, 1914-1939

	Earnings and expenses			Disposition of net earnings					Direct charges to surplus (Sec. 7) ³
	Current earnings	Current expenses	Net earnings ¹	Dividends paid	Franchise tax paid to U. S. Treasury ²	Paid to U. S. Treasury (Sec. 13b)	Transferred to surplus (Sec. 13b)	Transferred to surplus (Sec. 7)	
All Federal Reserve banks by years:									
1914-15.....	2,173,252	2,320,586	-141,459	217,463					
1916.....	5,217,998	2,273,999	2,750,998	1,742,774					
1917.....	16,128,339	5,159,727	9,582,067	6,804,186	1,134,234			1,134,234	
1918.....	67,584,417	10,959,533	52,716,310	5,540,684				48,334,341	
1919.....	102,380,583	19,339,633	78,367,504	5,011,832	2,703,894			70,651,778	
1920.....	181,296,711	28,258,030	149,294,774	5,654,018	60,724,742			82,916,014	
1921.....	122,865,866	34,463,845	82,087,225	6,119,673	59,974,466			15,993,086	
1922.....	50,498,699	29,559,049	16,497,736	6,307,035	10,850,605			-659,904	
1923.....	50,708,566	29,764,173	12,711,286	6,552,717	3,613,056			2,545,513	
1924.....	38,340,449	28,431,126	3,718,180	6,682,496	113,646			-3,077,962	
1925.....	41,800,706	27,528,163	9,449,066	6,915,958	59,300			2,473,808	
1926.....	47,599,595	27,350,182	16,611,745	7,329,169	818,150			8,464,426	
1927.....	43,024,484	27,518,443	13,048,249	7,754,539	249,591			5,044,119	500,000
1928.....	64,052,860	26,904,810	32,122,021	8,458,463	2,584,659			21,078,899	
1929.....	70,955,496	29,691,113	36,402,741	9,583,913	4,283,231			22,535,597	
1930.....	36,424,044	28,342,726	7,988,182	10,268,598	17,308			-2,297,724	
1931.....	29,701,279	27,040,664	2,972,066	10,029,760				-7,057,694	
1932.....	50,018,817	26,291,381	22,314,244	9,282,244	2,011,418			11,020,582	
1933.....	49,487,318	29,222,837	7,957,407	8,874,262				-916,855	
1934.....	48,902,813	29,241,396	15,231,409	8,781,661			-60,323	6,510,071	139,299,557
1935.....	42,751,959	31,577,443	9,437,125	8,504,974		297,667	27,062	607,422	
1936.....	37,900,639	29,874,023	8,512,433	7,829,581		227,448	102,880	352,524	
1937.....	41,233,135	28,800,614	10,801,247	7,940,966		176,625	67,304	2,616,352	731,313
1938.....	36,261,428	28,911,608	9,581,954	8,019,137		119,524	-419,140	1,862,433	448,835
1939.....	38,500,665	28,646,855	12,243,365	8,110,462		24,579	-425,653	4,533,977	1,964,919
Total—1914-1939.....	1,315,810,118	617,471,959	622,257,875	178,316,565	149,138,300	845,843	4-707,870	294,665,037	142,944,624

Aggregate for each Federal Reserve bank

1914-1939:

Boston	88,522,827	44,560,333	41,055,022	13,070,207	7,111,395	91,743	-3,155	20,784,832	10,380,237
New York	387,360,596	150,159,256	224,184,718	59,621,470	68,006,262	82,987	-643,412	97,117,411	43,791,128
Philadelphia	102,941,732	47,271,149	52,029,945	17,163,486	5,558,901	293,888	194,990	28,818,680	14,620,883
Cleveland	117,326,297	56,953,972	51,943,228	17,984,247	4,842,447	36,868	-8,446	29,088,112	14,765,323
Richmond	62,726,710	33,541,148	24,783,477	7,635,786	6,200,189	66,714	-174,722	11,055,510	5,808,291
Atlanta	61,577,965	28,540,922	26,294,831	6,368,038	8,950,561	23,876	-44,304	10,996,660	5,272,032
Chicago	182,538,169	80,691,203	88,967,766	20,969,595	25,313,526	100,179	11,681	42,572,785	19,748,517
St. Louis	56,612,826	31,631,085	19,344,351	6,470,659	2,755,629	5,948	-8,169	10,120,284	5,411,103
Minneapolis	42,696,257	22,693,956	17,186,895	4,514,669	5,202,900	34,319	-7,062	7,442,069	4,289,648
Kansas City	63,076,956	37,901,946	21,112,200	6,066,337	6,939,100	35,204	-3,622	8,075,181	4,462,499
Dallas	46,769,051	27,884,580	14,777,303	5,767,276	560,049	74,117	14,255	8,361,606	4,387,145
San Francisco	103,660,732	53,642,399	40,578,139	12,684,795	7,697,341	.....	-35,904	20,231,907	10,007,818

*Revised.

†Current earnings less current expenses, plus other additions and less other deductions.

‡The Banking Act of 1933 eliminated the provision in the Federal Reserve Act requiring payment of a franchise tax.

§Direct charges to surplus (sec. 7) represent amounts transferred to reserves for contingencies, except as follows: 1927—\$500,000, depreciation on bank premises; 1934—\$139,299, 557, cost of Federal Deposit Insurance Corporation stock purchased by Federal Reserve banks.

¶In 1935 the Federal Reserve Bank of Boston credited \$1,810 and the Federal Reserve Bank of St. Louis charged \$1,176 direct to surplus (sec. 13b). Total payments received from the Secretary of the Treasury under section 13b of the Federal Reserve Act to the end of 1939 and credited to surplus (sec. 13b) amounted to \$27,546,311.

NO. 7—NUMBER AND SALARIES OF OFFICERS AND EMPLOYEES OF FEDERAL RESERVE BANKS

(December 31, 1939)

Federal Reserve Bank (including branches)	Annual salary of President	Other officers		Employees, except those whose salaries are reimbursed to bank		Employees whose salaries are reimbursed to bank		Total	
		Number	Annual salaries	Number	Annual salaries	Number	Annual salaries	Number	Annual salaries
Boston	\$30,000	9	\$88,500	610	\$926,836	72	\$103,374	692	\$1,148,710
New York	50,000	40	463,000	1,994	3,878,406	284	530,034	2,319	4,921,440
Philadelphia	25,000	11	103,700	691	1,146,948	77	124,200	780	1,399,848
Cleveland	25,000	18	149,200	847	1,394,130	100	180,340	966	1,748,670
Richmond	21,000	17	121,200	519	766,703	138	183,615	675	1,092,518
Atlanta	20,000	21	119,020	381	513,423	401	484,189	804	1,136,632
Chicago	35,000	21	205,450	1,070	1,622,771	456	659,368	1,548	2,522,589
St. Louis	20,000	19	140,200	491	698,801	268	316,073	779	1,175,074
Minneapolis	25,000	13	83,600	253	400,098	149	197,262	416	705,960
Kansas City	25,000	19	147,500	467	724,481	298	392,116	785	1,289,097
Dallas	18,000	15	106,600	364	572,174	313	425,676	693	1,122,450
San Francisco	25,000	26	182,300	689	1,139,721	182	283,959	898	1,630,980
Total	319,000	229	1,910,270	8,376	13,784,492	2,738	3,880,206	11,355	19,893,968

NO. 8.—RECEIPTS AND DISBURSEMENTS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR THE YEAR 1939

General fund account:

Balance January 1, 1939:		
Available for general expenses of the Board	\$89,324.14	
Available for expenses chargeable to Federal Reserve banks	80,086.63	
Total		\$169,410.77

RECEIPTS

Available for general expenses of the Board:		
Assessments on Federal Reserve banks for estimated general expenses of the Board	\$1,621,463.77	
Subscriptions to the Federal Reserve Bulletin	5,708.59	
Reimbursements for leased wire service	31,775.75	
Miscellaneous receipts, refunds, and reimbursements	8,038.40	
Total receipts available for general expenses of the Board		\$1,666,986.51
Available for expenses chargeable to Federal Reserve banks:		
Assessments on Federal Reserve banks for:		
Cost of printing Federal Reserve notes	852,596.20	
Expenses of leased wire system (telegraph)	66,469.16	
Expenses of leased telephone lines	20,762.87	
Expenses of the Federal Reserve Issue and Redemption Division (office of Comptroller of the Currency)	56,306.53	
Miscellaneous expenses	5,988.04	
Total receipts available for expenses chargeable to Federal Reserve banks		\$1,002,122.80
Total receipts		2,669,109.31
Total available for disbursement		2,838,520.08

DISBURSEMENTS

For general expenses of the Board:		
Expenses of 1939 (per detailed statement)	\$1,577,825.41	
Less accounts unpaid December 31, 1939	28,864.23	
	1,548,961.18	
Expenses of 1938 paid in 1939	18,477.88	
Expenses of leased wire service, reimbursable	32,443.37	
Miscellaneous refunds and reimbursable expenses	5,951.74	
Total disbursements for general expenses of the Board		1,605,834.17
For expenses chargeable to Federal Reserve banks:		
Cost of printing Federal Reserve notes	878,264.20	
Expenses of leased wire system (telegraph)	66,469.16	
Expenses of leased telephone lines	22,062.37	
Expenses of Federal Reserve Issue and Redemption Division (office of Comptroller of the Currency)	55,123.49	
Miscellaneous expenses	6,582.06	
Total disbursements for expenses chargeable to Federal Reserve banks ..		1,028,501.28
Total disbursements		2,634,335.45
Balance in general fund account December 31, 1939:		
Available for general expenses of the Board	150,476.48	
Available for expenses chargeable to Federal Reserve banks	53,708.15	
		<u>204,184.63</u>

No. 8.—Receipts and Disbursements—Continued

PERSONAL SERVICES		
Salaries.....		\$1,231,868.35
Retirement System contributions for current service.....		56,369.73
Total Personal Services.....		<u>\$1,288,238.08</u>
NON-PERSONAL SERVICES		
Traveling Expenses.....	\$	70,789.44
Postage and Expressage.....		1,498.99
Telephone and Telegraph.....		56,143.39
Printing and Binding.....		74,059.44
Stationery and Supplies.....		21,704.74
Furniture and Equipment.....		20,001.66
Books and Subscriptions.....		5,722.49
Light, Heat, Power and Water.....		23,850.92
Repairs and Alterations to Building.....		4,314.16
Rental and Repairs (Furniture and Equipment).....		2,451.29
Medical Service and Supplies.....		491.75
Insurance.....		2,221.93
Miscellaneous.....		6,337.13
Total Non-Personal Services.....		<u>289,587.33</u>
GRAND TOTAL.....		<u><u>\$1,577,825.41</u></u>

NO. 9.—FEDERAL RESERVE BANK DISCOUNT, INTEREST, AND COMMITMENT RATES, AND BUYING RATES ON ACCEPTANCES

[Per cent per annum]

In effect December 30, 1939

	Bos- ton	New York	Phila- del- phia	Cleve- land	Rich- mond	At- lanta	Chi- cago	St. Louis	Min- neap- olis	Kan- sas City	Dallas	San Fran- cisco
Rediscounts for and ad- vances to member banks under secs. 13 and 13a of the Federal Reserve Act. Secured by direct and eligible guaranteed obligations of the United States.	1	1	1½	1½	1½	1	1	1	1½	1	1	1½
All other.	1	(1)1	1½	(1)1½	1½	1½	1½	1½	1½	(1)1½	(1)1½	1½
Advances to member banks under sec. 10(b) of the Federal Reserve Act.	2	2	2	2	2	2	2	2	2	2	2	2
Advances to individuals, partnerships or corpora- tions, secured by direct obligations of the United States (last paragraph of sec. 13 of the Federal Re- serve Act).	1	1	1½	(2)1½	1½	1	1	1	1½	1	1	1½
To nonmember banks. To others.	2½	3½	2½	3½	4	2½	4	4	3	2½	2½	4
Advances direct to indus- trial or commercial or- ganizations under sec. 13b of the Federal Reserve Act	3½-6	4-6	4-6	4½-6	6	5-6	5-6	4-5½	6	4-6	5-6	5-6
Advances to financing insti- tutions under sec. 13b of the Federal Reserve Act. On portion for which institution is oblig- ated.	3	3	(2)2½	3½	4-6	5	(2)2½	3½	4½-5	4	4	3-4
On remaining portion.	3½	4-5	(4)	4	4-6	5	5-6	4	4½-5	4	5-6	4-5
Commitments to make ad- vances under sec. 13b of the Federal Reserve Act.	½-1	1-2	½-2	1	1-2	½	1-2	(3)1	1	(5)2	1	½-2
Minimum buying rates on prime bankers' accept- ances payable in dollars.	(7)	. . . . .	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
1-15 days.	½	½	½	½	½	½	½	½	½	½	½	½
16-30 days.	½	½	½	½	½	½	½	½	½	½	½	½
31-45 days.	½	½	½	½	½	½	½	½	½	½	½	½
46-60 days.	½	½	½	½	½	½	½	½	½	½	½	½
61-90 days.	½	½	½	½	½	½	½	½	½	½	½	½
91-120 days.	¾	¾	¾	¾	¾	¾	¾	¾	¾	¾	¾	¾
121-180 days.	1	1	1	1	1	1	1	1	1	1	1	1

¹ The same rate applies to United States Government securities bought under repurchase agreement.

² 2½ per cent to other lenders than banks.

³ Authorized rate 1 per cent above prevailing discount rate.

⁴ Same as to borrower but not less than 4 per cent.

⁵ Minimum charge one-half of one per cent.

⁶ This rate also applies to acceptances bought under repurchase agreement, which agreements are always for a period of 15 days or less.

⁷ The same minimum rates in effect at the Federal Reserve Bank of New York apply to purchases, if any, made by other Federal Reserve banks.

NO. 10.—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, to Jan. 31, 1935	Feb. 1, 1935, to Dec. 31, 1935	In effect beginning Jan. 1, 1936
Savings deposits.....	3	2½	2½
Postal Savings deposits.....	3	2½	2½
Other time deposits payable in:			
6 months or more.....	3	2½	2½
90 days to 6 months.....	3	2½	2
Less than 90 days.....	3	2½	1

NOTE.—Maximum rates that may be paid by insured nonmember banks as established by the Federal Deposit Insurance Corporation, effective February 1, 1936, are the same as those in effect for member banks. In some States the maximum rates established by the Board and the Federal Deposit Insurance Corporation are superseded by lower maximum rates established by State authority.

NO. 11.—MEMBER BANK RESERVE REQUIREMENTS

[Per cent of deposits]

Classes of deposits and banks	June 21, 1917– Aug. 15, 1936	Aug. 16, 1936– Feb. 28, 1937	Mar. 1, 1937– Apr. 30, 1937	May 1, 1937– Apr. 15, 1938	Apr. 16, 1938– and after
On net demand deposits: ¹					
Central reserve city.....	13	19½	22¾	26	22¾
Reserve city.....	10	15	17½	20	17½
Country.....	7	10½	12¾	14	12
On time deposits:					
All member banks.....	3	4½	5¾	6	5

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.

NO. 12.—ALL MEMBER BANKS—CONDITION ON DECEMBER 30, 1939, BY CLASSES OF BANKS

[Amounts in thousands of dollars]

	All member banks	All national member banks	All State member banks	Central reserve city member banks ¹		Reserve city member banks ¹	Country member banks ¹
				New York	Chicago		
ASSETS							
Loans (including overdrafts).....	13,961,820	9,021,748	4,940,072	3,296,299	569,289	5,328,533	4,767,699
United States Government direct obligations.....	11,184,195	7,101,805	4,082,390	3,496,994	1,030,661	4,222,057	2,434,483
Obligations guaranteed by United States Government.....	3,143,060	1,955,835	1,188,125	1,274,508	172,303	972,226	724,923
Obligations of States and political subdivisions.....	2,691,687	1,782,161	909,526	578,749	162,288	889,746	1,060,904
Obligations of Government corporations and agencies, not guaranteed by United States.....	376,697	257,645	119,052	128,541	24,980	129,486	93,690
Other bonds, notes, and debentures.....	2,142,672	1,470,268	672,404	404,298	117,005	575,309	1,046,060
Corporate stocks (including Federal Reserve bank stock).....	439,477	220,873	218,604	159,921	28,356	154,795	96,405
Total loans and investments.....	33,940,508	21,810,335	12,130,173	9,339,310	2,104,882	12,272,152	10,224,164
Reserve with Federal Reserve banks.....	11,603,504	6,493,792	5,109,712	5,914,718	993,082	3,118,161	1,577,543
Cash in vault.....	841,215	611,339	229,876	89,034	41,885	347,527	362,769
Demand balances with banks in United States (except private banks and American branches of foreign banks).....	5,370,257	4,113,177	1,257,080	122,852	267,368	2,425,592	2,554,445
Other balances with banks in United States.....	136,112	101,927	34,185	2,017	15,166	59,245	59,684
Balances with banks in foreign countries.....	23,796	15,971	7,825	14,108	857	6,898	1,933
Due from own foreign branches.....	7,827	7,027	800	800	.....	7,027	.....
Cash items in process of collection.....	1,807,370	1,153,289	654,081	560,243	127,640	827,661	291,926
Bank premises owned and furniture and fixtures.....	924,273	598,665	325,608	206,679	20,404	321,404	375,786
Other real estate owned.....	287,709	131,669	156,040	28,818	4,523	107,221	147,147
Investments and other assets indirectly representing bank premises or other real estate.....	130,774	65,551	65,223	11,140	858	90,619	28,137
Customers' liability on acceptances.....	107,543	55,843	51,700	74,741	3,153	27,607	2,042
Income accrued but not yet collected.....	100,159	57,872	42,287	33,962	8,006	39,438	18,753
Other assets.....	79,902	40,917	38,985	14,625	6,923	36,177	22,177
Total assets.....	55,360,949	35,257,374	20,103,575	16,413,047	3,594,747	19,686,729	15,666,426
LIABILITIES							
Demand deposits—Total.....	37,487,815	23,368,070	14,119,745	13,763,924	2,834,938	13,004,583	7,884,370
Individuals, partnerships, and corporations.....	24,603,982	14,921,445	9,682,537	9,030,363	1,675,767	8,001,603	5,896,249
United States Government ²	742,566	540,296	202,270	73,906	79,610	434,969	154,081
States and political subdivisions.....	2,321,334	1,733,425	587,909	250,918	167,425	812,640	1,090,351
Banks in United States.....	8,507,394	5,431,968	3,075,396	3,541,727	879,144	3,515,944	570,379
Banks in foreign countries.....	749,251	356,836	392,415	689,032	9,115	49,542	1,562
Certified and officers' checks, cash letters of credit and travelers' checks, etc.....	563,288	384,070	179,218	177,978	23,877	189,885	171,548

Time deposits—Total	11,852,337	8,190,880	3,661,457	742,950	495,407	4,736,102	5,877,878
Individuals, partnerships, and corporations:							
Savings deposits.....	9,883,113	6,890,392	2,992,721	385,648	427,846	3,944,330	5,125,289
Certificates of deposit.....	676,529	527,521	149,008	23,341	24,133	162,012	467,043
Christmas savings and similar accounts.....	24,434	16,418	8,016	921	173	8,614	14,721
Open accounts.....	631,033	259,281	371,752	283,201	30,400	247,057	70,373
Postal savings ²	51,330	44,531	6,799	.....	3,000	13,681	34,649
States and political subdivisions.....	432,173	343,343	88,830	42,517	9,850	240,149	139,657
Banks in United States.....	144,188	103,937	40,251	1,185	.....	116,859	26,144
Banks in foreign countries.....	9,537	5,457	4,080	6,137	.....	3,400	.....
Total deposits	49,340,152	31,558,950	17,781,202	14,506,874	3,330,345	17,740,685	13,762,248
Due to own foreign branches.....	150,938	111,032	39,906	150,938	.....	.....	.....
Bills payable, rediscounts, and other liabilities for borrowed money.....	3,241	2,882	359	.....	.....	121	3,120
Acceptances outstanding.....	123,755	64,173	59,582	85,896	3,531	32,090	2,238
Dividends declared but not yet payable.....	37,968	23,668	14,300	18,036	800	11,528	7,604
Income collected but not yet earned.....	56,310	37,694	18,616	9,730	1,569	28,386	16,925
Expenses accrued and unpaid.....	68,690	40,948	27,742	14,977	8,256	29,274	16,183
Other liabilities.....	58,136	20,644	37,492	34,180	132	16,180	7,644
Total liabilities	49,839,190	31,859,991	17,979,199	14,820,631	3,344,633	17,858,264	13,815,662
CAPITAL ACCOUNTS							
Capital (for par value see next table).....	2,363,229	1,529,103	834,126	548,245	101,700	794,362	918,922
Surplus.....	2,166,392	1,213,857	952,535	814,572	87,260	671,187	593,373
Undivided profits.....	674,734	445,206	229,528	173,100	29,530	238,165	233,939
Reserves for contingencies.....	276,613	176,960	99,653	53,260	31,498	111,733	80,122
Other capital accounts.....	40,791	32,257	8,534	3,239	126	13,018	24,408
Total capital accounts	5,521,759	3,397,383	2,124,376	1,592,416	250,114	1,828,465	1,850,764
Total liabilities and capital accounts	55,360,949	35,257,374	20,103,575	16,413,047	3,594,747	19,686,729	15,666,426
Net demand deposits subject to reserve.....	30,325,868	18,110,036	12,215,832	13,080,829	2,441,365	9,756,072	5,047,602
Demand deposits—adjusted ³	25,681,234	15,885,651	9,795,583	8,899,016	1,739,429	8,176,447	6,866,322
Number of banks.....	6,362	5,187	1,175	36	14	346	5,966

¹ Banks are classed according to the reserves which they are required to carry (see table 11). Some banks classed as "country banks" are in outlying sections of reserve cities or central reserve cities, and some banks classed as "reserve city banks" are in outlying sections of central reserve cities. Figures for each class of banks include assets and liabilities of their domestic branches, whether located within or outside the cities in which the parent banks are located.

² United States Treasurer's *time* deposits, open account, are combined with postal savings (time) deposits.

³ Demand deposits other than interbank and United States Government, less cash items reported as in process of collection.

NO. 13.—ALL MEMBER BANKS—CLASSIFICATION OF LOANS, INVESTMENTS, REAL ESTATE, AND CAPITAL ON DECEMBER 30, 1939, BY CLASSES OF BANKS

[In thousands of dollars]

	All member banks	All national member banks	All State member banks	Central reserve city member banks ¹		Reserve city member banks ¹	Country member banks ¹
				New York	Chicago		
Loans—Total	13,961,820	9,021,748	4,940,072	3,296,299	569,289	5,328,533	4,767,699
Commercial and industrial loans.....	5,385,773	3,484,417	1,901,356	1,768,266	365,331	2,100,962	1,151,214
Agricultural loans.....	729,539	620,283	109,256	7,465	6,306	221,094	494,674
Commercial paper bought in open market.....	290,817	192,795	98,022	8,053	12,879	111,479	158,406
Bills, acceptances, etc., payable in foreign countries.....	9,229	6,883	2,346	239	1,945	5,790	1,255
Acceptances of other banks, payable in United States.....	63,246	30,827	32,419	53,625	82	7,685	1,854
Reporting banks' own acceptances.....	91,681	54,233	37,448	57,756	2,375	29,856	1,694
Loans to brokers and dealers in securities.....	790,316	313,864	476,452	611,019	40,651	118,621	20,025
Other loans for purchasing or carrying securities.....	700,351	415,309	285,042	188,394	66,158	222,205	223,594
Real estate loans: On farm land.....	288,696	231,806	56,890	656	386	93,834	193,820
On residential property.....	1,883,553	1,208,313	675,240	58,695	7,870	861,870	955,118
On other properties.....	784,476	461,559	322,917	73,221	4,711	378,948	327,596
Loans to banks.....	56,350	26,524	29,826	43,528	179	8,638	4,005
All other loans.....	2,876,628	1,970,156	906,472	419,029	60,263	1,164,778	1,232,558
Overdrafts.....	11,165	4,779	6,386	6,353	153	2,773	1,886
United States Government direct obligations—Total	11,184,195	7,101,805	4,082,390	3,496,994	1,030,661	4,222,057	2,434,483
Treasury bills.....	562,737	447,521	115,216	315,234	152,953	63,396	31,154
Treasury notes.....	2,223,277	1,429,756	793,521	796,724	176,268	819,404	430,881
Bonds maturing in 5 years or less.....	773,492	471,686	301,806	317,554	32,919	267,491	155,528
Bonds maturing in 5 to 10 years.....	3,017,960	1,785,405	1,232,555	921,088	122,597	1,311,395	662,880
Bonds maturing in 10 to 20 years.....	3,857,326	2,390,642	1,266,684	917,053	444,524	1,403,013	892,736
Bonds maturing after 20 years.....	949,403	576,795	372,608	229,341	101,400	357,538	261,304
Obligations guaranteed by United States Government—Total	3,143,960	1,955,835	1,188,125	1,274,508	172,303	972,226	724,923
<i>Total amount maturing in 5 years or less</i>	<i>2,082,854</i>	<i>1,195,322</i>	<i>886,932</i>	<i>1,002,449</i>	<i>163,635</i>	<i>555,507</i>	<i>360,663</i>
Reconstruction Finance Corporation.....	833,690	439,622	394,068	430,544	112,365	167,317	114,464
Home Owners' Loan Corporation.....	1,500,513	987,670	512,843	546,765	24,029	547,409	382,310
Federal Farm Mortgage Corporation.....	444,449	287,983	156,466	168,856	4,592	131,507	139,494
Other Government corporations and agencies.....	365,308	240,560	124,748	119,343	31,317	125,993	88,655
Obligations of Government corporations and agencies, not guaranteed by United States—Total	376,697	257,645	119,052	128,541	24,980	129,486	93,690
<i>Total amount maturing in 5 years or less</i>	<i>280,963</i>	<i>180,168</i>	<i>100,795</i>	<i>116,861</i>	<i>13,845</i>	<i>102,482</i>	<i>48,775</i>
Federal Land banks.....	94,977	77,477	17,500	11,673	12,185	26,668	44,451
Federal Intermediate Credit banks.....	154,365	86,526	67,839	83,442	8,021	54,176	8,726
Other Government corporations and agencies.....	127,355	93,642	33,713	33,426	4,774	48,642	40,513

Obligations of states and political subdivisions—Total	2,691,687	1,782,161	909,526	578,749	162,288	889,746	1,060,904
In default.....	7,022	5,782	1,240	743	180	3,007	3,092
Without specific maturity.....	172,253	146,537	25,716	2,806	45,113	57,390	66,944
Maturing in 5 years or less.....	1,645,051	973,552	671,499	488,951	96,416	493,447	566,237
Maturing after 5 years.....	867,361	656,290	211,071	86,249	20,579	335,902	424,631
Other bonds, notes, and debentures—Total	2,142,672	1,470,263	672,404	404,298	117,005	575,309	1,048,060
<i>Total amount in default</i>	<i>77,853</i>	<i>47,483</i>	<i>29,774</i>	<i>21,310</i>	<i>1,571</i>	<i>25,213</i>	<i>29,163</i>
<i>Total amount maturing in 5 years or less</i>	<i>451,364</i>	<i>253,480</i>	<i>197,684</i>	<i>109,747</i>	<i>49,955</i>	<i>142,697</i>	<i>143,965</i>
Railroads.....	731,149	513,912	217,237	121,914	24,836	185,326	399,073
Public utilities.....	604,513	409,520	194,993	97,532	43,118	152,707	311,156
Industrials.....	327,541	373,231	154,310	106,595	32,608	152,169	236,169
Other domestic corporations.....	93,015	47,177	45,838	20,607	1,735	35,410	35,263
Foreign—public and private.....	186,454	126,428	60,026	57,650	14,708	49,697	64,399
Corporate stocks—Total	439,477	220,873	218,604	159,921	28,356	154,795	96,405
Federal Reserve banks.....	135,546	82,087	53,459	40,719	5,667	43,799	45,461
Affiliates of reporting banks.....	100,069	46,190	53,879	42,759	276	50,697	6,337
Other domestic banks.....	20,369	7,893	12,476	2,526	36	8,796	9,011
Other domestic corporations.....	181,778	83,856	97,922	73,449	22,362	50,700	35,267
Foreign corporations.....	1,715	847	868	468	15	803	429
Bank premises, furniture and fixtures, and other real estate—Total	1,211,982	730,334	481,648	235,497	24,927	428,625	522,933
Bank premises.....	848,862	540,123	308,739	205,945	20,320	289,153	333,444
Furniture and fixtures.....	75,411	58,542	16,869	734	84	32,251	42,342
Farm land (including improvements).....	21,835	15,894	5,941	28	390	7,433	13,984
Residential properties.....	116,135	46,489	69,646	10,743	1,354	37,348	66,690
Other real properties.....	149,739	69,286	80,453	18,047	2,779	62,440	66,473
Assets indirectly representing bank premises or other real estate—Total	130,774	65,551	65,223	11,140	858	90,619	28,157
Investments.....	85,997	50,725	35,272	8,874	795	57,581	18,747
Other assets.....	44,777	14,826	29,951	2,266	63	33,038	9,410
Capital:							
Par or face value—Total.....	2,366,514	1,531,627	834,887	548,245	101,700	794,362	922,207
Capital notes and debentures.....	43,677	.....	43,677	464	.....	26,720	16,493
First preferred stock.....	265,166	195,407	69,759	9,237	700	101,961	153,268
Second preferred stock.....	24,029	16,205	7,324	.....	.....	8,100	15,929
Common stock.....	2,033,642	1,320,015	713,627	538,544	101,000	657,581	736,517
Retirable value of: First preferred stock.....	335,277	228,068	107,209	22,914	700	122,890	188,773
Second preferred stock.....	29,499	18,228	11,271	.....	.....	8,500	20,999

For footnote see preceding table.

**NO. 14.—MEMBER BANK RESERVE BALANCES, RESERVE BANK CREDIT, AND RELATED ITEMS—
END OF YEAR 1918-1939 AND END OF MONTH 1939**

[In millions of dollars]

End of year or month	Reserve bank credit outstanding					Gold stock ²	Treasury currency outstanding ³	Money in circulation	Treasury cash holdings ⁴	Treasury deposits with F. R. banks	Non-member deposits ⁵	Other Federal Reserve accounts ⁶	Member bank reserve balances	
	Bills discounted	Bills bought	U. S. Government securities	Other Reserve bank credit ¹	Total								Total	Excess ⁷
1918.....	1,766	287	239	206	2,498	2,873	1,795	4,951	288	51	121	118	1,636	51
1919.....	2,215	574	300	203	3,292	2,707	1,707	5,091	385	31	101	208	1,890	68
1920.....	2,687	260	287	120	3,355	2,639	1,709	5,325	218	57	23	298	1,781	....
1921.....	1,144	145	234	40	1,563	3,373	1,842	4,403	214	96	27	285	1,753	99
1922.....	618	272	436	79	1,405	3,642	1,958	4,530	225	11	29	276	1,934	....
1923.....	723	355	134	27	1,238	3,957	2,009	4,757	213	38	23	275	1,898	14
1924.....	320	387	540	54	1,302	4,212	2,025	4,760	211	51	39	258	2,220	59
1925.....	643	374	375	67	1,459	4,112	1,977	4,817	203	16	29	272	2,212	-44
1926.....	637	381	315	49	1,381	4,205	1,991	4,808	201	17	65	293	2,194	-56
1927.....	582	392	617	64	1,655	4,092	2,006	4,716	208	18	26	301	2,487	63
1928.....	1,056	489	228	35	1,809	3,854	2,012	4,686	202	23	27	348	2,389	-41
1929.....	632	392	511	48	1,583	3,997	2,022	4,578	216	29	30	393	2,355	-73
1930.....	251	364	729	29	1,373	4,306	2,027	4,603	211	19	28	375	2,471	96
1931.....	638	339	817	59	1,853	4,173	2,035	5,360	222	54	110	354	1,961	-33
1932.....	235	33	1,855	22	2,145	4,226	2,204	5,388	272	8	43	355	2,509	576
1933.....	98	133	2,437	20	2,688	4,036	2,303	5,519	284	3	132	360	2,729	859
1934.....	7	6	2,430	20	2,463	8,238	2,511	5,536	3,029	121	189	241	4,096	1,814
1935.....	5	5	2,431	45	2,486	10,125	2,476	5,882	2,566	544	255	253	5,587	2,844
1936.....	3	3	2,430	64	2,500	11,258	2,532	6,543	2,376	244	259	261	6,606	1,984
1937.....	10	1	2,564	38	2,612	12,760	2,637	6,550	3,619	142	407	263	7,027	1,212
1938.....	4	1	2,564	33	2,601	14,512	2,798	6,856	2,706	923	441	260	8,724	3,205
1939-Jan...	5	1	2,574	28	2,607	14,682	2,816	6,653	2,776	747	458	255	9,215	3,644
Feb.....	4	1	2,564	30	2,598	14,874	2,824	6,731	2,740	1,148	488	254	8,936	3,387
Mar.....	4	1	2,564	18	2,587	15,258	2,839	6,817	2,691	1,220	533	257	9,157	3,559
Apr.....	3	1	2,571	20	2,595	15,791	2,849	6,905	2,699	931	545	255	9,000	4,098
May.....	4	1	2,564	4	2,573	15,957	2,862	6,967	2,636	920	586	253	10,029	4,218
June.....	5	1	2,551	23	2,579	16,110	2,881	7,047	2,563	944	739	258	10,018	4,140
July.....	5	1	2,488	—	2,486	16,238	2,895	7,049	2,360	752	693	257	10,507	4,553
Aug.....	5	1	2,426	14	2,446	16,646	2,907	7,171	2,325	708	622	255	10,918	4,758
Sept.....	6	1	2,804	68	2,879	16,932	2,919	7,293	2,244	545	753	240	11,655	5,352
Oct.....	6	.....	2,736	59	2,801	17,091	2,932	7,342	2,254	286	728	241	11,973	5,553
Nov.....	8	.....	2,552	89	2,650	17,358	2,947	7,483	2,367	419	819	241	11,628	5,160
Dec.....	7	.....	2,481	102	2,593	17,644	2,963	7,598	2,409	634	653	251	11,653	5,209

¹ Includes Government overdrafts in 1918, 1919, and 1920; includes industrial advances outstanding since July 1934.

² By proclamation of the President, dated January 31, 1934, the weight of the gold dollar was reduced from 25 8/10 grains to 15 5/21 grains, nine-tenths fine. Between January 31, 1934, and February 1, 1934, the gold stock increased \$2,985,000,000, of which \$2,806,000,000 was the increment resulting from the reduction in the weight of the gold dollar and the remainder was gold which had been purchased by the Treasury previously but not added to the gold stock. The increment was covered into the Treasury as a miscellaneous receipt, and appeared together with the new gold as a General Fund asset. These transactions were also reflected in an increase in the item "Treasury cash." The increment arising from United States gold coin turned in by the public after January 31, 1934, was also added to both gold stock and Treasury cash at the time of receipt. The increment from this source amounted to about \$7,000,000, from February 1 to December 31, 1934, to about \$1,000,000 in 1935, to \$1,800,000 in 1936, to \$1,200,000 in 1937, to \$500,000 in 1938, and to \$350,000 in 1939.

³ Comprises outstanding United States notes, national bank notes, silver bullion, Treasury notes of 1890, standard silver dollars, subsidiary silver and minor coin, and the Federal Reserve bank notes for the retirement of which lawful money has been deposited with the Treasurer of the United States, including the currency of these kinds that is held in the Treasury and the Federal Reserve banks as well as that in circulation.

⁴ Cash (including gold bullion) held in the Treasury excepting (a) gold and silver held against gold and silver certificates and (b) amounts held for the Federal Reserve banks.

⁵ Item includes all deposits in Federal Reserve banks except Government deposits and member bank reserve balances.

⁶ This item is derived from the condition statement of the Federal Reserve banks by adding capital, surplus, other capital accounts, and "other liabilities, including accrued dividends," and subtracting the sum of bank premises and "other assets."

⁷ Represents excess of total reserve balances over reserves required to be held by member banks against their deposits. Figures not available prior to 1929 except on call dates, and since April 1935 are for licensed member banks only. For required reserves and changes in the percentages of requirements see table 11.

NO. 15.—NUMBER OF BANKS AND BRANCHES IN UNITED STATES, 1933-1939

End of year figures	Member banks		Nonmember banks				Total	Branches	
	National	State	Other than mutual savings and private banks		Mutual savings	Private ²		In head-office cities	Outside head-office cities
			Insured ¹	Non-insured ¹					
Number of banking offices									
1933.....	6,275	1,817	9,041		704	103	17,940		
1934.....	6,705	1,961	9,579		705	246	19,196		
1935.....	6,715	1,953	8,556	1,088	698	143	19,153		
1936.....	6,723	2,032	8,436	1,043	693	139	19,066		
1937.....	6,745	2,075	8,340	997	691	79	18,927		
1938.....	6,723	2,106	8,224	958	690	73	18,774		
1939.....	6,705	2,177	8,098	931	683	69	18,663		
Number of banks (Head offices)									
1933.....	5,154	857	8,341		579	98	15,029		
1934.....	5,462	980	7,693	1,108	579	241	16,063		
1935.....	5,386	1,001	7,728	1,046	570	138	15,869		
1936.....	5,325	1,051	7,588	1,004	565	134	15,667		
1937.....	5,260	1,081	7,449	960	563	74	15,387		
1938.....	5,224	1,114	7,316	917	555	68	15,194		
1939.....	5,187	1,175	7,171	887	551	63	15,034		
Number of branches									
1933.....	1,121	960	700		125	5	2,911	1,784	1,127
1934.....	1,243	981	778		126	5	3,133	1,776	1,357
1935.....	1,329	952	828	42	128	5	3,284	1,754	1,530
1936.....	1,398	981	848	39	128	5	3,399	1,749	1,650
1937.....	1,485	994	891	37	128	5	3,540	1,757	1,783
1938.....	1,499	992	908	41	135	5	3,580	1,743	1,837
1939.....	1,518	1,002	927	44	132	6	3,629	1,738	1,891

¹ Federal deposit insurance did not become operative until January 1, 1934.

² The figures for December 1934 include 140 private banks which reported to the Comptroller of the Currency under the provisions of Section 21(a) of the Banking Act of 1933. Under the provisions of the Banking Act of 1935, private banks no longer report to the Comptroller of the Currency and, accordingly, only such private banks as report to State banking departments are in the figures shown for subsequent years.

³ Separate figures not available for branches of insured and noninsured banks.

⁴ Comprises 51 insured banks with 24 branches and 500 noninsured banks with 108 branches. The figures for 1939 exclude one bank with 4 branches which heretofore was classified as an insured mutual savings bank but is now included with "Nonmember banks other than mutual savings and private banks."

⁵ Comprises 1 insured bank with no branches and 62 noninsured banks with 6 branches.

NO. 16.—ANALYSIS OF CHANGES IN NUMBER OF BANKS AND BRANCHES DURING 1939

	Total	Member banks		Nonmember banks			
		National	State	Other than mutual savings and private banks		Mutual savings	Private
				Insured	Non-Insured		
Analysis of Bank Changes							
Number of banks on December 31, 1938.....	15,194	5,224	1,114	7,316	917	555	68
Increases in number of banks:							
Primary organizations (new banks) ¹	+30	+3	+1	+24	+2		
Decreases in number of banks:							
Suspensions.....	-42	-4	-3	-25	-9		-1
Voluntary liquidations ²	-41	-7	-3	-15	-12		-4
Consolidations, absorptions, etc.....	-122	-30	-8	-74	-7	-3	
Inter-class bank changes:							
Conversions—							
State into national.....		+13	-9	-4			
National into State.....		-12	+2	+10			
Federal Reserve membership ³							
Admissions of State banks.....			+85	-84	-1		
Withdrawals of State banks.....			-4	+4			
Federal deposit insurance ⁴							
Admissions of State banks.....				+17	-17		
Withdrawals of State banks.....							
Unclassified.....	+15			+2	+14	-1	
Net increase or decrease in number of banks.....	-160	-37	+61	-145	-30	-4	-5
Number of banks on December 31, 1939.....	15,034	5,187	1,175	7,171	887	551	63
Analysis of Branch Changes							
Number of branches on December 31, 1938.....	3,580	1,499	992	908	41	135	5
Increases in number of branches:							
De novo branches.....	+48	+6	+6	+33	+2		+1
Banks converted into branches.....	+48	+14	+5	+27	+1	+1	
Decreases in number of branches:							
Suspension of parent bank.....	-9		-7	-2			
Otherwise discontinued.....	-40	-9	-14	-17			
Inter-class branch changes:							
Branches of a national bank which became a State member bank.....		-4	+4				
Branch of a national bank which became a branch of a nonmember bank.....		-1		+1			
Branches of a nonmember bank which became a national bank.....		+13		-13			
Branches of nonmember banks which became branches of State member banks ⁵			+16	-16			
Unclassified.....	+2			+6		-4	
Net increase or decrease in number of branches.....	+49	+19	+10	+19	+3	-3	+1
Number of branches on December 31, 1939.....	3,629	1,518	1,002	927	44	132	6

¹ Exclusive of new banks organized to succeed operating banks.² Exclusive of liquidations incident to the succession, conversion and absorption of banks.³ Exclusive of conversions of national banks into State bank members, or vice versa, as such conversions do not affect Federal Reserve membership.⁴ Exclusive of conversions of member banks into insured nonmember banks, or vice versa, as such conversions do not affect Federal Deposit Insurance Corporation membership.⁵ Includes 2 branches of an insured nonmember bank which was absorbed by a State member bank, and 14 branches of insured nonmember banks which became State member banks.

NO. 17.—NUMBER OF BANKS ON PAR LIST AND NOT ON PAR LIST,¹ BY FEDERAL RESERVE DISTRICTS AND STATES, ON DECEMBER 31, 1938 AND 1939

Federal Reserve district or State	Member banks		Nonmember banks, other than mutual savings banks			
			On par list		Not on par list	
	Dec. 31, 1939	Dec. 31, 1938	Dec. 31, 1939	Dec. 31, 1938 ²	Dec. 31, 1939	Dec. 31, 1938 ²
DISTRICT						
Boston	353	356	167	168		
New York	768	772	257	274		
Philadelphia	652	655	249	258		
Cleveland	639	624	590	617	2	2
Richmond	410	406	306	315	295	298
Atlanta	315	320	86	89	698	689
Chicago	804	787	1,458	1,504	217	218
St. Louis	392	391	695	727	442	437
Minneapolis	467	461	133	153	703	710
Kansas City	736	734	946	964	176	178
Dallas	544	544	270	283	158	161
San Francisco	282	288	239	253	28	29
Total	6,362	6,338	5,396	5,605	2,719	2,722
STATE						
New England:						
Maine	43	44	27	27		
New Hampshire	53	53	12	11		
Vermont	42	42	33	33		
Massachusetts	154	155	42	43		
Rhode Island	14	14	9	9		
Connecticut	58	59	61	62		
Middle Atlantic:						
New York	563	563	178	188		
New Jersey	277	283	84	96		
Pennsylvania	775	776	309	314		
East North Central:						
Ohio	344	327	357	378		
Indiana	148	145	355	363	3	4
Illinois	404	395	417	435	27	28
Michigan	213	207	249	262	1	1
Wisconsin	134	133	280	288	158	161
West North Central:						
Minnesota	209	206	58	67	411	410
Iowa	143	142	405	412	110	108
Missouri	142	141	378	389	106	105
North Dakota	50	50	4	5	117	125
South Dakota	64	64	8	12	93	92
Nebraska	148	150	114	116	161	163
Kansas	203	200	471	482	1	1
South Atlantic:						
Delaware	19	20	24	25		
Maryland	73	74	103	106		
District of Columbia	14	13	8	9		
Virginia	162	157	109	115	43	43
West Virginia	96	98	79	79	6	6
North Carolina	51	52	18	17	126	129
South Carolina	25	24	5	5	120	120
Georgia	70	73	17	17	260	254
Florida	56	57	16	18	87	83
East South Central:						
Kentucky	112	111	282	295	12	12
Tennessee	77	77	52	55	171	169
Alabama	82	82	5	6	130	130
Mississippi	26	27	4	4	175	175
West South Central:						
Arkansas	56	57	49	53	132	129
Louisiana	36	37	5	5	104	104
Oklahoma	220	221	161	165	12	12
Texas	501	501	256	269	102	105
Mountain:						
Montana	68	67	23	26	20	21
Idaho	28	30	23	22		
Wyoming	35	35	21	21	2	2
Colorado	91	89	53	54	1	1
New Mexico	27	27	14	14		
Arizona	7	7	5	5		
Utah	33	33	26	26		
Nevada	7	5	4	4		
Pacific:						
Washington	60	63	53	59	25	25
Oregon	34	35	36	37	3	4
California	115	117	94	102		

¹ Revised.

² Includes all member banks, and all nonmember banks on which checks are drawn

(except mutual savings banks, on a few of which some checks are drawn). Banks not on the par list comprise nonmember banks that have not agreed to pay without deduction such checks drawn upon them as are forwarded for payment by the Federal Reserve banks. The difference of 6 between the number of nonmember banks on December 31, 1939 shown in this table and in table 15 is due to the fact that this table excludes 159 banks (principally 65 industrial banks and 74 non-deposit trust companies) on which no checks are drawn, and includes 153 banks (principally 122 private banks and 22 cooperative banks) on which checks are drawn but which (1) are not reporting to State banking departments, (2) are in Federal Reserve Bank of St. Louis

NO. 18.—MONEY RATES, BOND YIELDS, AND STOCK PRICES¹

Year and month	Open-market rates in New York City ² (per cent per annum)			Bond yields ³ (per cent per annum)			Common stock prices ⁴ (1926 = 100)			
	Prime commercial paper, 4-6 months	U. S. Treasury bills	U. S. Treasury notes	U. S. Treasury	Corporate		Total	Industrial	Railroad	Public utility
					Aaa	Baa				
Number of issues.....			4-6	2-6	30	30	420	348	32	40
1919.....	5.56			4.73	5.49	7.25	70.7	72.6	70.1	60.3
1920.....	7.54			5.32	6.12	8.20	64.2	66.1	63.9	54.5
1921.....	6.56			5.09	5.97	8.35	55.2	51.6	61.8	57.8
1922.....	4.48			4.30	5.10	7.08	67.7	64.7	72.7	70.9
1923.....	5.01			4.36	5.12	7.24	69.0	66.6	71.9	73.8
1924.....	3.88			4.06	5.00	6.83	72.8	69.6	76.7	78.9
1925.....	4.03			3.86	4.88	6.27	89.7	88.4	89.5	94.9
1926.....	4.34			3.68	4.73	5.87	100.0	100.0	100.0	100.0
1927.....	4.11			3.34	4.57	5.48	118.3	118.5	119.1	116.0
1928.....	4.86			3.33	4.55	5.48	149.9	154.3	128.5	148.9
1929.....	5.85			3.60	4.73	5.90	190.3	189.4	147.3	234.6
1930.....	3.59			3.29	4.55	5.90	149.8	140.6	124.9	214.6
1931.....	2.63	1.402		3.34	4.58	7.62	94.7	87.4	72.5	148.7
1932.....	2.73	0.879		3.68	5.01	9.30	48.6	46.5	26.4	79.1
1933.....	1.72	0.515	2.66	3.31	4.49	7.76	63.0	65.7	37.7	78.1
1934.....	1.02	0.256	2.12	3.12	4.00	6.32	72.4	81.1	41.5	68.9
1935.....	.76	0.137	1.29	2.79	3.60	5.75	78.3	90.8	34.6	71.4
1936.....	.75	0.143	1.11	2.65	3.24	4.77	111.0	127.3	51.2	104.3
1937.....	.95	0.447	1.40	2.68	3.26	5.03	111.8	131.3	49.3	94.8
1938.....	.81	0.053	0.83	2.56	3.19	5.80	83.3	99.4	26.1	73.2
1939.....	.59	0.022	0.59	2.36	3.01	4.96	89.2	104.9	28.2	84.5
1938										
January.....	1.00	0.099	1.13	2.65	3.17	5.89	81.6	95.7	29.0	75.7
February.....	1.00	0.084	1.09	2.64	3.20	5.97	80.7	95.7	28.3	71.2
March.....	.88	0.074	1.01	2.64	3.22	6.30	77.9	92.7	25.5	68.5
April.....	.88	0.083	0.94	2.62	3.30	6.47	70.7	84.2	20.9	64.0
May.....	.88	0.027	0.77	2.51	3.22	6.06	73.9	87.4	21.8	69.5
June.....	.88	0.023	0.67	2.52	3.26	6.25	73.1	86.4	20.5	69.2
July.....	.75	0.053	0.70	2.52	3.22	5.63	88.0	105.3	27.3	76.5
August.....	.75	0.047	0.71	2.51	3.18	5.49	89.5	108.0	27.8	75.0
September.....	.69	0.096	0.82	2.58	3.21	5.65	86.0	103.9	25.5	72.2
October.....	.69	0.023	0.68	2.48	3.15	5.36	91.1	109.6	28.1	77.4
November.....	.69	0.024	0.71	2.50	3.10	5.23	94.7	113.6	30.0	80.9
December.....	.63	0.007	0.67	2.49	3.08	5.27	92.0	110.6	28.8	77.9
1939										
January.....	.56	0.002	0.65	2.47	3.01	5.12	91.8	109.3	29.8	81.2
February.....	.56	0.004	0.63	2.44	3.00	5.05	90.1	106.3	28.0	83.8
March.....	.56	0.005	0.51	2.34	2.99	4.89	91.7	108.0	29.7	85.8
April.....	.56	0.019	0.50	2.30	3.02	5.15	81.9	95.9	24.8	80.0
May.....	.56	0.006	0.42	2.17	2.97	5.07	83.1	97.0	25.0	82.4
June.....	.56	0.006	0.39	2.13	2.92	4.91	86.0	100.5	25.9	84.7
July.....	.56	0.017	0.45	2.16	2.89	4.84	86.1	100.6	25.7	84.9
August.....	.56	0.046	0.48	2.21	2.93	4.85	86.3	100.5	25.4	87.0
September.....	.69	0.102	1.07	2.65	3.25	5.00	92.4	109.4	29.7	84.3
October.....	.69	0.028	0.77	2.60	3.15	4.88	95.3	112.7	32.9	86.0
November.....	.63	0.018	0.64	2.46	3.00	4.85	94.2	110.9	31.6	87.3
December.....	.56	0.012	0.51	2.35	2.94	4.92	91.8	107.9	29.6	86.7

¹ Annual data are averages of monthly figures.

² For commercial paper, monthly data are prevailing rates; for Treasury bills, the average rates on new issues within period; and for Treasury notes the averages of daily figures for 3- to 5-year issues. Treasury bill series comprises 90-day bills to February 16, 1934; 182-day bills from February 23, 1934 to February 23, 1935; 273-day bills from March 1, 1935 to October 15, 1937; bills maturing about March 16, 1938, from October 22 to December 10, 1937; and 91-day bills thereafter.

³ Monthly data are averages of daily figures. U. S. Treasury bond yields are averages of all outstanding bonds due or callable in more than eight years from 1919 to 1925 and in more than twelve years beginning in 1926. Corporate average yields are as published by Moody's Investors Service; until 1928 each rating group included 15 bonds; since the early part of 1934 there have been less than 30 bonds in the Aaa group owing to the limited number of suitable issues in the industrial and railroad groups.

⁴ Standard Statistics Co. Monthly data are averages of Wednesday figures.

NO. 19.—BUSINESS INDEXES¹

[Adjusted for seasonal variation, 1923-1925 average=100]

Year and month	Industrial production				Construction contracts awarded (value) ²			Factory employment	Factory pay-rolls*	Freight-car loadings	Department store sales (value)	Wholesale commodity prices* (1926=100)	National income payments (1929=100)
	Total	Durable manufactures	Non-durable manufactures	Minerals	Total	Residential	All other						
1919.....	83	83	86	77	63	44	79	107	98	84	78	139	..
1920.....	87	92	83	89	63	30	90	107	117	91	94	154	..
1921.....	67	53	79	70	56	44	65	82	76	78	87	98	..
1922.....	85	80	93	74	79	68	88	91	81	85	88	97	..
1923.....	101	102	100	105	84	81	86	104	103	100	98	101	..
1924.....	95	92	96	96	94	95	94	96	96	98	99	98	..
1925.....	104	106	104	99	122	124	120	100	101	103	103	104	..
1926.....	108	110	106	108	129	121	135	102	104	107	106	100	..
1927.....	106	101	110	107	129	117	139	100	102	104	107	95	..
1928.....	111	112	112	106	135	126	142	100	104	104	108	97	..
1929.....	119	122	117	115	117	87	142	106	110	107	111	95	100
1930.....	96	89	101	99	92	50	125	92	89	92	102	86	92
1931.....	81	59	99	84	63	37	84	78	68	74	92	73	78
1932.....	64	33	88	71	28	13	40	66	47	55	69	65	61
1933.....	76	50	98	82	25	11	37	73	50	58	67	66	57
1934.....	79	57	97	86	32	12	48	86	65	62	75	75	66
1935.....	90	76	102	91	37	21	50	91	74	64	79	80	72
1936.....	105	99	110	105	55	37	70	99	86	75	88	81	83
1937.....	110	107	110	116	59	41	74	109	103	78	92	86	89
1938.....	86	64	100	98	64	45	80	90	78	62	85	79	82
1939.....	105	95	112	108	72	60	81	97	91	70	90	77	85
1938													
January.....	81	56	93	108	52	26	73	93	75	65	90	81	83
February.....	79	54	94	103	51	32	66	92	78	62	88	80	82
March.....	79	54	93	104	46	33	56	90	78	60	86	80	82
April.....	77	53	91	100	52	37	65	88	75	57	83	79	81
May.....	76	51	93	92	51	37	62	86	73	58	78	78	80
June.....	77	50	95	93	54	42	64	85	71	58	82	78	80
July.....	83	58	102	93	59	49	68	86	71	61	83	79	80
August.....	88	64	107	95	66	53	77	88	77	62	83	78	81
September.....	90	69	107	97	78	56	96	89	82	64	86	78	82
October.....	96	83	106	98	82	57	102	90	84	68	84	78	83
November.....	103	94	110	102	96	56	128	93	84	69	89	78	83
December.....	104	92	114	110	96	57	128	94	87	69	89	77	83
1939													
January.....	101	88	110	110	86	55	111	95	84	69	88	77	83
February.....	99	84	109	110	73	58	85	94	86	67	87	77	83
March.....	98	80	110	110	69	55	80	94	83	66	88	77	84
April.....	92	76	105	95	67	58	74	94	86	60	88	76	83
May.....	92	71	108	98	63	55	68	93	85	62	85	76	83
June.....	98	82	110	104	63	58	67	94	87	67	86	76	84
July.....	101	88	110	106	67	62	71	95	84	69	86	75	84
August.....	103	92	115	91	73	67	78	96	90	70	89	75	85
September.....	111	103	117	114	73	68	76	98	94	77	91	79	87
October.....	121	123	119	121	76	68	82	101	102	80	90	79	88
November.....	124	130	118	124	83	61	101	103	102	82	95	79	89
December.....	128	141	120	120	86	60	107	105	104	78	96	79	90

*Without seasonal adjustment.

¹Indexes compiled by the Board of Governors of the Federal Reserve System, except for indexes of wholesale commodity prices and factory payrolls, compiled by the United States Bureau of Labor Statistics, and the index of income payments, compiled by the United States Department of Commerce. Descriptions and back figures for the Board's indexes may be obtained from the Division of Research and Statistics.

²Three-month moving average, centered at second month, based on F. W. Dodge Corporation data for 37 Eastern States.

APPENDIX

RECORD OF POLICY ACTIONS—BOARD OF GOVERNORS

MEETING ON APRIL 6, 1939

Members present: Mr. Eccles, Chairman; Mr. Ransom, Vice Chairman; Mr. Davis, Mr. Draper.

Repeal of Regulation G, Rediscount of Notes Secured by Adjusted Service Certificates.

By unanimous vote, Regulation G, Rediscount of Notes Secured by Adjusted Service Certificates, was repealed effective as of April 6, 1939.

At the time this action was taken the Federal Reserve banks did not hold any notes secured by adjusted service certificates and no such notes had been rediscounted with the Federal Reserve banks for a number of years. Furthermore, the law provided for the payment of an adjusted service certificate by the Veterans' Administration at the option of the veteran holding the certificate and authorized the Administration to make a loan on such certificate, and, while commercial banks might still make loans on the security of the certificates, it seemed improbable in the circumstances that a Federal Reserve bank would be called upon to rediscount a note evidencing such a loan. In advising the Federal Reserve banks of its action, the Board requested that if such a note were presented by a member bank for rediscount it be handled under the pertinent provisions in the law in the same manner as it would have been handled if Regulation G were still in effect.

MEETING ON MAY 9, 1939

Members present: Mr. Eccles, Chairman; Mr. Ransom, Vice Chairman; Mr. McKee, Mr. Davis.

Amendment to Regulation T, Extension and Maintenance of Credit by Brokers, Dealers and Members of National Securities Exchanges.

By unanimous vote a number of provisions of Regulation T were amended, effective May 22, 1939. The principal changes made by the amendment were as follows:

Cash sales for customers.—When a broker sells a security for a customer in a special cash account, without first having obtained the security from the customer, the broker will no longer be required by the regulation to get the security within a period of 7 days, or within any other specified period. Such a sale cannot be a short sale, since the making of a short sale by a customer in a special cash account is forbidden.

Cash purchases for customers on C.O.D. basis.—When a broker buys a security for a customer in a special cash account and the transaction is of the type in which the customer arranges to have the security delivered to him promptly against payment, the broker will no longer be required by the regulation to obtain payment (and

consequently to make delivery) within a period of 7 days. The time limit is not altogether removed, but is fixed at 35 days. The broker is not permitted, however, without the permission of an appropriate committee of a national securities exchange, to give the customer more than 7 days if the customer, for any reason whatever, has failed to settle with him promptly in full on any cash transaction during the preceding three months.

Cash transactions between brokers or dealers.—Cash transactions between one broker or dealer and another, as distinguished from transactions and relations with the general public, are relieved from the 7-day limitation, or any similar limitation, provided the transactions are in good faith for prompt settlement in accordance with the ordinary usage of the trade.

Loans by one member of an exchange to another.—A new provision has been added to the regulation to facilitate the making of a loan by one member of a national securities exchange to another member for the purpose of enabling the borrower, in his capacity as a partner in a member firm, to make a contribution of capital to his firm. Unless the loan is by one partner in a firm to another partner in the same firm, however, it must be approved, in accordance with conditions specified in the amendment, by an appropriate committee of the exchange, and one of these conditions is that if the firm is one that does any dealing in securities for its own account, the loan must not be for the purpose of enabling the firm to increase the amount of such dealing.

The changes were made for the purpose of clarifying and liberalizing the provisions of the regulation that relate to bona fide cash transactions in securities and to certain other classes of transactions that are not effected in margin accounts. The Board was of the opinion that in making the changes necessary safeguards were provided and that the regulation would not be weakened.

MEETING ON JUNE 23, 1939

Members present: Mr. Ransom, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Davis, Mr. Draper.

Amendment to Regulation O, Loans to Executive Officers of Member Banks.

By unanimous vote Regulation O was amended, effective July 1, 1939, in the following respects:

(1) Subsection 1(b) was changed to read as follows:

“(b) The term ‘executive officer’ means every officer of a member bank who participates or has authority to participate in the operating management of the bank or any branch thereof otherwise than in the capacity of a director of the bank, regardless of whether he has an official title or whether his title contains a designation of assistant and regardless of whether he is serving without salary or other compensation. It will be assumed that the chairman of the board, the president, every vice president, the cashier, secretary, treasurer and trust officer of a member bank are executive officers, unless it is provided by resolution of the board of directors or the bank’s by-laws that any such

officer is not authorized to participate in the operating management of the bank and he does not actually participate therein."

(2) Subsection 4(a) was amended by striking out "June 16, 1938," in the first and last sentences of such subsection and inserting in lieu thereof "June 16, 1944."

The reasons for the Board's action were set forth as follows in a statement which was released to the press:

"Section 22(g) of the Federal Reserve Act, which restricts loans to 'executive officers' and which is implemented by the Board's Regulation O, makes a distinction between 'executive officers' and other officers. On reviewing this subject, the Board concluded that the regulation should be amended to give clearer recognition to this distinction and to the view that the question whether or not a person is an 'executive officer' does not depend upon the title which he has but upon the nature of his duties. As amended, the regulation would not apply to a person, regardless of his title, who has no authority to perform and actually does not perform the duties of an executive especially in view of the fact that the law does not restrict loans to directors who are not also executive officers.

"The Board also amended its Regulation O by changing the date in section 4(a) to 'June 16, 1944.' This amendment was made to conform to the change recently made in the law extending until June 16, 1944, the date to which loans made by member banks to their executive officers prior to June 16, 1933, may be renewed or extended."

MEETING ON JULY 31, 1939

Members present: Mr. Eccles, Chairman; Mr. Ransom, Vice Chairman; Mr. McKee, Mr. Davis.

Amendment to Regulation J, Check Clearing and Collection.

By unanimous vote Regulation J, Check Clearing and Collection, was amended, effective September 1, 1939, in the following respects:

(1) Section 3 was amended so as to permit, but not to require, a Federal Reserve bank to receive from member banks and non-member clearing banks in its own district items drawn on banks in other districts.

(2) The first paragraph of Section 5 was amended to provide indemnification to a Federal Reserve bank for loss resulting from forged endorsements, and also to provide that each member and non-member bank sending checks to a Federal Reserve bank shall be deemed to guarantee all prior endorsements on such checks whether or not a specific guaranty is incorporated in an endorsement of the sending bank.

(3) Section 5 was further amended by the addition of a new paragraph to provide that with respect to any check sent direct by a bank in one district to a Federal Reserve bank in another the relationships and the rights and liabilities existing between such

sending bank, the Federal Reserve bank of its district and the Federal Reserve bank to which the check is sent will be the same as though the item had been sent to the Federal Reserve bank in the sending bank's district and by it to the other Federal Reserve bank.

(4) The first sentence of Section 6 was amended to provide that each Federal Reserve bank may promulgate rules not inconsistent with the terms of the law or the regulation, governing the sorting, listing, packaging, and transmission of items.

(5) Certain other amendments of a minor and unimportant character.

The changes in the regulation were adopted by the Board in connection with a revision in the check collection procedure of the Federal Reserve banks, having as its purpose a reduction in the work required in preparing checks for deposit with the Federal Reserve banks and a reduction in the maximum time for which credit is deferred. The Board released to the press on August 21, 1939, a statement with respect to this action as follows:

"The Board of Governors of the Federal Reserve System announced today that the Federal Reserve banks will put into effect on September 1, 1939, certain changes in their check collection procedure designed to give member banks more prompt credit for checks deposited with the Federal Reserve banks for collection and to reduce the amount of work required in preparing the checks for deposit with the Federal Reserve banks.

"Heretofore member banks have been given credit for checks deposited with the Federal Reserve banks in accordance with time schedules which were based on the actual time required to collect the checks. After September 1 the Federal Reserve banks will credit member banks within three days or less for all checks deposited with them for collection. Immediate credit or credit within one or two days will continue to be given for most checks.

"The Board's Regulation J relating to the clearance and collection of checks and the check collection circulars and time schedules of the Federal Reserve banks have been revised. Copies are being sent by the Federal Reserve banks to all member banks and to all other banks which maintain deposit accounts with the Federal Reserve banks."

MEETING ON AUGUST 1, 1939

Members present: Mr. Eccles, Chairman; Mr. Ransom, Vice Chairman; Mr. McKee, Mr. Davis.

Amendment to Regulation L, Interlocking Bank Directorates Under the Clayton Act.

On November 7, 1938, the Board amended Regulation L to permit (1) any director, officer, or employee of a member bank or any private banker who was lawfully serving as a director, officer, or employee of a Morris Plan bank or similar institution on January 31, 1939, to continue to serve until August 1, 1939, and (2) any director, officer, or employee of any member bank who, on August 23, 1935 (date of approval of the Banking Act of 1935), was lawfully serving at the same time as a private

banker or as a director, officer, or employee of any other bank and whose services in such capacities had been continuous since such date, to continue until August 1, 1939, to serve such member bank and not more than one other bank.

At this meeting, by unanimous vote subsections 3(a) and 3(e) of Regulation L were further amended effective immediately to authorize the continuation of such relationships until February 1, 1940.

On the date this action was taken Congress had passed and sent to the President for signature Senate bill 2150 which would amend the second paragraph of Section 8 of the Clayton Act to authorize a director, officer, or employee of a member bank who was lawfully serving other banks on the date of the enactment of the Banking Act of 1935 to continue such service until February 1, 1943. On August 1, 1939, the President had not signed the bill * and in these circumstances it was decided that the permission previously granted by the Board should be extended to February 1, 1940. As annual elections of directors and appointments of officers usually take place in the early part of January, this action had the effect of permitting the necessary adjustments to be made in most cases at the usual time of the ensuing regular elections instead of terminating immediately the services of the directors, officers, or employees affected.

MEETING ON AUGUST 25, 1939

Members present: Mr. Ransom, Vice Chairman; Mr. Szymczak, Mr. Davis, Mr. Draper.

Reduction by the Federal Reserve Bank of New York in Rate on Advances to Nonmember Banks on Government Obligations.

By unanimous vote, approval was given to a rate of 1% fixed by the board of directors of the Federal Reserve Bank of New York, effective immediately, on advances by the bank to nonmember banks secured by direct obligations of the United States.

This action, which established the same rate for advances to member and nonmember banks secured by Government obligations, was taken by the bank, and the new rate was approved by the Board, in anticipation of the adoption of a policy (which became effective on September 1) in accordance with which the Federal Reserve banks would be prepared to make advances to member and nonmember banks on Government obligations at par at the rate prevailing for member banks.

MEETING ON SEPTEMBER 1, 1939

Members present: Mr. Eccles, Chairman; Mr. Szymczak, Mr. Davis, Mr. Draper.

Advances by Federal Reserve Banks to Member and Nonmember Banks on Government Obligations.

By unanimous vote, the following statement for the press was approved for release in the afternoon papers of September 1, 1939:

* This bill was vetoed on August 5, 1939.

“The Board of Governors of the Federal Reserve System announces that in view of current developments in the international situation, the Federal Reserve banks are prepared at this time to make advances to member and nonmember banks on Government obligations at par at the rates prevailing for member banks.”

In April 1939 members of the Board of Governors discussed informally with presidents of the Federal Reserve banks the question of action that might be taken by the System in the event of armed conflict abroad resulting in serious disturbances to the markets in this country and it was agreed that during such an emergency the Federal Reserve banks should follow a policy of making advances to member and nonmember banks on the security of direct obligations of the United States at par at the discount rate. The presidents had been advised of the decision reached by the Federal Open Market Committee to authorize, in case of such an emergency, an increase in the System open market account by not to exceed \$1,000,000,000 if deemed necessary for the purpose of exercising an influence toward the maintenance of orderly market conditions, and the policy with respect to advances to member and nonmember banks on Government obligations was considered desirable as a further means of lending stability to the markets.

War having broken out in Europe with sharp repercussions on the markets in this country, it was decided on September 1 that the policy should be put into effect and thereupon the Board issued the press statement set forth above.

On September 1 reductions in the rates in effect at all Federal Reserve banks except New York (for which a reduced rate was approved on August 25) were approved by the Board in accordance with the announced policy.

MEETING ON NOVEMBER 7, 1939

Members present: Mr. Eccles, Chairman; Mr. Ransom, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Davis, Mr. Draper.

Amendment to Regulation F, Trust Powers of National Banks.

By unanimous vote, Regulation F, Trust Powers of National Banks, was amended in certain respects to become effective November 20, 1939.

The principal amendment affected the provision relating to “self dealing” in the investment of trust funds and sale or transfer of trust assets, contained in section 11, and was prompted by inquiries received from time to time which indicated that in some instances the best interests of trusts would be better served if the requirements were more flexible. For that reason, transactions were excepted from such requirements when specifically authorized by court order. The other amendments were of a minor nature and were made for the purpose of clarification or to conform to amendments to the Internal Revenue laws.

Amendment to Regulation H, Membership of State Banking Institutions in the Federal Reserve System.

By unanimous vote, Regulation H, Membership of State Banking Institutions in the Federal Reserve System, was amended in certain respects to become effective November 20, 1939.

Congress on June 20, 1939, repealed the requirement in subsection (y) of Section 12B of the Federal Reserve Act that certain State banks having deposits of \$1,000,000 or more become members of the Federal Reserve System not later than July 1, 1942, in order to continue as insured banks. This change in the law made necessary the elimination from Section 2 of the regulation of all reference to such statutory provisions and the related provisions of Section 9 of the Federal Reserve Act concerning the waiver of membership requirements.

In section 6, standard condition of membership numbered 4 was amended and a previously approved revision of standard condition of membership numbered 5 was incorporated. Both conditions deal with the exercise of trust powers by State member banks and were modified in order to conform to comparable requirements contained in the Board's Regulation F, Trust Powers of National Banks.

Other changes were of a perfecting nature and did not involve any change in policies or practices already in effect.

MEETING ON DECEMBER 26, 1939

Members present: Mr. Eccles, Chairman; Mr. Ransom, Vice Chairman; Mr. McKee, Mr. Davis, Mr. Draper.

Adoption of Regulation G, Collection of Noncash Items.

By unanimous vote, a new Regulation G, relating to the collection by the Federal Reserve banks of noncash items, was adopted to become effective February 1, 1940.

The reason for the adoption of the regulation is set forth in the following statement which was released to the press on December 29, 1939:

"The Board of Governors of the Federal Reserve System announced today the adoption of a regulation, effective February 1, 1940, governing the collection by Federal Reserve banks of notes and bills and other 'noncash items' for member banks and non-member clearing banks. This regulation has been issued by the Board in order that the principal terms and conditions relating to the collection of noncash items may be published in the Federal Register and requires no change in the existing practices of the Federal Reserve banks. Other provisions regarding the collection of noncash items will be contained, as heretofore, in the circulars of the individual Federal Reserve banks."

RECORD OF POLICY ACTIONS—FEDERAL OPEN MARKET COMMITTEE

MEETING ON MARCH 7, 1939

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Fleming, Mr. Leach, Mr. Martin, Mr. Hamilton.

Authority (1) to Replace Maturing Securities and to Make Shifts of Securities in the System Open Market Account and (2) to Increase or Decrease the System Open Market Account.

Upon motion duly made and seconded, the following resolutions, which were in the same form as the resolutions adopted at the meeting on December 30, 1938, were adopted, Messrs. Harrison, Szymczak, McKee, Davis, Fleming, Leach, Martin and Hamilton voting "aye," and Messrs. Eccles, Ransom, and Draper voting "no":

"That the executive committee be directed until otherwise directed by the Federal Open Market Committee, (1) to arrange for the replacement of maturing Treasury bills in the System open market account with other Treasury bills or Treasury notes, or, from time to time, to allow such bills to mature without replacement or pending subsequent replacement (a) when market conditions are such as to make it impossible to procure other bills or notes without paying a premium over a no-yield basis, or (b) when such notes are not obtainable without undue disturbance to the market; (2) to arrange for the replacement of maturing Treasury notes and bonds in the System open market account with other Government securities; and (3) to arrange for such shifts in maturities in the System open market account as may be necessary in the proper administration of the account; provided, (a) that the amount of securities in the account maturing within two years be maintained at not less than \$1,000,000,000; (b) that the amount of bonds in the account having maturities in excess of five years be maintained at not less than \$500,000,000 nor more than \$900,000,000; and (c) that, if Treasury bills in the account are allowed to mature without replacement, the total amount of securities in the account be not decreased by more than \$200,000,000.

"That, in addition to such authority as may be contained in other resolutions of the Federal Open Market Committee and until otherwise directed by the Committee, the executive committee be authorized, upon written, telephonic or telegraphic approval of a majority of the members of the Federal Open Market Committee, to arrange for the purchase or sale (which would include authority to allow maturities to run off without replacement) of Government securities in the open market from time to time for System open market account to such extent as the executive committee shall find to be necessary for the purpose of exercising an influence

toward maintaining orderly market conditions, provided (1) that the total amount of securities in the account be not increased by more than \$200,000,000 nor decreased by more than \$200,000,000 including such decreases as may result from allowing Treasury bills in the account to mature without replacement, and (2) that the amount of bonds in the account having maturities over five years be maintained at not less than \$500,000,000 nor more than \$900,000,000."

These resolutions were adopted for the purpose of continuing the existing policy of the Federal Open Market Committee and for substantially the same reasons as prompted similar action at the meeting of the Committee on December 30, 1938. These reasons are set forth in the policy record on pages 80 to 84, inclusive, of the annual report of the Board of Governors for the year 1938.

MEETING ON MARCH 20, 1939

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Fleming, Mr. Leach, Mr. Martin, Mr. Hamilton.

Authority (1) to Replace Maturing Securities and to Make Shifts of Securities in the System Open Market Account and (2) to Increase or Decrease the System Open Market Account.

Upon motion duly made and seconded, the following resolutions, which were in the same form as the resolutions adopted at the meeting on March 7, 1939, were adopted, Messrs. Harrison, Szymczak, McKee, Davis, Fleming, Leach, Martin and Hamilton voting "aye" and Messrs. Eccles, Ransom and Draper voting "no":

"That the executive committee be directed until otherwise directed by the Federal Open Market Committee, (1) to arrange for the replacement of maturing Treasury bills in the System open market account with other Treasury bills or Treasury notes, or, from time to time, to allow such bills to mature without replacement or pending subsequent replacement (a) when market conditions are such as to make it impossible to procure other bills or notes without paying a premium over a no-yield basis, or (b) when such notes are not obtainable without undue disturbance to the market; (2) to arrange for the replacement of maturing Treasury notes and bonds in the System open market account with other Government securities; and (3) to arrange for such shifts in maturities in the System open market account as may be necessary in the proper administration of the account; provided, (a) that the amount of securities in the account maturing within two years be maintained at not less than \$1,000,000,000; (b) that the amount of bonds in the account having maturities in excess of five years be maintained at not less than \$500,000,000 nor more than \$900,000,000; and (c) that, if Treasury bills in the account are allowed to mature without replacement, the total amount of securities in the account be not decreased by more than \$200,000,000.

"That, in addition to such authority as may be contained in other resolutions of the Federal Open Market Committee and until

otherwise directed by the Committee, the executive committee be authorized, upon written, telephonic or telegraphic approval of a majority of the members of the Federal Open Market Committee, to arrange for the purchase or sale (which would include authority to allow maturities to run off without replacement) of Government securities in the open market from time to time for System open market account to such extent as the executive committee shall find to be necessary for the purpose of exercising an influence toward maintaining orderly market conditions, provided (1) that the total amount of securities in the account be not increased by more than \$200,000,000 nor decreased by more than \$200,000,000 including such decreases as may result from allowing Treasury bills in the account to mature without replacement, and (2) that the amount of bonds in the account having maturities over five years be maintained at not less than \$500,000,000 nor more than \$900,000,000.

This action continued the existing policy of the Committee and was taken for substantially the same reasons as prompted similar action by the Committee at its meetings on March 7, 1939, and December 30, 1938.

MEETING ON APRIL 19, 1939

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Fleming, Mr. Leach, Mr. Martin, Mr. Hamilton.

I. Authority to Increase System Open Market Account in the Event of Serious Disturbance in the Government Securities Market Resulting from Armed Conflict Abroad.

At this meeting Chairman Eccles reported that on April 13, 1939, the executive committee of the Federal Open Market Committee agreed unanimously that the executive committee should ask the Federal Open Market Committee for authority, in the event of serious disturbance in the Government securities market resulting from armed conflict abroad, to direct the purchase of securities for the System portfolio in an amount not to exceed \$500,000,000 with the understanding that in making such purchases it might become necessary to exceed the \$900,000,000 limitation on bonds having maturities over five years contained in the second resolution adopted at the meeting of the Federal Open Market Committee on March 20, 1939, and that on April 14, 1939, all of the members of the Federal Open Market Committee who were not members of the executive committee approved the granting of authority to the executive committee as set forth above.

Upon motion duly made and seconded, and by unanimous vote, the action of the members of the Federal Open Market Committee in granting this additional authority to the executive committee was approved, ratified and confirmed.

This action was taken because of the expectation that an outbreak of armed conflict in Europe would result in serious disturbance to the securities markets in this country and there was complete agreement that, should such disturbance occur, the System should be prepared to exercise its influence toward preventing disorderly conditions in the market for Government securities.

2. Authority (1) to Replace Maturing Securities and to Make Shifts of Securities in the System Open Market Account and (2) to Increase or Decrease the System Open Market Account.

Upon motion duly made and seconded, the following resolutions were adopted, Messrs. Eccles, Harrison, McKee, Ransom, Davis, Fleming, Leach, Martin and Hamilton voting "aye" and Mr. Draper voting "no":

"That the executive committee be directed until otherwise directed by the Federal Open Market Committee (1) to arrange for the replacement of maturing Treasury bills in the System open market account with other Treasury bills or Treasury notes, or, from time to time, to allow such bills to mature without replacement or pending subsequent replacement (a) when market conditions are such as to make it impossible to procure other bills or notes without paying a premium over a no-yield basis, or (b) when such notes are not obtainable without undue disturbance to the market; (2) to arrange for the replacement of maturing Treasury notes and bonds in the System open market account with other Government securities; and (3) to arrange for such shifts in maturities in the System open market account as may be necessary in the proper administration of the account; provided (a) that the amount of securities in the account maturing within two years be maintained at not less than \$1,000,000,000; (b) that the amount of bonds in the account having maturities in excess of five years be maintained at not less than \$500,000,000 nor more than \$1,000,000,000; and (c) that, if Treasury bills in the account are allowed to mature without replacement, the total amount of securities in the account be not decreased by more than \$200,000,000.

"That, in addition to such authority as may be contained in other resolutions of the Federal Open Market Committee and until otherwise directed by the Committee, the executive committee be authorized, upon written, telephonic or telegraphic approval of a majority of the members of the Federal Open Market Committee, to arrange for the purchase or sale (which would include authority to allow maturities to run off without replacement) of Government securities in the open market from time to time for System open market account to such extent as the executive committee shall find to be necessary for the purpose of exercising an influence toward maintaining orderly market conditions, provided (1) that the total amount of securities in the account be not increased by more than \$200,000,000 nor decreased by more than \$200,000,000 including such decreases as may result from allowing Treasury bills in the account to mature without replacement, and (2) that the amount of bonds in the account having maturities over five years be maintained at not less than \$500,000,000 nor more than \$1,000,000,000."

These resolutions were adopted for the purpose of continuing similar authority granted at the three previous meetings of the Committee and for substantially the same reasons. The change from \$900,000,000 to \$1,000,000,000 in the maximum amount of bonds having maturities in excess of five years which might be held in the System account was in recognition of the possibility that a substantial increase in the holdings of bonds might result from disturbed market conditions.

3. Authority to Increase the Amount of Securities in the System Account in the Event of Armed Conflict or Political Developments Threatening Armed Conflict Abroad.

Upon motion duly made and seconded, and by unanimous vote, the following resolution was adopted:

"That, in the event that armed conflict or political developments threatening armed conflict abroad result in serious disturbance to the Government securities market in this country, the executive committee be authorized, in addition to the authority granted by the resolutions set forth above and notwithstanding any limitations or restrictions in those resolutions, to increase the securities in the account by not to exceed \$500,000,000, and upon written, telephonic or telegraphic approval of a majority of the members of the Federal Open Market Committee by not to exceed an additional \$500,000,000, if deemed necessary for the purpose of exercising an influence toward the maintenance of orderly market conditions, and, if and when market conditions warrant, to sell securities in the amount of any securities so purchased. Any purchases made under the authority of this resolution shall not be construed as limiting the powers granted under resolutions previously adopted at this meeting."

The reasons for this action are stated above in connection with the ratification of the previous action of the members of the Federal Open Market Committee in authorizing the executive committee to increase the System account in the event of the outbreak of hostilities abroad.

MEETING ON JUNE 21, 1939

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Fleming, Mr. Leach, Mr. Martin, Mr. Hamilton.

Authority (1) to Replace Maturing Securities and to Make Shifts of Securities in the System Open Market Account, (2) to Purchase or Sell Securities from the System Open Market Account, and (3) to Increase or Decrease the Account in the Event of Armed Conflict or Political Developments Threatening Armed Conflict Abroad.

Upon motion duly made and seconded, the following resolutions were adopted, Messrs. Eccles, Harrison, Szymczak, McKee, Ransom, Davis, Fleming, Leach, Martin, and Hamilton voting "aye" and Mr. Draper voting "no," he being opposed to authorizing the executive committee to allow bills to run off without replacement but otherwise favoring the resolutions:

"That the executive committee be directed until otherwise directed by the Federal Open Market Committee (1) to arrange for the replacement of maturing Treasury bills in the System open market account with other Treasury bills or Treasury notes, or from time to time, whenever market conditions warrant, to allow part or all of such bills to mature without replacement; (2) to arrange for the replacement of maturing Treasury notes and bonds in the System open market account with other Government securities; and (3) to arrange for such shifts in maturities in the System open market account as may be necessary in the practical administration of the account; provided (a) that the amount of securities in the

account maturing within two years be maintained at not less than \$700,000,000; and (b) that the amount of bonds in the account having maturities in excess of five years be maintained at not less than \$500,000,000 nor more than \$1,000,000,000.

"That, in addition to such authority as may be contained in other resolutions of the Federal Open Market Committee and until otherwise directed by the Committee, the executive committee be authorized, upon written, telephonic or telegraphic approval of a majority of the members of the Federal Open Market Committee, to arrange for the purchase or sale (which would include authority to allow maturities to run off without replacement) of Government securities in the open market from time to time for System open market account to such extent as the executive committee shall find to be necessary for the purpose of exercising an influence toward maintaining orderly market conditions, provided (1) that the total amount of securities in the account be not increased by more than \$200,000,000 nor decreased by more than \$200,000,000 excluding such decreases as may result from allowing Treasury bills in the account to mature without replacement under the preceding resolution, and (2) that the amount of bonds in the account having maturities over five years be maintained at not less than \$500,000,000 nor more than \$1,000,000,000.

"That, in the event that armed conflict or political developments threatening armed conflict abroad result in serious disturbance to the Government securities market in this country, the executive committee be authorized, in addition to the authority granted by the resolutions set forth above and notwithstanding any limitations or restrictions in those resolutions, to increase the securities in the account by not to exceed \$500,000,000, and upon written, telephonic or telegraphic approval of a majority of the members of the Federal Open Market Committee by not to exceed an additional \$500,000,000, if deemed necessary for the purpose of exercising an influence toward the maintenance of orderly market conditions, and, if and when market conditions warrant, to sell securities in the amount of any securities so purchased. Any purchases made under the authority of this resolution shall not be construed as limiting the powers granted under resolutions previously adopted at this meeting."

With the exception of a change with respect to allowing bills to run off without replacement these resolutions were in the same form as the resolutions adopted at the previous meeting of the Committee and were adopted for substantially the same reasons. The change in the first two resolutions with respect to allowing Treasury bills to run off without replacement was made for the reasons set forth in the following statement for the press which was approved at this meeting for publication when the first reduction was made in the amount of Treasury bills held in the account pursuant to the first resolution:

"As a result of a reduction in holdings of Treasury bills, this week's statement of condition of Federal Reserve banks shows a decline of \$¹ in the System Open Market Account. This

¹ Subsequently, on June 29, 1939, the above statement was released to the press, showing a decline of \$13,373,000.

is in accordance with action taken by the Federal Open Market Committee on June 21, 1939. For some time past, Treasury bills have been purchased for the System's account at or near a no-yield basis and the account at times has had difficulty in replacing its maturing bills. It was decided that it would serve no useful purpose to continue full replacement of maturing bills, the supply of which is not always equal to the market demand. This action is in response to technical conditions in the bill market and does not represent a change in general credit policy."

On the question of the approval of the statement Messrs. Eccles, Harrison, Szymczak, McKee, Ransom, Davis, Fleming, Leach, Martin and Hamilton voted "aye" and Mr. Draper voted "no."

MEETING ON SEPTEMBER 18, 1939

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Fleming, Mr. Leach, Mr. Martin, Mr. Hamilton.

1. Authority to Increase the Amount of Securities in the System Open Market Account for the Purpose of Exercising an Influence Toward the Maintenance of Orderly Market Conditions.

On September 9, 1939, in accordance with the provisions of the third resolution adopted at the meeting on June 21, 1939, and at the request of the members of the executive committee, the members of the Federal Open Market Committee approved an increase of \$500,000,000 in the authority of the executive committee to purchase securities for the System open market account.

Upon motion duly made and seconded, and by unanimous vote, the action of the members of the Federal Open Market Committee in granting the additional authority referred to above was approved, ratified and confirmed.

The outbreak of armed conflict in Europe had resulted in serious disturbances in our markets and at the close of business on September 8 the System had purchased \$317,000,000 of the \$500,000,000 of purchases authorized at the meeting on June 21, 1939, for the purpose of exercising an influence toward the maintenance of orderly conditions in the Government securities market. The above action was taken to place the executive committee in a position to continue to make purchases of securities for the same purpose within the limit set.

2. Authority to Effect Transactions in the System Open Market Account.

Upon motion duly made and seconded, the following resolution was adopted by unanimous vote:

"That the executive committee be directed until otherwise directed by the Federal Open Market Committee to arrange for such transactions for the System open market account (including purchases, sales, exchanges, replacement of maturing securities, and letting maturities run off without replacement) as in its judgment from time to time may be necessary for the purpose of exercising an influence toward maintaining orderly market conditions; provided that the aggregate amount of securities held in the account at the close of this date shall not be increased nor decreased by more than \$500,000,000."

This action was taken in the light of the unsettled conditions existing in our markets at the time which had resulted from the war in Europe and it was agreed that the executive committee should be given more flexible authority to execute transactions in the System account for the purpose of exercising an influence toward maintaining orderly market conditions.

MEETING ON DECEMBER 13, 1939

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Fleming, Mr. Leach, Mr. Martin, Mr. Hamilton.

Authority to Effect Transactions in the System Open Market Account.

Upon motion duly made and seconded, the following resolution was adopted by unanimous vote:

“That the executive committee be directed until otherwise directed by the Federal Open Market Committee to arrange for such transactions for the System open market account (including purchases, sales, exchanges, replacement of maturing securities, and letting maturities run off without replacement) as in its judgment from time to time may be necessary for the purpose of exercising an influence toward maintaining orderly market conditions; provided that the aggregate amount of securities held in the account at the close of this date shall not be increased nor decreased by more than \$500,000,000.”

This action resulted in the renewal of the authority granted to the executive committee at the meeting of the Federal Open Market Committee on September 18, 1939, and was taken for substantially the same reasons as prompted the granting of the earlier authority.

RECOMMENDATIONS OF THE FEDERAL ADVISORY COUNCIL TO THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FEBRUARY 14, 1939

Topic: Easy Money Policy.

RECOMMENDATION: The Federal Advisory Council, considering that many of the fundamental effects of the continuing cheap money policy have not been fully appreciated, recommends that the Board of Governors of the Federal Reserve System conduct a study of the long-range consequences of the continuing policy of cheap money upon the accumulation and investment of the savings of the people, and upon the financial structure of the country, with especial reference to its effects upon the maintenance of a sound banking system.

Topic: Interlocking Directorates.

RECOMMENDATION: Section 8 of the Clayton Anti-Trust Act, as amended by Section 329 of the Banking Act of 1935, permits a director, officer or employee of a member bank of the Federal Reserve System, or a branch thereof, who was lawfully serving as a private banker or as a director, officer, or employee of any other bank, banking association, savings bank, or trust company, or any branch thereof, on August 23, 1935, to continue such service to February 1, 1939.

The Board of Governors of the Federal Reserve System by regulation has permitted such service as director, officer, or employee of a member bank and in not more than one other banking institution, to continue to August 1, 1939.

The service of the directors, officers and employees who are now serving under the authority of the aforesaid law and regulations is in many cases extremely valuable to the banking institutions of which they are such directors, officers, or employees, and the discontinuance of such service would not result in a commensurate benefit to the public.

Therefore, the Federal Advisory Council believes that any director, officer or employee of any member bank of the Federal Reserve System or any branch thereof, who is now lawfully serving at the same time as a private banker, or as a director, officer, or employee of any other bank, banking association, savings bank, or trust company or any branch thereof should be permitted to continue such service so long as the stockholders of any such banking institution shall desire to retain such persons in such capacities, and so long as such persons shall accept the election or appointment to such positions. This, of course, means that no permits for new interlocking directorates will be issued.

Topic: S. 477 (Corporate Trustships).

RECOMMENDATION: The Federal Advisory Council desires to call the attention of the Board of Governors of the Federal Reserve System to Senate Bill 477 relating to the regulation of trust indentures under which securities are issued.

The Council feels strongly that the imposition of some of the liabilities as provided in the bill would create contingent liabilities for banks of deposit accepting corporate trusteeships which might be dangerous to themselves and the banking system as a whole. Broadly speaking, no corporations other than banks of deposit have either the financial responsibility or the experience which qualify them to act as corporate trustees.

Furthermore, the Council believes that the bill would materially increase the cost of, and make more difficult long-term public financing, particularly to smaller corporations, and would thus tend to hinder expansion of plants and businesses at a time when such expansion is particularly desirable in the interest of business recovery.

The Council also believes that the restrictions contained in the bill on the right of security holders to waive defaults, and the requirements that the trustee must act in the event of default if it is to avoid liability, would force into receiverships, or the bankruptcy courts, many businesses that otherwise might survive, particularly in times of depression, with resultant loss to their creditors, including banks, and to their stockholders and to their employees and the communities in which they are located.

The Council requests the Board to submit this expression of its opinion to the Senate Committee on Banking and Currency with the request that it be put in the record of the hearings before its Subcommittee considering the bill.

The Council understands that the record of the Subcommittee of the Senate Committee on Banking and Currency, in the absence of further hearings, will be closed on February 16th, and therefore requests that it be forwarded by that date.

Topic: In Re: Chandler Act.

RECOMMENDATION: The Federal Advisory Council suggests that the Federal Reserve Board give consideration to amendments to the Federal Bankruptcy Act as amended by the Chandler Act, approved June 22, 1938, and particularly to Section 60 (a)—(b), to alter the provisions of that Section.

To an increasing extent member banks of the Federal Reserve System are making loans secured by assignments of receivables and other types of collateral. For the most part, such loans are made to relatively small and inadequately capitalized enterprises and without notification to borrowers' debtors, in a spirit of cooperation with the borrowers to preserve their credit standing.

The Federal Advisory Council is of the opinion that under the provisions of Section 60 (a)—(b) the reliance that banks place upon such collateral, unless title thereto is perfected to comply with the requirements of this Section, is illusory and may result in heavy losses. Attention is also called to the timing of perfection of title with relation to the date of the loan, leading to a possible classification of the loan as an antecedent debt.

In addition to loans secured by accounts receivable, other types of collateral loans may be affected, among which are:

- A—Loans secured by assignment of money payable under a contract or rents under a lease.
- B—Loans secured by assignments of life insurance policies.
- C—Loans secured by assignments of rights and interests in estates and trusts.

- D—Loans on the security of instruments which appear to be but are not in fact negotiable instruments.
- E—Loans upon borrower's promise to deliver collateral, whether or not the collateral is segregated or escrowed.
- F—Loans secured in whole or in part by equities of the borrower in collateral owned by the borrower but pledged to secure other indebtedness.

The language of Section 60 (a)—(b) is presumably intended to prevent secret liens, but its provisions bear so heavily upon business and banking practice that restrictions in making loans will ensue, thus adversely affecting general business, or if such loans are made without complete compliance with the requirements of this Section, heavy losses may be encountered by banks.

JUNE 6, 1939

Topic: Easy Money Policy.

RECOMMENDATION: At the meeting of the Federal Advisory Council with the Board of Governors of the Federal Reserve System held on February 14, 1939, the Council submitted a resolution expressing the opinion that many of the fundamental effects of the continuing "cheap money" policy have not been fully appreciated and recommending that the Board conduct a study of the long range consequences of this policy upon the accumulation and investment of the savings of the people, and upon the financial structure of the country, with especial reference to its effects upon the maintenance of a sound banking system.

At that meeting some members of the Board informally expressed regret that the Council had not made its recommendation more concrete. Other members expressed doubts whether any such special study as recommended would add to the knowledge already possessed and constantly being acquired through the medium of current studies now being made not only by the Board but by other official bodies. In a letter from the Assistant Secretary of the Board to the Secretary of the Council dated March 31, 1939, the latter view was formally expressed and the Council interprets this letter as meaning that the special study recommended is not to be undertaken.

In this situation, and in view of what the Council believes to be the dangerous condition toward which the country appears to be moving, the Council conceives it to be its duty to place formally upon the record its general opinion concerning the results of the "easy money" policy to date and some of the probable results of its further continuance.

The so-called "easy money" policy has been followed since 1929 upon the theory, as the Council understands it, that "easy money" would act as a stimulant to business and that it would cause business to borrow and impel banks to lend. It has done neither; but it has done and is doing undeniable economic injury to the whole savings class of the American people.

The Council believes that the "easy money" policy, through its failure to bring to the banks normal rates on their loans and investments, is tending to weaken the capital position of banks and is encouraging an essentially unhealthy position of the bond portfolios of the banking system through its inducement toward lengthened maturities at progressively lower rates.

In addition the Council believes that the operation of the "easy money"

policy, by lessening the current cost of Government financing, has made the people, and even Congress itself, indifferent to the steadily mounting Government debt and is tending to create illusions as to the eventual burden of carrying a constantly increasing debt.

It has become evident during the past two or three years that the cumulative effect of the policy in question is profoundly and adversely affecting that large group of industrious and thrifty persons who are, by virtue of their character and habits, the backbone of the country's social and economic structure. Steadily they have seen the returns on their accumulated savings decrease as savings institutions, faced with constantly diminishing earnings, have been forced, step by step, to decrease the rate of interest paid on savings deposits. Steadily, year by year, they are meeting increased discouragement in their attempts, through the purchase of life insurance, to provide for their own old age and for the protection of their families, as the cost of insurance slowly mounts and as the dividends payable on policies steadily diminish. Schools, colleges, churches, hospitals and educational and charitable institutions of all sorts see the returns on their accumulated endowments constantly lessening, the salaries of their staff members reduced and their promotions delayed, services to students, patients and dependents curtailed, and more and more of the functions which are normally and most efficiently performed by private or semi-private agencies necessarily taken over by public boards at the expense of the taxpayers unless essential social needs are to be neglected.

So far as the banking system is concerned, the Council recognizes that it is only a part, but an essential part, of the economic structure taken as a whole. It believes, nevertheless, that the time has come to face squarely the fact that the entire banking system is confronted with a distinct menace to the soundness of its capital structure through the continuation of an abnormally "easy money" policy. A prolongation of this situation threatens the existence of private banking and with it the whole system of private enterprise.

The Council is not unmindful that the long continued "easy money" policy has created a condition, the correction of which can only be gradually attained. But it is now a serious problem portending critical consequences. The Council, therefore, urges upon the Board as one of the greatest single services which it can render to the country as a whole, the modification of the policy of extreme "easy money."

Topic: Mead Bill (S. 2343).

RECOMMENDATION: The Federal Advisory Council desires to call to the attention of the Board of Governors of the Federal Reserve System Senate bill No. 2343 on which hearings are now being held by a subcommittee of the Banking and Currency Committee of the Senate.

The Council believes that the great majority of businesses needing loans for a period of years, where a reasonable assurance of repayment exists, can and do obtain such loans from banks and other non-governmental sources such as insurance companies. In those cases where such loans are not obtainable from banks or private sources the Reconstruction Finance Corporation is already empowered by existing legislation to make, and through participation arrangements, in effect, to guarantee or insure percentages of such loans, and does so make and in effect insure loans.

Under present legislation the Reconstruction Finance Corporation is restricted in that the loans must be in the opinion of its board "of such sound value or so secured as reasonably to assure retirement or repayment" and to concerns "only when in the opinion of the board of directors, the business enterprise is solvent." Under Senate bill No. 2343 no such restrictions are imposed. If it is the intent of the bill that the Reconstruction Finance Corporation will under it only insure loans the repayment of which in its opinion are reasonably assured, the bill should be so amended.

If it is the intent of the bill that the Reconstruction Finance Corporation shall insure loans the repayment of which in its opinion are not reasonably assured, and the Reconstruction Finance Corporation should insure such loans, the Council feels that the result would be injurious to industry as a whole and would tend to restrict longer-term credit now being made available by banks and others to businesses which in the opinion of the lenders do have reasonable assurances of being able to repay such credit. The extension of credit, through insurance or direct loans, by governmental agencies or by private capital, to businesses not able to repay not only is costly to the lender and does not benefit the borrower, but enables inefficient, poorly managed and uneconomic businesses to compete for a time with other people's money against successful, well managed and economic businesses in the same line. By so doing it retards the expansion of sound business enterprises and because these are faced with unsound competition, makes it more difficult for them to obtain credit either short- or long-term, and makes it even more difficult for them to obtain additional proprietary capital. In fairness to the sound and solvent businesses of the country, and apart from any considerations of probable loss to the Treasury, the Council believes that no governmental agency should be empowered to make or insure loans to industry or commerce unless after examination the agency feels that such loans are reasonably certain to be repaid.

The provisions for the rediscount of the insured portions of loans contained in the bill should be eliminated. In the case of member banks the Federal Reserve banks could under existing law accept them as collateral for short-term loans which can be renewed if necessary. Member banks should not be indebted through rediscounts to Federal Reserve banks over long periods of time as would be the case if notes running up to ten years were rediscounted. Nor should nonmember banks be able to use the credit facilities of the Federal Reserve banks but should depend on their correspondents.

The Council urges that before legislation is enacted which puts the Government in the business of insuring industrial and commercial loans on a permanent basis, as contemplated by the bill, and which might have far-reaching ultimate effects on industry, commerce and banking, that an investigation be made by Congress of the extent to which existing agencies meet the need for term loans on the part of business and of the extent of the unsatisfied justifiable demand for such loans. The Council is informed that various studies are in progress which might well be used in connection with such an investigation.

The Council requests that a copy of this expression of its views be sent by the Board to the subcommittee considering Senate bill No. 2343. If the subcommittee will give opportunity the Council would be glad to have one or more of its members appear and testify regarding the bill.

OCTOBER 9, 1939

Topic: Easy Money Policy.

RECOMMENDATION: In connection with further consideration of the "easy money" policy, as suggested in the letter of the Secretary of the Board of Governors of the Federal Reserve System to the Secretary of the Federal Advisory Council, dated August 18, 1939, the Federal Advisory Council was led to examine the recent changes in the yields of corporate and Government bonds. As to the general topic of extreme easy money, the Council reaffirms the views expressed in its recommendation to the Board of Governors dated June 6, 1939.

While the Council fully recognizes the need in a grave emergency, such as that recently experienced, of taking steps designed to preserve an orderly market in Government securities, it also believes that the market price of Government bonds should be allowed to find its natural level, free of official intervention, as rapidly as possible consistent with an orderly market.

The operations of the Open Market Committee, acting for the Federal Reserve banks, in maintaining an orderly natural market (as distinguished from a pegged market) should not be influenced by its judgment as to what the proper price level should be, but that level should be the result of general operations of willing normal buyers and sellers. Neither should it be influenced by any considerations of maintaining or extending the former policy of extremely easy money.

The Council believes that any policy of maintaining an orderly natural market in Government securities makes advisable the sale of the bonds and notes bought in the process of maintaining an orderly market as and when the free market will absorb them, and that these bonds and notes should not be withheld with a view to forcing the price of bonds back toward pre-September prices.

NOVEMBER 20, 1939

Topic: Easy Money Policy.

RECOMMENDATION: Referring to its resolution of October 9, 1939, the Council is pleased to observe that the Open Market Committee has recently initiated some sales from the System's portfolio of long-term Governments. This action has not been attended by any disturbance in the market or by any apprehension on the part of banks lest the action represent a profound alteration in credit policy. On the contrary, the price of long-term Governments advanced after the sales, as well as before. When the Council passed its resolution on October 9, last, the quotation of the two longest issues was 101-7/32. On November 16 it was 104-7/32.

The Council recommends that the volume of sales be promptly expanded in an orderly manner. It is not believed to be consistent with sound central banking principles that the System retain an unduly large quantity of long-term Governments especially at a time when nearly all insurance companies and many banks are desirous of acquiring these securities. Furthermore, from the current earnings record of the System, it does not appear that the retention of all the bonds purchased last September is really requisite. The System should seize the opportunity in an orderly market to clear the decks so that when and if another grave emergency develops, it will be in a position to act without then having on hand an unnecessarily heavy inventory of long term Government bonds.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

(December 31, 1939)

Term expires

MARRINER S. ECCLES, of Utah, <i>Chairman</i>	January 31, 1940
RONALD RANSOM, of Georgia, <i>Vice Chairman</i>	January 31, 1942
M. S. SZYMCAK, of Illinois	January 31, 1948
JOHN K. MCKEE, of Ohio.....	January 31, 1945
CHESTER C. DAVIS, of Maryland.....	January 31, 1944
ERNEST G. DRAPER, of Connecticut.....	January 31, 1950

LAWRENCE CLAYTON, *Assistant to the Chairman.*ELLIOTT THURSTON, *Special Assistant to the Chairman.*CHESTER MORRILL, *Secretary.*LISTON P. BETHEA, *Assistant Secretary.*S. R. CARPENTER, *Assistant Secretary.*J. C. NOELL, *Assistant Secretary.*WALTER WYATT, *General Counsel.*J. P. DREIBELBIS, *Assistant General Counsel.*GEORGE B. VEST, *Assistant General Counsel.*B. MAGRUDER WINGFIELD, *Assistant General Counsel.*E. A. GOLDENWEISER, *Director, Division of Research and Statistics.*WOODLIEF THOMAS, *Assistant Director, Division of Research and Statistics.*LEO H. PAULGER, *Chief, Division of Examinations.*R. F. LEONARD, *Assistant Chief, Division of Examinations.*C. E. CAGLE, *Assistant Chief, Division of Examinations.*EDWARD L. SMEAD, *Chief, Division of Bank Operations.*J. R. VAN FOSSEN, *Assistant Chief, Division of Bank Operations.*J. E. HORBETT, *Assistant Chief, Division of Bank Operations.*CARL E. PARRY, *Chief, Division of Security Loans.*PHILIP E. BRADLEY, *Assistant Chief, Division of Security Loans.*O. E. FOULK, *Fiscal Agent.*JOSEPHINE F. LALLY, *Deputy Fiscal Agent.***FEDERAL OPEN MARKET COMMITTEE**

(December 31, 1939)

Members

MARRINER S. ECCLES, *Chairman*
 GEORGE L. HARRISON, *Vice Chairman*
 M. S. SZYMCAK
 JOHN K. MCKEE
 RONALD RANSOM
 CHESTER C. DAVIS
 ERNEST G. DRAPER
 M. J. FLEMING
 HUGH LEACH
 WILLIAM MCC. MARTIN
 GEORGE H. HAMILTON

Officers

CHESTER MORRILL, *Secretary*
 S. R. CARPENTER, *Assistant Secretary*
 E. A. GOLDENWEISER, *Economist*
 JOHN H. WILLIAMS, *Associate Economist*
 WALTER WYATT, *General Counsel*
 J. P. DREIBELBIS, *Assistant General Counsel*

Agent

FEDERAL RESERVE BANK OF NEW YORK
 R. G. ROUSE, *Manager of System Open Market Account*

FEDERAL ADVISORY COUNCIL

(December 31, 1939)

OFFICERS

President, WALTER W. SMITH
 Vice President, HOWARD A. LOEB
 Secretary, WALTER LICHTENSTEIN

EXECUTIVE COMMITTEE

WALTER W. SMITH	LEON FRASER
HOWARD A. LOEB	ROBERT M. HANES
THOMAS M. STEELE	EDWARD E. BROWN

MEMBERS

- District No. 1.—THOMAS M. STEELE, President, First National Bank & Trust Company of New Haven, New Haven, Connecticut.
- District No. 2.—LEON FRASER, President, The First National Bank of the City of New York, New York, New York.
- District No. 3.—HOWARD A. LOEB, Chairman, Tradesmens National Bank & Trust Company, Philadelphia, Pennsylvania.
- District No. 4.—T. J. DAVIS, President, First National Bank, Cincinnati, Ohio.
- District No. 5.—ROBERT M. HANES, President, Wachovia Bank and Trust Company, Winston-Salem, North Carolina.
- District No. 6.—EDWARD BALL, Barnett National Bank Building, Jacksonville, Florida.
- District No. 7.—EDWARD E. BROWN, President, The First National Bank of Chicago, Chicago, Illinois.
- District No. 8.—WALTER W. SMITH, President, First National Bank in St. Louis, St. Louis, Missouri.
- District No. 9.—JOHN CROSBY, Vice President, Farmers and Mechanics Savings Bank, Minneapolis, Minnesota.
- District No. 10.—JOHN EVANS, President, First National Bank, Denver, Colorado.
- District No. 11.—R. E. HARDING, President, The Fort Worth National Bank, Fort Worth, Texas.
- District No. 12.—PAUL S. DICK, President, United States National Bank, Portland, Oregon.

SENIOR OFFICERS AND DIRECTORS OF FEDERAL RESERVE BANKS

(December 31, 1939)

CHAIRMEN AND DEPUTY CHAIRMEN

Federal Reserve Bank of—	Chairman	Deputy Chairman
Boston.....	Frederic H. Curtiss.....	Henry S. Dennison
New York.....	Owen D. Young.....	Beardsley Ruml
Philadelphia.....	Thomas B. McCabe.....	.....
Cleveland.....	George C. Brainard.....	Reynold E. Klages
Richmond.....	Robert Lassiter.....	William G. Wysor
Atlanta.....	Frank H. Neely.....	Joe Frank Porter
Chicago.....	.....	Robert E. Wood
St. Louis.....	William T. Nardin.....	Oscar G. Johnston
Minneapolis.....	.....	Walter C. Coffey
Kansas City.....	Robert B. Caldwell.....	John J. Thomas
Dallas.....	James H. Merritt.....	Jay Taylor
San Francisco.....	.....	St. George Holden

Each Federal Reserve bank has nine directors; the term of office of a director is three years. One-third of the directors, known as Class C directors, are appointed by the Board of Governors of the Federal Reserve System, and cannot be officers, directors, employees, or stockholders of any bank. Another third, elected by member banks and known as Class B directors, must be actively engaged in some commercial, agricultural, or industrial pursuit and may not be officers, directors, or employees of any bank. The remaining one-third of the directors, known as Class A directors, are elected by the member banks as the banks' own representatives.

For the purpose of electing Class A and Class B directors, the member banks in each Federal Reserve district are divided into three groups—large, small, and medium-sized banks. Each of the three groups elects one Class A and one Class B director. The Board of Governors of the Federal Reserve System designates one of the Class C directors as chairman and Federal Reserve agent, and another as deputy chairman. The board of directors of each Federal Reserve bank appoints a president and a first vice president, subject to the approval of the Board of Governors, to serve for terms of five years. The president is the chief executive officer of the bank and all other officers and employees are responsible to him.

Federal Reserve bank branches have either five or seven directors, of whom a majority, including the managing director, are appointed by the board of directors of the parent Federal Reserve bank and the others are appointed by the Board of Governors of the Federal Reserve System.

PRESIDENTS AND VICE PRESIDENTS

Federal Reserve Bank of—	President	First Vice President	Vice Presidents
Boston.....	Roy A. Young.....	William W. Paddock...	William Willett ¹
New York....	George L. Harrison...	Allan Sproul.....	Ray M. Gidney L. Werner Knoke Walter S. Logan Leslie R. Rounds Robert G. Rouse John H. Williams
Philadelphia..	John S. Sinclair.....	Frank J. Drinnen.....	W. John Davis Ernest C. Hill Clarence A. McIlhenny ²
Cleveland....	Matthew J. Fleming...	Frank J. Zurlinden....	William H. Fletcher William F. Taylor ² George H. Wagner
Richmond....	Hugh Leach.....	John S. Walden, Jr....	John G. Fry George H. Keesee ¹
Atlanta.....	Robert S. Parker.....	William S. McLarin, Jr.	Malcolm H. Bryan Harry F. Conniff
Chicago.....	George J. Schaller....	Howard P. Preston....	James H. Dillard William H. Snyder ² Clifford S. Young
St. Louis....	William McC. Martin..	F. Guy Hitt.....	Olin M. Attebery Clarence M. Stewart ¹
Minneapolis..	John N. Peyton.....	Oliver S. Powell.....	Ernest W. Swanson Harry I. Ziemer ²
Kansas City..	George H. Hamilton..	Carroll A. Worthington	James W. Helm ² Harold G. Leedy
Dallas.....	Robert R. Gilbert....	Ethan B. Stroud.....	Robert B. Coleman William J. Evans Walter O. Ford ¹
San Francisco.	William A. Day.....	Ira Clerk.....	Cecil E. Earhart ¹ William M. Hale Richard B. West

¹ Cashier.² Also cashier.

DIRECTORS OF FEDERAL RESERVE BANKS

District No. 1—Boston

Term Expires Dec. 31

<i>Class A:</i>		
Leon A. Dodge.....	President, First National Bank, Damariscotta, Me.....	1939
Lewis S. Reed.....	President, Citizens and Mfg. Nat. Bank, Waterbury, Conn.....	1940
Allan Forbes.....	President, State Street Tr. Co., Boston, Mass.....	1941
<i>Class B:</i>		
Edward J. Frost.....	Vice President and Director, William Filene's Sons Co., Boston, Mass.....	1939
Edward S. French.....	President, Boston & Maine R. R., Springfield, Vt.....	1940
Philip R. Allen.....	Chairman, Bird & Son, Inc., E. Walpole, Mass.....	1941
<i>Class C:</i>		
Henry S. Dennison.....	President, Dennison Mfg. Co., Framingham, Mass.....	1939
Henry I. Harriman.....	Director, New England Power Co., Boston, Mass.....	1940
Frederic H. Curtiss.....	Vice President, Board of Trustees, Wellesley College, Wellesley, Mass.....	1941

District No. 2—New York

<i>Class A:</i>		
William F. Ploch.....	President, National City Bank, Long Beach, N. Y.....	1939
William C. Potter.....	Chairman, Guaranty Trust Co., New York, N. Y.....	1940
Otis A. Thompson.....	President, Nat. Bank & Tr. Co., Norwich, N. Y.....	1941
<i>Class B:</i>		
Robert T. Stevens.....	President, J. P. Stevens & Co., Inc., New York, N. Y.....	1939
Thomas J. Watson.....	President, International Business Machines Corp., New York, N. Y.....	1940
Walter C. Teagle.....	Chairman, Standard Oil Co. of New Jersey, New York, N. Y.....	1941
<i>Class C:</i>		
Edmund E. Day.....	President, Cornell University, Ithaca, N. Y.....	1939
Owen D. Young.....	Chairman, General Electric Co., New York, N. Y.....	1940
Beardsley Ruml.....	Treasurer, R. H. Macy & Co., Inc., New York, N. Y.....	1941

Buffalo Branch

<i>Appointed by Federal Reserve Bank:</i>		
Robert M. O'Hara.....	Managing Director, Buffalo, N. Y.....	1939
Fred J. Coe.....	President, Power City Trust Co., Niagara Falls, N. Y.....	1939
William A. Dusenbury.....	President, First National Bank, Olean, N. Y.....	1940
Frank F. Henry.....	Chairman, Washburn Crosby Co., Inc., Buffalo, N. Y.....	1941
<i>Appointed by Board of Governors:</i>		
Gilbert A. Prole.....	Genesee Farm Supply Co., Batavia, N. Y.....	1939
Howard Kellogg.....	President, Spencer Kellogg & Sons, Inc., Buffalo, N. Y.....	1940
Marion B. Folsom.....	Treasurer, Eastman Kodak Co., Rochester, N. Y.....	1941

District No. 3—Philadelphia

<i>Class A:</i>		
George W. Reilly.....	President, Harrisburg Nat. Bank, Harrisburg, Pa.....	1939
John B. Henning.....	President, Wyoming Nat. Bank, Tunkhannock, Pa.....	1940
Joseph Wayne, Jr.....	President, Philadelphia Nat. Bank, Philadelphia, Pa.....	1941
<i>Class B:</i>		
J. Carl DeLaCour.....	Vice President, Wm. S. Scull Coffee Co., Camden, N. J.....	1939
C. Frederick C. Stout.....	John R. Evans & Company, Camden, N. J.....	1940
Harry L. Cannon.....	President, H. P. Cannon & Son, Inc., Bridgeville, Del.....	1941
<i>Class C:</i>		
Thomas B. McCabe.....	President, Scott Paper Co., Chester, Pa.....	1939
Warren F. Whittier.....	Farmer, Dairyman and Cattle Breeder, Douglassville, Pa.....	1940
Alfred H. Williams.....	Dean of Wharton School of Finance, University of Pennsylvania, Philadelphia, Pa.....	1941

District No. 4—Cleveland

<i>Class A:</i>		
Ben R. Conner.....	President, First National Bank, Ada, Ohio.....	1939
Harry B. McDowell.....	President, McDowell Nat. Bank, Sharon, Pa.....	1940
Frank F. Brooks.....	President, First National Bank, Pittsburgh, Pa.....	1941
<i>Class B:</i>		
John E. Galvin.....	President, Ohio Steel Foundry Co., Lima, Ohio.....	1939
Ross P. Wright.....	Secretary-Treasurer, Reed Mfg. Co., Erie, Pa.....	1940
George D. Crabbs.....	President, Philip Carey Mfg. Co., Cincinnati, Ohio.....	1941
<i>Class C:</i>		
Reynold E. Klages.....	President, Columbus Auto Parts Co., Columbus, Ohio.....	1939
George C. Brainard.....	President, General Fireproofing Co., Youngstown, Ohio.....	1940
James C. Stone.....	Tobacco Dealer, Lexington, Ky.....	1941

Cincinnati Branch

<i>Appointed by Federal Reserve Bank:</i>		
Benedict J. Lazar.....	Managing Director, Cincinnati, Ohio.....	1939
William H. Courtney.....	President, First Nat. Bank & Tr. Co., Lexington, Ky.....	1939
John J. Rowe.....	President, Fifth Third Union Tr. Co., Cincinnati, Ohio.....	1940
<i>Appointed by Board of Governors:</i>		
Stuart B. Sutphin.....	President, I. V. Sutphin Co., Cincinnati, Ohio.....	1939
Frank A. Brown.....	Farmer, Chillicothe, Ohio.....	1940

Pittsburgh Branch

Term
Expires
Dec. 31

Appointed by Federal Reserve Bank:

Percy A. Brown.....	Managing Director, Pittsburgh, Pa.....	1939
Clarence Stanley.....	President, Union Trust Company, Pittsburgh, Pa.....	1939
Samuel W. Harper.....	President, Wheeling Dollar Sav. & Trust Co., Wheeling, W. Va.....	1940

Appointed by Board of Governors:

Harry S. Wherrett.....	President, Pittsburgh Plate Glass Co., Pittsburgh, Pa.....	1939
George T. Ladd.....	President, United Engineering & Foundry Co., Pittsburgh, Pa.....	1940

District No. 5—Richmond

Class A:

Charles E. Rieman.....	President, Western National Bank, Baltimore, Md.....	1939
James C. Braswell.....	President, Planters Nat. Bank & Tr. Co., Rocky Mount, N. C.....	1940
Lewis E. Johnson.....	Chairman, First National Bank, Alderson, W. Va.....	1941

Class B:

Charles C. Reed.....	Vice President and General Manager, Williams & Reed, Inc., Richmond, Va.....	1939
John H. Hanna.....	Chairman, Capital Transit Co., Washington, D. C.....	1940
Edwin Malloy.....	President and Treasurer, Cheraw Cotton Mills, Inc., Cheraw, S. C.....	1941

Class C:

William G. Wysor.....	General Manager, Southern States Cooperative, Inc., Rich- mond, Va.....	1939
Robert Lassiter.....	Chairman, Mooresville Cotton Mills, Mooresville, N. C.....	1940
Charles P. McCormick.....	President, McCormick & Co., Inc., Baltimore, Md.....	1941

Baltimore Branch

Appointed by Federal Reserve Bank:

W. Robert Milford.....	Managing Director, Baltimore, Md.....	1939
Morton M. Prentiss.....	President, First National Bank, Baltimore, Md.....	1939
James Dixon.....	President, Easton National Bank, Easton, Md.....	1940
George W. Reed.....	President, National Marine Bank, Baltimore, Md.....	1941

Appointed by Board of Governors:

Vacancy.....		1939
W. Frank Roberts.....	President, Standard Gas Equipment Corp., Baltimore, Md.....	1940
W. Frank Thomas.....	Construction Engineer and Real Estate Management, West- minster, Md.....	1941

Charlotte Branch

Appointed by Federal Reserve Bank:

William T. Clements.....	Managing Director, Charlotte, N. C.....	1939
Byron M. Edwards.....	Executive Vice President, South Carolina National Bank, Co- lumbia, S. C.....	1939
Torrence E. Hemby.....	Executive Vice President, American Trust Co., Charlotte, N. C.....	1940
J. Gerald Cowan.....	Vice President, Wachovia Bank & Trust Co., Asheville, N. C.....	1941

Appointed by Board of Governors:

Christie Benet.....	Benet, Shand & McGowan, Columbia, S. C.....	1939
George M. Wright.....	President, Republic Cotton Mills, Great Falls, S. C.....	1940
George S. Harris.....	Executive Vice President, Springs Cotton Mills, Lancaster, S. C.....	1941

District No. 6—Atlanta

Class A:

Ryburn G. Clay.....	President, Fulton National Bank, Atlanta, Ga.....	1939
William D. Cook.....	Executive Vice President, First National Bank, Meridian, Miss.....	1940
George J. White.....	President, First National Bank, Mount Dora, Fla.....	1941

Class B:

John A. McCrary.....	Vice President and Treasurer, J. B. McCrary Co., Inc., Atlanta, Ga.....	1939
Fitzgerald Hall.....	President, Nash., Chat. & St. Louis Ry., Nashville, Tenn.....	1940
Ernest T. George.....	President and Chairman, Seaboard Refining Co., Ltd., New Orleans, La.....	1941

Class C:

Joe Frank Porter.....	President, Tenn. Farm Bureau Fed., Columbia, Tenn.....	1939
Rufus C. Harris.....	President, Tulane University, New Orleans, La.....	1940
Frank H. Neely.....	Executive Vice President and Secretary, Rich's, Inc., Atlanta, Ga.....	1941

Birmingham Branch

Appointed by Federal Reserve Bank:

Paul L. T. Beavers.....	Managing Director, Birmingham, Ala.....	1939
John C. Persons.....	President, First National Bank, Birmingham, Ala.....	1939
John S. Coleman.....	President, Birmingham Trust & Sav. Co., Birmingham, Ala.....	1940
Frank M. Moody.....	President, First National Bank, Tuscaloosa, Ala.....	1941

Appointed by Board of Governors:

Howard Gray.....	Farmer, New Market, Ala.....	1939
Edward L. Norton.....	Executive Vice President, Munger Companies, Birming- ham, Ala.....	1940
Donald Comer.....	Chairman, Avondale Mills, Birmingham, Ala.....	1941

Jacksonville Branch*Term
Expires
Dec. 31**Appointed by Federal Reserve Bank:*

George S. Vardeman, Jr.	Managing Director, Jacksonville, Fla.	1939
George J. Avent	President, Florida National Bank, Jacksonville, Fla.	1939
Junius C. McCrocklin	Executive Vice President, First National Bank, Tarpon Springs, Fla.	1940
William R. McQuaid	President, Barnett National Bank, Jacksonville, Fla.	1941

Appointed by Board of Governors:

Howard Phillips	Executive Vice President, Dr. P. Phillips Co., Inc., Orlando, Fla.	1939
Bayless W. Haynes	President, Wilson & Toomer Fertilizer Co., Jacksonville, Fla.	1940
Robert H. Gamble	President, Florida Brick & Tile Corp., Jacksonville, Fla.	1941

Nashville Branch*Appointed by Federal Reserve Bank:*

Joel B. Fort, Jr.	Managing Director, Nashville, Tenn.	1939
Frank M. Farris	President, Third National Bank, Nashville, Tenn.	1939
George N. Bass	Cashier, First National Bank of Franklin Co., Decherd, Tenn.	1940
Edward B. Maupin	Cashier, Peoples National Bank, Shelbyville, Tenn.	1941

Appointed by Board of Governors:

William E. McEwen	Farmer and Stock Raiser, Williamsport, Tenn.	1939
Elbridge W. Palmer	President, Kingsport Press, Inc., Kingsport, Tenn.	1940
Clyde B. Austin	President, The Austin Co., Inc., Greeneville, Tenn.	1941

New Orleans Branch*Appointed by Federal Reserve Bank:*

Lewis M. Clark	Managing Director, New Orleans, La.	1939
Emile E. Soulier	Vice President and Cashier, First National Bank, Lafayette, La.	1939
Oliver G. Lucas	President, National Bank of Commerce, New Orleans, La.	1940
Herbert Holmes	President, Delta Nat. Bank, Yazoo City, Miss.	1941

Appointed by Board of Governors:

Henry G. Chalkley, Jr.	General Manager, Sweet Lake Land & Oil Co., Inc., Lake Charles, La.	1939
Eugene F. Billington	Vice President & Secretary, Soule Steam Feed Works, Meridian, Miss.	1940
Alexander Fitz-Hugh	Vice President, P. P. Williams Co., Vicksburg, Miss.	1941

District No. 7—Chicago*Class A:*

Walter J. Cummings	Chairman, Cont'l. Ill. Nat. Bank and Trust Co., Chicago, Ill.	1939
Edward R. Estberg	President, Waukesha Nat. Bank, Waukesha, Wis.	1940
Frank D. Williams	Executive Vice President and Cashier, First Capital National Bank, Iowa City, Iowa.	1941

Class B:

Max W. Babb	President, Allis-Chalmers Mfg. Co., Milwaukee, Wis.	1939
Charles B. Van Dusen	Director, S. S. Kresge Co., Detroit, Mich.	1940
Nicholas H. Noyes	Secretary and Treasurer, Eli Lilly and Co., Indianapolis, Ind.	1941

Class C:

Vacancy		1939
Frank J. Lewis	Chairman, F. J. Lewis Mfg. Co., Chicago, Ill.	1940
Robert E. Wood	Chairman, Sears, Roebuck & Co., Chicago, Ill.	1941

Detroit Branch*Appointed by Federal Reserve Bank:*

Ralph H. Buss	Managing Director, Detroit, Mich.	1939
James E. Davidson	President, Peoples Com. & Sav. Bank, Bay City, Mich.	1939
Walter S. McClucas	Chairman, The National Bank of Detroit, Detroit, Mich.	1940
Joseph M. Dodge	President, The Detroit Bank, Detroit, Mich.	1941

Appointed by Board of Governors:

Harry L. Pierson	President, Detroit Harvester Co., Detroit, Mich.	1939
Alfred C. Marshall	Vice President and General Manager, Detroit Edison Co., Detroit, Mich.	1940
L. Whitney Watkins	Farmer, Manchester, Mich.	1941

District No. 8—St. Louis*Class A:*

Max B. Nahm	Vice President, Citizens National Bank, Bowling Green, Ky.	1939
George R. Corlis	Cashier, Anna National Bank, Anna, Ill.	1940
Sidney Maestre	President, Mississippi Valley Trust Co., St. Louis, Mo.	1941

Class B:

James W. Harris	Chairman, Harris-Langenberg Hat Co., St. Louis, Mo.	1939
Harvey C. Couch	President, Ark. Power & Light Co., Pine Bluff, Ark.	1940
John R. Stanley	Secretary, Treasurer, Stanley Clothing Co., Evansville, Ind.	1941

Class C:

William T. Nardin	Vice President and General Manager, Pet Milk Company, St. Louis, Mo.	1939
Oscar G. Johnston	President, Delta and Pine Land Co., Scott, Miss.	1940
Vacant		1941

Little Rock Branch

Term
Expires
Dec. 13*Appointed by Federal Reserve Bank:*

Arthur F. Bailey	Managing Director, Little Rock, Ark.	1939
James H. Penick	Vice President, W. B. Worthen Co., Little Rock, Ark.	1939
Arthur E. McLean	President, Commercial Nat. Bank, Little Rock, Ark.	1940
Paul R. McCoy	Chairman, Peoples Nat. Bank, Stuttgart, Ark.	1941

Appointed by Board of Governors:

Frederick K. Darragh	President, Darragh Co., Little Rock, Ark.	1939
Ira N. Barnett, Jr.	Manager, Barnett Bros. Mercantile Co., Batesville, Ark.	1940
Henry H. Tucker	President, Pones Bros. Hardward Co., Little Rock, Ark.	1941

Louisville Branch

Appointed by Federal Reserve Bank:

Frank D. Rash	Managing Director, Louisville, Ky.	1939
James O. Sanders	President, First National Bank, Huntingburg, Ind.	1939
Phil E. Chappell	Cashier, Planters Bk. & Tr. Co., Hopkinsville, Ky.	1940
Ralph C. Gifford	President, First National Bank, Louisville, Ky.	1941

Appointed by Board of Governors:

William P. Paxton	President, Southern Textile Machinery Co., Paducah, Ky.	1939
Perry B. Gaines	Farmer and Stock Raiser, Carrollton, Ky.	1940
James B. Hill	President, Louisville & Nashville R. R., Louisville, Ky.	1941

Memphis Branch

Appointed by Federal Reserve Bank:

William H. Glasgow	Managing Director, Memphis, Tenn.	1939
William R. King	President, National Bank of Commerce, Memphis, Tenn.	1939
Bert A. Lynch	President, Farmers Bank & Trust Co., Blytheville, Ark.	1940
Oliver Benton	President, National Bank of Commerce, Jackson, Tenn.	1941

Appointed by Board of Governors:

Douglas W. Brooks	President, Union Compress & Warehouse Co., Memphis, Tenn.	1939
Rufus C. Branch	Cotton Farmer and Ginner, Pecan Point, Ark.	1940
J. Holmes Sherard	J. Holmes Sherard & Co., Sherard, Miss.	1941

District No. 9—Minneapolis

Class A:

H. C. Hansen	Churchs Ferry, N. D.	1939
Melvin O. Grangaard	Vice President, First Nat. Bk. & Tr. Co., Minneapolis, Minn.	1940
James R. McKnight	President, Pierre National Bank, Pierre, S. D.	1941

Class B:

Albert P. Funk	President and Treasurer, LaCrosse Rubber Mills Co., LaCrosse, Wis.	1939
William O. Washburn	President, W. O. Washburn & Sons, St. Paul, Minn.	1940
James E. O'Connell	President, Eddy's Bakeries, Inc., Helena, Mont.	1941

Class C:

Walter C. Coffey	Dean, College of Agriculture, University of Minnesota, St. Paul, Minn.	1939
William D. Cochran	President, W. D. Cochran Freight Lines, Iron Mountain, Mich.	1940
Roger B. Shepard	President, Finch, Van Slyke & McConville, St. Paul, Minn.	1941

Helena Branch

Appointed by Federal Reserve Bank:

Robert E. Towle	Managing Director, Helena, Mont.	1939
Peter Pauly	Vice President, Deer Lodge Bank and Tr. Co., Deer Lodge, Mont.	1939
Arthur R. McDermott	Vice President, Montana National Bank, Billings, Mont.	1940

Appointed by Board of Governors:

Hobart D. Myrick	Farmer, Square Butte, Mont.	1939
Alex Cunningham	Vice President and Treasurer, Western Life Ins. Co., Helena, Mont.	1940

District No. 10—Kansas City

Class A:

Thomas A. Dines	President, U. S. National Bank, Denver, Colo.	1939
Frank W. Sponable	President, Miami County Nat. Bank, Paola, Kans.	1940
Edward E. Mullaney	President, Farmers & Merchants Bank, Hill City, Kans.	1941

Class B:

Willard D. Hosford	Vice President and General Manager, John Deere Plow Co., Omaha, Neb.	1939
Joseph M. Bernardin	Vice President, Burk Lumber Company, Dawson, N. M.	1940
Lee E. Phillips	Phillips Petroleum Co., Bartlesville, Okla.	1941

Class C:

Edward P. Brown	Farmer, Davey, Neb.	1939
Robert B. Caldwell	McCune, Caldwell & Downing, Kansas City, Mo.	1940
John J. Thomas	Attorney-at-Law, Seward, Neb.	1941

Denver Branch

Appointed by Federal Reserve Bank:

Joseph E. Olson	Managing Director, Denver, Colo.	1939
Robin H. Davis	President, Denver National Bank, Denver, Colo.	1939
William C. Kurtz	President and General Manager, Independent Lumber Co., Grand Junction, Colo.	1940
Harold Kountze	President, Colorado National Bank, Denver, Colo.	1941

*Term
Expires
Dec. 31*

<i>Appointed by Board of Governors:</i>		
Wilson McCarthy	President, Denver & Salt Lake RR Co., Denver, Colo.	1939
Albert K. Mitchell	President and General Manager, T. E. Mitchell & Son, Albert, N. M.	1940
James B. Grant	Lewis and Grant, Denver, Colo.	1941

Oklahoma City Branch

<i>Appointed by Federal Reserve Bank:</i>		
Cyrus E. Daniel	Managing Director, Oklahoma City, Okla.	1939
Frank T. Chandler	Vice President, Oklahoma National Bank, Chickasha, Okla.	1939
Samuel W. Hayes	Hayes, Richardson, Shartel, Gilliland & Jordan, Oklahoma City, Okla.	1940
Leroy D. Edgington	President, First National Bank, Ponca City, Okla.	1941

<i>Appointed by Board of Governors:</i>		
Thomas S. Hanna	President, Baker, Hanna & Blake Co., Oklahoma City, Okla.	1939
Lee Clinton	Realtor, Tulsa, Okla.	1940
Neil R. Johnson	Farmer and Cattleman, Norman, Okla.	1941

Omaha Branch

<i>Appointed by Federal Reserve Bank:</i>		
Lloyd H. Earhart	Managing Director, Omaha, Neb.	1939
W. Dale Clark	President, Omaha National Bank, Omaha, Neb.	1939
George A. Bible	President, First National Bank, Rawlins, Wyo.	1940
George W. Holmes	President, First National Bank, Lincoln, Neb.	1941

<i>Appointed by Board of Governors:</i>		
Harry L. Dempster	President, Dempster Mill Mfg. Co., Beatrice, Neb.	1939
William H. Schellberg	President, Union Stock Yards Co., Omaha, Neb.	1940
Robert E. Campbell	Chairman, Miller & Paine, Lincoln, Neb.	1941

District No. 11—Dallas

<i>Class A:</i>		
Ed H. Winton	Executive Vice President, Continental National Bank, Fort Worth, Tex.	1939
Pat E. Hooks	President, First National Bank, Itasca, Tex.	1940
Ford Seale	President, Citizens National Bank, Denison, Tex.	1941

<i>Class B:</i>		
Jesse R. Milam	President, Cooper Company, Inc., Waco, Tex.	1939
James M. West	Chairman, West Production Co., Houston, Tex.	1940
John D. Middleton	President, Texas Refining Co., Greenville, Tex.	1941

<i>Class C:</i>		
Jay Taylor	Rafter O. Cattle Company, Amarillo, Tex.	1939
Joseph B. Cozzo	Womack & Cozzo, Dallas, Tex.	1940
James H. Merritt	Retired, McKinney, Tex.	1941

El Paso Branch

<i>Appointed by Federal Reserve Bank:</i>		
Joseph L. Hermann	Managing Director, El Paso, Tex.	1939
Samuel D. Young	Vice President, El Paso National Bank, El Paso, Tex.	1939
Charles N. Bassett	President, State National Bank, El Paso, Tex.	1940
Frank R. Coon	President, Mimbres Valley Bank, Deming, N. M.	1941

<i>Appointed by Board of Governors:</i>		
Ray E. Sherman	President, Leavell and Sherman, Inc., El Paso, Tex.	1939
Jack B. Martin	President, Arizona Ice & Cold Storage Co., Tucson, Ariz.	1940
Franklin M. Hayner	President, Las Cruces Lumber Co., Las Cruces, N. M.	1941

Houston Branch

<i>Appointed by Federal Reserve Bank:</i>		
William D. Gentry	Managing Director, Houston, Tex.	1939
Preston B. Doty	President, First National Bank, Beaumont, Tex.	1939
John W. Neal	Chairman, Second National Bank, Houston, Tex.	1940
Sam R. Lawder	Vice President, First National Bank, Houston, Tex.	1941

<i>Appointed by Board of Governors:</i>		
Sam Taub	J. N. Taub & Sons, Houston, Tex.	1939
George G. Chance	Farmer, Bryan, Tex.	1940
Henry Renfert	Renfert-Helmbrecht Co., Galveston, Tex.	1941

San Antonio Branch

<i>Appointed by Federal Reserve Bank:</i>		
Miers Crump	Managing Director, San Antonio, Tex.	1939
George C. Hollis	President, First National Bank, Pagle Pass, Tex.	1939
Claude M. Bartholomew	Vice President, Austin National Bank, Austin, Tex.	1940
John K. Beretta	President, National Bank of Commerce, San Antonio, Tex.	1941

<i>Appointed by Board of Governors:</i>		
Edwin F. Flato	President, Corpus Christi Hardware Co., Corpus Christi, Tex.	1939
Dolph Briscoe	Stock Raiser, Uvalde, Tex.	1940
Jamie M. Odom	Contractor, Austin, Tex.	1941

District No. 12—San Francisco

<i>Class A:</i>		
Keith Powell	President, Salem Fed. Sav. & Loan Assn., Salem, Ore.	1939
Charles K. McIntosh	Chairman, Bank of Calif., N. A., San Francisco, Calif.	1940
Reno Odlin	President, Puget Sound National Bank, Tacoma, Wash.	1941

	<i>Term Expires Dec. 31</i>
<i>Class B:</i>	
Reese H. Taylor.....	1939
Elmer H. Cox.....	1940
William G. Volkmann.....	1941
<i>Class C:</i>	
Carlyle Thorpe.....	1939
St. George Holden.....	1940
Vacancy.....	1941
Los Angeles Branch	
<i>Appointed by Federal Reserve Bank:</i>	
W. Norman Ambrose.....	1939
Charles E. Brouse.....	1939
Victor H. Rossetti.....	1940
<i>Appointed by Board of Governors:</i>	
Carl V. Newman.....	1939
William S. Rosecrans.....	1940
Portland Branch	
<i>Appointed by Federal Reserve Bank:</i>	
David L. Davis.....	1939
Ernest B. MacNaughton.....	1939
Nona A. Davis.....	1940
<i>Appointed by Board of Governors:</i>	
George T. Gerlinger.....	1939
Albert E. Engbretsen.....	1940
Salt Lake City Branch	
<i>Appointed by Federal Reserve Bank:</i>	
Winnie L. Partner.....	1939
Frederick P. Champ.....	1939
Orval W. Adams.....	1940
<i>Appointed by Board of Governors:</i>	
Herbert S. Auerbach.....	1939
John Thomas.....	1940
Seattle Branch	
<i>Appointed by Federal Reserve Bank:</i>	
Clarence R. Shaw.....	1939
George H. Greenwood.....	1939
Ned A. Telyea.....	1940
<i>Appointed by Board of Governors:</i>	
Charles F. Larrabee.....	1939
Fred Nelsen.....	1940

STATE BANK AND TRUST COMPANY MEMBERS

Following is a list of the 1,175 State bank and trust company members of the Federal Reserve System on December 30, 1939.

DISTRICT NO. 1 (42 banks)

CONNECTICUT (5 banks)

Hartford Phoenix State Bank & Trust Co.
 New Haven Union & New Haven Trust Co.
 Torrington Brooks Bank & Trust Co.
 Waterbury Colonial Trust Co.
 Waterbury Trust Co.

MAINE (5 banks)

Augusta Depositors Trust Co.
 Bangor Merrill Trust Co.
 Bar Harbor Bar Harbor Banking & Trust Co.
 Ellsworth Union Trust Co.
 Sanford Sanford Trust Co.

MASSACHUSETTS (29 banks)

Arlington Menotomy Trust Co.
 Boston New England Trust Co.
 Old Colony Trust Co.
 Pilgrim Trust Co.
 State Street Trust Co.
 United States Trust Co.
 Bridgewater Bridgewater Trust Co.
 Brookline Norfolk County Trust Co.
 Cambridge County Bank & Trust Co.
 Harvard Trust Co.
 Fall River B. M. C. Durfee Trust Co.
 Fall River Trust Co.
 Gloucester Gloucester Safe Deposit & Trust Co.
 Greenfield Franklin County Trust Co.
 Holyoke Hadley Falls Trust Co.
 Hyannis Hyannis Trust Co.
 Lynn Security Trust Co.
 Milton Blue Hill Bank & Trust Co.
 Newton Newton Trust Co.
 Norwood Norwood Trust Co.
 Quincy Quincy Trust Co.
 Salem Naumkeag Trust Co.
 Somerville Somerville Trust Co.
 Springfield Springfield Safe Deposit & Trust Co.
 Union Trust Co.
 Taunton Bristol County Trust Co.
 Wellesley Hills Wellesley Trust Co.
 Winchester Winchester Trust Co.
 Worcester Worcester County Trust Co.

NEW HAMPSHIRE (1 bank)

Conway Carroll County Trust Co.

RHODE ISLAND (2 banks)

Providence Industrial Trust Co.
 Union Trust Co.

DISTRICT NO. 2 (172 banks)

NEW JERSEY¹ (46 banks)

Bayonne Bayonne Trust Co.
 Bloomfield Bloomfield Bank & Trust Co.
 Community Trust Co.
 Bogota Bank of Bogota
 Boonton Boonton Trust Co.
 Carteret Carteret Bank & Trust Co.
 Cranford Cranford Trust Co.
 Dover Dover Trust Co.
 Dunellen Peoples Trust Co.
 East Orange Savings Investment & Trust Co.
 Elizabeth Central Home Trust Co.
 Elizabethport Banking Co.
 Fort Lee Fort Lee Trust Co.
 Franklin Sussex County Trust Co.
 Glen Ridge Glen Ridge Trust Co.
 Glen Rock Glen Rock Bank
 Hackensack Hackensack Trust Co.
 Peoples Trust Co. of Bergen County

DISTRICT NO. 2—Continued

NEW JERSEY—continued

Jersey City Commercial Trust Co. of New Jersey
 Linden Linden Trust Co.
 Montclair Bank of Montclair
 Montclair Trust Co.
 Morristown Morristown Trust Co.
 Newark Clinton Trust Co.
 Columbus Trust Co.
 Federal Trust Co.
 Fidelity Union Trust Co.
 Franklin-Washington Trust Co.
 Merchants & Newark Trust Co.
 United States Trust Co.
 West Side Trust Co.
 Nutley Bank of Nutley
 Passaic Bank of Passaic & Trust Co.
 Peoples Bank & Trust Co.
 Perth Amboy First Bank & Trust Co.
 Plainfield Mid-City Trust Co.
 Plainfield Trust Co.
 State Trust Co.
 Ridgefield Park Ridgefield Park Trust Co.
 Rochelle Park Rochelle Park Bank
 Rutherford Rutherford Trust Co.
 South Orange South Orange Trust Co.
 Summit Summit Trust Co.
 Tenafly Tenafly Trust Co.
 Westfield Peoples Bank & Trust Co.
 Westfield Trust Co.

NEW YORK (126 banks)

Adams Citizens & Farmers Trust Co.
 Albany First Trust Co.
 State Bank of Albany
 Amityville Bank of Amityville
 Amsterdam Montgomery County Trust Co.
 Arcade Citizens Bank
 Avoca Bank of Avoca
 Batavia Genesee Trust Co.
 Belmont State Bank of Belmont
 Binghamton Marine Midland Trust Co.
 Blasdell Bank of Blasdell
 Brooklyn (see New York)
 Buffalo Liberty Bank
 Manufacturers & Traders Trust Co.
 Marine Trust Co.
 Canandaigua Ontario County Trust Co.
 Canaseraga Canaseraga State Bank
 Canisteo First State Bank
 Cattaraugus Bank of Cattaraugus
 Center Moriches Center Moriches Bank
 Chatham State Bank of Chatham
 Chestertown Chester-Schroon-Horicon Bank
 Clymer Clymer State Bank
 Cohocton Cohocton State Bank
 De Ruyter De Ruyter State Bank
 Dunkirk Dunkirk Trust Co.
 Ellenburg Depot State Bank of Ellenburg
 Elmira Chemung Canal Trust Co.
 Elmira Bank & Trust Co.
 Endicott Endicott Trust Co.
 Union Trust Co.
 Evans Mills Peoples Bank
 Farmingdale Bank of Farmingdale
 Floral Park Floral Park Bank & Trust Co.
 Fredonia Citizens Trust Co.
 Garden City Garden City Bank & Trust Co.
 Geneva Geneva Trust Co.
 Gloversville Trust Co. of Fulton County
 Great Neck Bank of Great Neck
 Hamburg Peoples Bank
 Hammondsport Bank of Hammondsport
 Hicksville Bank of Hicksville
 Ithaca Tompkins County Trust Co.
 Jamestown Bank of Jamestown
 Johnson City Workers Trust Co.

¹Exclusive of part of State located in another district.

DISTRICT NO. 2—Continued

NEW YORK—continued

Katonah	Northern Westchester Bank
Kingston	Kingston Trust Co.
Lackawanna	American Bank
Little Falls	Herkimer County Trust Co.
Locke	Citizens Bank
Lowville	Lewis County Trust Co.
Malone	Peoples Trust Co.
Massena	Massena Banking & Trust Co.
Mayville	State Bank of Mayville
Middletown	Orange County Trust Co.
Millbrook	Bank of Millbrook
Mineola	Nassau County Trust Co.
Mount Kisco	Insurance Loan Trust Co.
Mount Vernon	Fleetwood Bank
	Mount Vernon Trust Co.
New York	Amalgamated Bank
	Bankers Trust Co.
	Bank of the Manhattan Co.
	Bank of New York
	Bank of Yorktown
	Bronx County Trust Co.
	Brooklyn Trust Co.
	Central Hanover Bank & Trust Co.
	Chemical Bank & Trust Co.
	City Bank-Farmers Trust Co.
	Clinton Trust Co.
	Colonial Trust Co.
	Continental Bank & Trust Co.
	Corn Exchange Bank Trust Co.
	Federation Bank & Trust Co.
	Fifth Avenue Bank
	Fulton Trust Co.
	Guaranty Trust Co.
	Irving Trust Co.
	Lawyers Trust Co.
	Manufacturers Trust Co.
	Marine Midland Trust Co.
	Merchants Bank
	New York Trust Co.
	Pan American Trust Co.
	Pennsylvania Exchange Bank
	Schroder Trust Co.
	Trade Bank & Trust Co.
	United States Trust Co.
Niagara Falls	Power City Trust Co.
North Collins	Bank of North Collins
Ogdensburg	Ogdensburg Trust Co.
Olean	Olean Trust Co.
Oneida	Madison County Trust & Deposit Co.
Ontario	State Bank of Ontario
Orchard Park	Bank of Orchard Park
Oriskany Falls	First Trust & Deposit Co.
Ossining	Ossining Trust Co.
Patchogue	Patchogue Citizens Bank & Trust Co.
Pearl River	State Bank of Pearl River
Perry	Citizens Bank
Pleasantville	Mount Pleasant Bank & Trust Co.
Port Chester	Mutual Trust Co. of Westchester County
Rochester	Central Trust Co.
	Lincoln-Alliance Bank & Trust Co.
Rome	Rome Trust Co.
Sag Harbor	Peconic Bank
Salamanca	Salamanca Trust Co.
Saratoga Springs	Adirondack Trust Co.
Sayville	Oystermer's Bank & Trust Co.
Schenectady	Schenectady Trust Co.
Sea Cliff	State Bank of Sea Cliff
Smithtown Branch	Bank of Smithtown
Southampton	Southampton Bank
Spring Valley	Ramapo Trust Co.
Stony Brook	Bank of Suffolk County
Syracuse	First Trust & Deposit Co.
	Syracuse Trust Co.
Tarrytown	Washington Irving Trust Co.
Utica	First Citizens Bank & Trust Co.
Warsaw	Wyoming County Bank & Trust Co.
Watertown	Northern New York Trust Co.

DISTRICT NO. 2—Continued

NEW YORK—continued

Westbury	Bank of Westbury Trust Co.
Westhampton	
Beach	Seaside Bank
West New Brighton	West New Brighton Bank
White Plains	Citizens Bank
	County Trust Co.

DISTRICT NO. 3 (66 banks)

DELAWARE (4 banks)

Wilmington	Equitable Trust Co.
	Industrial Trust Co.
	Security Trust Co.
	Wilmington Trust Co.

NEW JERSEY¹ (5 banks)

Camden	Camden Trust Co.
Hightstown	Hightstown Trust Co.
Princeton	Princeton Bank & Trust Co.
Riverside	Riverside Trust Co.
Swedesboro	Swedesboro Trust Co.

PENNSYLVANIA¹ (57 banks)

Allentown	Liberty Bank & Trust Co.
Bloomsburg	Bloomsburg Bank - Columbia Trust Co.
Chester	Carlisle Trust Co.
	Chester-Cambridge Bank & Trust Co.
Clearfield	Clearfield Trust Co.
Danville	Montour County Trust Co.
Du Bois	Union Banking & Trust Co.
Easton	Easton Trust Co.
East Petersburg	East Petersburg State Bank
Egypt	Farmers Bank
Harrisburg	Central Trust Co.
	Dauphin Deposit Trust Co.
Hazleton	Markle Banking & Trust Co.
	Peoples Savings & Trust Co.
	Traders Bank & Trust Co.
Honesdale	Wayne County Savings Bank
Houtzdale	Houtzdale Trust Co.
Huntington	Grange Trust Co.
Jenkintown	Jenkintown Bank & Trust Co.
Lancaster	Farmers Bank & Trust Co.
	Northern Bank & Trust Co.
Lemoyne	Lemoyne Trust Co.
Lewistown	Lewistown Trust Co.
Littlestown	Littlestown State Bank
Lock Haven	Lock Haven Trust Co.
Lykens	Miners Bank & Trust Co.
Mahanoy City	Merchants Banking Trust Co.
Middletown	Citizens Bank & Trust Co.
Mount Carmel	Liberty State Bank & Trust Co.
	Myerstown Trust Co.
Myerstown	Myerstown Trust Co.
Nanticoke	Peoples Bank
New Oxford	Farmers & Merchants Bank
Norristown	Montgomery Trust Co.
	Norristown-Penn Trust Co.
Orrstown	Orrstown Bank
Paoli	Paoli Bank & Trust Co.
Philadelphia	Fidelity-Philadelphia Trust Co.
	First Trust Co.
	Gimbel Bros. Bank & Trust Co.
	Girard Trust Co.
	Integrity Trust Co.
	Ninth Bank & Trust Co.
	Pennsylvania Co. for Insurances on Lives and Granting Annuities
	Provident Trust Co.
Prospect Park	Interboro Bank & Trust Co.
Quakertown	Quakertown Trust Co.
Reading	Reading Trust Co.
Schnecksville	Schnecksville State Bank
Schuylkill Haven	Schuylkill Haven Trust Co.
Steelton	Steelton Bank & Trust Co.
Tamaqua	Peoples Trust Co.
Temple	Temple State Bank
Wilkes-Barre	Wilkes-Barre Deposit & Savings Bank

¹Exclusive of part of State located in another district.

DISTRICT NO. 3—Continued

PENNSYLVANIA—continued

Williamsport West Branch Bank & Trust Co.
 Wyomissing Peoples Trust Co.
 York Guardian Trust Co.
 York Trust Co.

DISTRICT NO. 4 (135 banks)

KENTUCKY¹ (7 banks)

Catlettsburg Kentucky-Farmers Bank
 Covington Peoples-Liberty Bank & Trust Co.
 Lexington Bank of Commerce
 Security Trust Co.
 Paris Bourbon-Agricultural Bank & Trust Co.
 Peoples Deposit Bank & Trust Co.
 Richmond State Bank & Trust Co.

OHIO (100 banks)

Akron Firestone Park Trust & Savings Bank
 First-Central Trust Co.
 Antwerp Antwerp Exchange Bank
 Apple Creek Apple Creek Banking Co.
 Archbold Peoples State Bank Co.
 Ashland Ashland Bank & Savings Co.
 Bellevue Union Bank & Savings Co.
 Bellville Farmers Bank
 Brecksville Brecksville Bank Co.
 Canal Winchester Peoples Bank Co.
 Canton Geo. D. Harter Bank
 Castalia Castalia Banking Co.
 Celina Commercial Bank Co.
 Christiansburg Farmers & Merchants Bank Co.
 Cincinnati Central Trust Co.
 Fifth-Third Union Trust Co.
 Peoples Bank & Savings Co.
 Provident Savings Bank & Trust Co.
 Southern Ohio Savings Bank & Trust Co.
 Western Bank & Trust Co.
 Cleveland Cleveland Trust Co.
 Lorain Street Bank
 Union Bank of Commerce Co.
 Columbiana Union Banking Co.
 Columbus Fifth Avenue Savings Bank Co.
 Conneaut Citizens Banking & Savings Co.
 Conneaut Banking & Trust Co.
 Cortland Cortland Savings & Banking Co.
 Coshocton Peoples Bank & Trust Co.
 Croton Croton Bank Co.
 Danville Commercial & Savings Bank Co.
 Delphos Commercial Bank
 Peoples Bank
 Peoples Savings Bank Co.
 Delta Potters Bank & Trust Co.
 East Liverpool Potters Bank & Trust Co.
 Elyria Elyria Savings & Trust Co.
 Savings Deposit Bank & Trust Co.
 Findlay Ohio Bank & Savings Co.
 Fort Recovery Fort Recovery Banking Co.
 Geneva Geneva Savings & Trust Co.
 Gibsonburg Home Banking Co.
 Gnadenhutten Gnadenhutten Bank
 Hillsboro Hillsboro Bank & Savings Co.
 Hubbard Hubbard Banking Co.
 Kipton Kipton Bank Co.
 Leesburg Citizens Bank & Savings Co.
 Lorain Central Bank Co.
 Lyons Farmers State Bank
 Madison Citizens Bank
 Mansfield Farmers Savings & Trust Co.
 Marengo Marengo Banking Co.
 Martins Ferry Peoples Savings Bank Co.
 Mason First-Mason Bank
 Massillon Ohio-Merchants Trust Co.
 Maumce State Savings Bank Co.

DISTRICT NO. 4—Continued

OHIO—continued

Middlepoint Middlepoint Banking Co.
 Middletown First American Bank & Trust Co.
 Minster Minster State Bank
 Monroeville Farmers & Citizens Banking Co.
 Mount Blanchard Citizens Bank
 Mount Gilead Peoples Savings Bank Co.
 Mount Vernon Knox County Savings Bank
 Napoleon Community Bank
 Newark Licking County Bank
 Newark Trust Co.
 New Lexington Perry County Bank
 New Philadelphia Ohio Savings & Trust Co.
 Northfield Macedonia-Northfield Banking Co.
 Norwalk Huron County Banking Co.
 Norwood Norwood-Hyde Park Bank & Trust Co.
 Oak Harbor Oak Harbor State Bank Co.
 Oberlin Oberlin Savings Bank Co.
 Orrville Orrville Savings Bank
 Pomeroy Farmers Bank & Savings Co.
 Reading Reading Bank
 Rittman Rittman Savings Bank
 Russellville Bank of Russellville
 St. Bernard Citizens Bank
 St. Marys Home Banking Co.
 Sandusky Citizens Banking Co.
 Western Security Bank
 Shelby Citizens Bank
 Shiloh Shiloh Savings Bank Co.
 Sylvania Farmers & Merchants Bank Co.
 Sylvania Savings Bank Co.
 Toledo Commerce Guardian Bank
 Morris Plan Bank
 Ohio Citizens Trust Co.
 Toledo Trust Co.
 Utica Utica Savings Bank Co.
 Vandalia Vandalia State Bank
 Van Wert Peoples Savings Bank
 Wakernan Wakernan Bank Co.
 Waterville Waterville State Savings Bank
 Wellington First Wellington Bank
 Woodville State Savings Bank
 Wooster Commercial Banking & Trust Co.
 Yellow Springs Miami Deposit Bank Co.
 Youngstown City Trust & Savings Bank
 Dollar Savings & Trust Co.

PENNSYLVANIA² (25 banks)

Aliquippa Woodlawn Trust Co.
 Ambridge Economy Bank
 Beaver Beaver Trust Co.
 Dormont Dormont Savings & Trust Co.
 Elizabeth Bank of Elizabeth
 Erie Security-Peoples Trust Co.
 Homestead Monongahela Trust Co.
 McKeesport Peoples City Bank
 Meadville Crawford County Trust Co.
 New Brighton Beaver County Trust Co.
 New Castle Lawrence Savings & Trust Co.
 Paint Borough (Scalp Level P. O.) Merchants & Miners Bank
 Pittsburgh Allegheny Trust Co.
 Allegheny Valley Bank
 Colonial Trust Co.
 Commonwealth Trust Co.
 Homewood Bank
 Iron & Glass Dollar Savings Bank of Birmingham
 Peoples-Pittsburgh Trust Co.
 Potter Title & Trust Co.
 Union Trust Co.
 Somerset Somerset Trust Co.
 Turtle Creek Turtle Creek Bank & Trust Co.
 Warren Warren Bank & Trust Co.
 Windber Windber Trust Co.

WEST VIRGINIA¹ (3 banks)

Sistersville First-Tyler Bank & Trust Co.
 Wheeling Security Trust Co.
 Wheeling Dollar Savings & Trust Co.

¹Exclusive of part of State located in another district.

DISTRICT NO. 5 (77 banks)**DISTRICT OF COLUMBIA (5 banks)**

Washington American Security & Trust Co.
National Savings & Trust Co.
Security Savings & Commercial Bank
Union Trust Co.
Washington Loan & Trust Co.

MARYLAND (10 banks)

Baltimore Baltimore Commercial Bank
Calvert Bank
Fidelity Trust Co.
Maryland Trust Co.
Union Trust Co. of Maryland
Cambridge County Trust Co. of Maryland
Ellicott City Commercial & Farmers Bank
Forest Hill Forest Hill State Bank
Hagerstown Hagerstown Trust Co.
Salisbury Farmers & Merchants Bank

NORTH CAROLINA (9 banks)

Charlotte American Trust Co.
Concord Citizens Bank & Trust Co.
Edenton Bank of Edenton
Marshall Citizens Bank
Tryon Tryon Bank & Trust Co.
Washington Bank of Washington
Wilmington Peoples Savings Bank & Trust Co.

Wilmington Savings & Trust Co.

Winston-Salem ... Wachovia Bank & Trust Co.

SOUTH CAROLINA (5 banks)

Bishopville Peoples Bank
Camden Commercial Bank
Charleston Carolina Savings Bank
Chester Commercial Bank
Hartsville Bank of Hartsville

VIRGINIA (32 banks)

Abingdon Farmers Exchange Bank, Inc.
Amelia Union Bank & Trust Co.
Blackstone Citizens Bank & Trust Co.
Chase City Peoples Bank & Trust Co.
Farmville Planters Bank & Trust Co.
Front Royal Bank of Warren
Glade Spring Bank of Glade Spring
Halifax Bank of Halifax
Kenbridge Bank of Lunenburg (Inc.)
Lacrosse Bank of Lacrosse
Lawrenceville Farmers & Merchants Bank
Lynchburg Lynchburg Trust & Savings Bank
Mathews Farmers Bank
Montross Peoples Bank
Odd Citizens Bank of Poquoson
Petersburg Petersburg Savings & American Trust Co.
Phoebus Bank of Phoebus
Portsmouth Merchants and Farmers Bank
Powhatan Bank of Powhatan
Richmond Bank of Commerce & Trusts
Mechanics & Merchants Bank
Southern Bank & Trust Co.
State-Planters Bank & Trust Co.
Rural Retreat Peoples Bank
Smithfield Bank of Smithfield
Merchants & Farmers Bank, Inc.
South Hill Citizens Bank, Inc.
Suffolk American Bank & Trust Co.
Farmers Bank of Nansemond
Tazewell Farmers Bank of Clinch Valley
Williamsburg Peninsula Bank & Trust Co.
Winchester Union Bank

WEST VIRGINIA¹ (16 banks)

Belington Belington Bank
Berwind Berwind Bank
Buffalo Buffalo Bank
Charleston Kanawha Banking & Trust Co.
Kanawha Valley Bank
Hurricane Putnam County Bank
Lewisburg Greenbrier Valley Bank

DISTRICT NO. 5—Continued**WEST VIRGINIA—continued**

Martinsburg Peoples Trust Co.
Parsons Tucker County Bank
Petersburg Potomac Valley Bank
Rainelle Bank of Rainelle
Romney Bank of Romney
St. Albans Bank of St. Albans
St. Marys Pleasants County Bank
Spencer Traders Trust & Banking Co.
Summersville Farmers & Merchants Bank

DISTRICT NO. 6 (51 banks)**ALABAMA (16 banks)**

Aliceville Aliceville Bank & Trust Co.
Birmingham Birmingham Trust & Savings Co.
Clanton Peoples Savings Bank
Clayton Bank of Commerce
Columbiana Columbiana Savings Bank
Cullman Parker Bank & Trust Co.
Dothan Dothan Bank & Trust Co.
Eutaw Merchants & Farmers Bank of Greene County
Guin Marion County Banking Co.
Marion Junction Marion Junction State Bank
Oneonta Citizens Bank
Pine Apple Bank of Pine Apple
Selma Peoples Bank & Trust Co.
Thomaston Planters Bank & Trust Co.
Winfield Winfield State Bank
York Bank of York

FLORIDA (4 banks)

Fort Lauderdale... Broward Bank & Trust Co.
Marianna Citizens State Bank
Ocala Commercial Bank & Trust Co.
St. Petersburg... Union Trust Co.

GEORGIA (18 banks)

Adairsville Bank of Adairsville
Atlanta Trust Co. of Georgia
Augusta Georgia Railroad Bank & Trust Co.
Bainbridge Citizens Bank & Trust Co.
Blackshear Blackshear Bank
Brunswick Brunswick Bank & Trust Co.
Canton Bank of Canton
Columbus Columbus Bank & Trust Co.
Merchants & Mechanics Bank
Northeastern Banking Co.
Lawrenceville Brand Banking Co.
Millen Bank of Millen
Monroe Farmers Bank
Pelham Farmers Bank
Savannah Citizens Bank & Trust Co.
Savannah Bank & Trust Co.
Soperton Bank of Soperton
Swainsboro Central Bank

LOUISIANA¹ (5 banks)

Alexandria Rapides Bank & Trust Co.
Lake Charles Lake Charles Bank & Trust Co.
New Orleans American Bank & Trust Co.
Louisiana Savings Bank & Trust Co.
Slidell Bank of Slidell

MISSISSIPPI (2 banks)

Forest Bank of Forest
Jackson Deposit Guaranty Bank & Trust Co.

TENNESSEE (6 banks)

Carthage Citizens Bank & Trust Co.
Chattanooga American Trust & Banking Co.
Greeneville Greene County Bank
Hartsville Bank of Hartsville
Knoxville Commercial Bank & Trust Co.
Nashville Commerce Union Bank

¹Exclusive of part of State located in another district.

DISTRICT NO. 7 (265 banks)

ILLINOIS¹ (62 banks)

Argenta	Gerber State Bank
Bloomington	Corn Belt Bank Peoples Bank
Blue Island	State Bank of Blue Island
Bushnell	Farmers & Merchants State Bank
Byron	Rock River Community Bank
Chadwick	Farmers State Bank
Chicago	Amalgamated Trust & Savings Bank Drexel State Bank East Side Trust & Savings Bank Harris Trust & Savings Bank Kaspar-American State Bank Lake Shore Trust & Savings Bank Lake View Trust & Savings Bank Main State Bank Metropolitan State Bank Metropolitan Trust Co. Northern Trust Co. Personal Loan & Savings Bank Sears-Community State Bank State Bank of Clearing Uptown State Bank
Cicero	Western State Bank
Cowden	State Bank of Cowden
Elburn	Kane County Bank & Trust Co.
Eureka	State Bank of Eureka
Evanston	Evanston Trust & Savings Bank State Bank & Trust Co.
Freeport	State Bank of Freeport
Fulton	Fulton State Bank
Galesburg	Farmers & Mechanics Bank
Geneva	State Bank of Geneva
Joy	Joy State Bank
Kankakee	City Trust & Savings Bank
Lanark	Exchange State Bank
Lostant	Farmers State Bank
McHenry	West McHenry State Bank
Metamora	Metamora State Bank
Milford	Citizens State Bank
Momence	Parish Bank & Trust Co.
Morrison	Smith Trust & Savings Bank
Niantic	State Bank of Niantic
Niles Center	Niles Center State Bank
Oak Park	Oak Park Trust & Savings Bank
Petersburg	Schirding State Bank
Piper City	State Bank of Piper City
Riverdale	First Trust & Savings Bank
Rochester	Rochester State Bank
Rushville	Rushville State Bank
Shannon	First State Bank
Shelbyville	Shelby County State Bank
Springfield	Springfield Marine Bank
Thomson	Thomson State Bank
Tolono	Bank of Tolono Citizens Bank
Tuscola	Tuscola State Bank
Walnut	Citizens State Bank
Washington	Danforth Banking Co.
Wenona	First State Bank
Wheaton	Gary-Wheaton Bank Wheaton Trust & Savings Bank
Wilmette	Wilmette State Bank

INDIANA (23 banks)

Angola	Steuben County State Bank
Auburn	Auburn State Bank
Avilla	Community State Bank
Cambridge City	Wayne Trust Co.
Columbia City	Citizens State Bank
Connersville	Fayette Bank & Trust Co.
Darlington	Farmers & Merchants State Bank
Elkhart	St. Joseph Valley Bank
Gary	Gary State Bank Gary Trust & Savings Bank
Greencastle	First-Citizens Bank & Trust Co.

DISTRICT NO. 7—Continued

INDIANA—continued

Hartford City	Citizens State Bank
Hebron	Citizens Bank
Indianapolis	Fletcher Trust Co.
Jamestown	Citizens State Bank
Kokomo	Union Bank & Trust Co.
Mohawk	Mohawk State Bank
Monticello	State & Savings Bank
Muncie	Merchants Trust Co.
Poland	Poland-State Bank
South Bend	First Bank & Trust Co.
Tipton	Farmers Loan & Trust Co.
Valparaiso	First State Bank

IOWA (35 banks)

Algona	Iowa State Bank Security State Bank
Avoca	Avoca State Bank
Blencoe	Blencoe State Bank
Cherokee	Cherokee State Bank
Churdan	First State Bank
Davenport	Davenport Bank & Trust Co.
Des Moines	Bankers Trust Co.
Fairfield	Iowa State Bank & Trust Co.
Fontanelle	State Savings Bank
Fort Dodge	The State Bank
Fort Madison	Fort Madison Savings Bank
Glenwood	Glenwood State Bank
Holstein	Holstein State Bank
Ida Grove	Ida County State Bank
Lineville	Lineville State Bank
Maquoketa	Jackson State Savings Bank
Mason City	United Home Bank & Trust Co.
Monticello	Monticello State Bank
Moorhead	Moorhead State Bank
Muscataine	Central State Bank Muscatine Bank & Trust Co.
Newton	Jasper County Savings Bank
Osage	Home Trust & Savings Bank
Ottumwa	Fidelity Savings Bank Union Bank & Trust Co.
Riceville	Riceville State Bank
Royal	Home State Bank
Shenandoah	Security Trust & Savings Bank
Storm Lake	Commercial Trust & Savings Bank Security Trust & Savings Bank
Strawberry Point	Union Bank & Trust Co.
Templeton	Templeton Savings Bank
Washington	Washington State Bank
Williams	Williams Savings Bank

MICHIGAN¹ (120 banks)

Adrian	Adrian State Savings Bank Commercial Savings Bank Lenawee County Savings Bank
Albion	Commercial & Savings Bank
Algonac	Algonac Savings Bank
Alpena	Alpena Savings Bank
Alto	Farmers State Bank
Ann Arbor	Ann Arbor Savings & Commercial Bank State Savings Bank
Armada	Armada State Bank
Bay City	Bay City Bank Peoples Commercial & Savings Bank
Belleville	Peoples State Bank
Berrien Springs	Berrien Springs State Bank
Big Rapids	Big Rapids Savings Bank
Bianchard	Bianchard State Bank
Blissfield	Blissfield State Bank
Bronson	Peoples State Bank
Brown City	Brown City Savings Bank
Byron Center	Byron Center State Bank
Capac	Capac State Savings Bank
Cass City	Cass City State Bank Pinney State Bank
Cassopolis	Cass County State Bank
Charlevoix	Charlevoix County State Bank
Charlotte	Eaton County Savings Bank
Chelsea	Chelsea State Bank
Chesaning	Chesaning State Bank

¹Exclusive of part of State located in another district.

DISTRICT NO. 7—Continued

MICHIGAN—continued

Clare	Citizens State Bank
Clarkston	Clarkston State Bank
Coloma	State Bank of Coloma
Coopersville	Coopersville State Bank
Corunna	Old Corunna State Bank
Crosswell	State Bank of Crosswell
Davison	Davison State Bank
Detroit	Detroit Bank
	Industrial Morris Plan Bank
	United Savings Bank
Dundee	Monroe County Bank
Durand	Shiawassee County Bank
Ecorse	Ecorse Savings Bank
Farmington	Farmington State Bank
Fennville	Old State Bank
Fenton	State Savings Bank
Flint	Citizens Commercial & Savings Bank
	Genesee County Savings Bank
	Merchants & Mechanics Bank
Fountain	Fountain State Bank
Frankenmuth	Frankenmuth State Bank
Fremont	Fremont State Bank
	Old State Bank
Gagetown	State Savings Bank
Grand Haven	Grand Haven State Bank
	Peoples Savings Bank
Grand Rapids	Old Kent Bank
Grandville	Community State Bank
Greenville	Commercial State Savings Bank
	First State Bank of Greenville
Grosse Pointe	Grosse Pointe Bank
Harbor Springs	Emmet County State Bank
Hillsdale	Hillsdale State Savings Bank
Holland	Holland State Bank
	Peoples State Bank
Holly	First State & Savings Bank
Howell	First State & Savings Bank
Inlay City	Inlay City State Bank
Jackson	Jackson City Bank & Trust Co.
	Grosvenor Savings Bank
Jonesville	Kingston State Bank
Kingston	Bank of Lakeview
Lakeview	Bank of Lakeview
Lansing	American State Savings Bank
	Bank of Lansing
Lapeer	Lapeer Savings Bank
Lawrence	Home State Bank
Lowell	State Savings Bank
Manchester	Peoples Bank
	Union Savings Bank
Manistee	Manistee County Savings Bank
	G. W. Jones Exchange Bank
Marcellus	Farmers Bank
Mason	Chemical State Savings Bank
Midland	Chemical State Savings Bank
Milan	Peoples State Bank
Milford	Oakland County State Bank
Monroe	Dansard State Bank
Montague	Farmers State Bank
Mount Clemens	Mount Clemens Savings Bank
Mount Pleasant	Exchange Savings Bank
	Isabella County State Bank
New Baltimore	Citizens State Savings Bank
New Boston	Peoples State Bank
New Haven	New Haven Savings Bank
North Branch	Pioneer Bank
Onsted	Onsted State Bank
Oxford	Oxford Savings Bank
Petoskey	First State Bank
Pigeon	Pigeon State Bank
Pinconning	Pinconning State Bank
Richmond	Macomb County Savings Bank
Romeo	Romeo Savings Bank
Saginaw	Saginaw State Bank
St. Charles	St. Charles State Bank
St. Clair	Commercial & Savings Bank
St. Johns	State Bank of St. Johns
Saugatuck	Fruit Growers State Bank
Sebewaing	Farmers & Merchants State Bank
	Citizens State Bank
South Haven	First State Bank
Sparta	Sparta State Bank

DISTRICT NO. 7—Continued

MICHIGAN—continued

Spring Lake	Spring Lake State Bank
Springport	Springport State Savings Bank
Traverse City	First-Peoples State Bank
	Traverse City State Bank
Trenton	Trenton State Bank
Vassar	State Bank of Vassar
Wayne	Wayne State Bank
Whitehall	State Bank of Whitehall
Williamston	Peoples State Bank
Wyandotte	Wyandotte Savings Bank
Yale	Yale State Bank
Zeeland	Zeeland State Bank

WISCONSIN¹ (25 banks)

Antigo	Fidelity Savings Bank
Burlington	Bank of Burlington
Chilton	Commercial Bank
Edgerton	Tobacco Exchange Bank
Evansville	Farmers & State Bank
Green Bay	Peoples Trust & Savings Bank
Green Lake	Green Lake State Bank
Kaukauna	Bank of Kaukauna
Manitowoc	Manitowoc Savings Bank
Markesan	Markesan State Bank
Mayville	State Bank of Mayville
Milwaukee	American State Bank
	Marshall & Ilsley Bank
	West Side Bank
Platteville	State Bank of Platteville
Sauk City	Farmers & Citizens Bank
Sheboygan	Bank of Sheboygan
	Citizens State Bank
South Milwaukee	Home State Bank
Sturgeon Bay	Bank of Sturgeon Bay
Viroqua	State Bank of Viroqua
Waupaca	Farmers State Bank
Waupun	State Bank of Waupun
Wausau	Citizens State Bank
Whitewater	First Citizens State Bank

DISTRICT NO. 8 (78 banks)

ARKANSAS (7 banks)

Batesville	Citizens Bank & Trust Co.
Blytheville	Farmers Bank & Trust Co.
Fordyce	Fordyce Bank & Trust Co.
Little Rock	W. B. Worthen Co., Bankers
Russellville	Bank of Russellville
	Peoples Exchange Bank
Waldron	Bank of Waldron

ILLINOIS¹ (15 banks)

Breese	State Bank of Breese
Chester	First State Bank
East St. Louis	Union Trust Co.
Edwardsville	Bank of Edwardsville
Effingham	Effingham State Bank
Eldorado	C. P. Burnett & Sons, Bankers
Hillsboro	Montgomery County Loan & Trust Co.
Hoyleton	Hoyleton State & Savings Bank
Jacksonville	Elliott State Bank
Johnston City	Johnston City State Bank
Litchfield	Litchfield Bank & Trust Co.
Red Bud	First State Bank
Richview	Richview State Bank
St. Peter	First State Bank
Steeleville	State Bank of Steeleville

KENTUCKY¹ (10 banks)

Bardstown	Farmers Bank & Trust Co.
Campbellsville	Citizens Bank & Trust Co.
Clay	Farmers Bank
Danville	Boyle Bank & Trust Co.
Hartford	Citizens Bank
Hopkinsville	Planters Bank & Trust Co.
Louisville	Kentucky Title Trust Co.
	Lincoln Bank & Trust Co.
	Louisville Trust Co.
Owensboro	First - Owensboro Bank & Trust Co.

DISTRICT NO. 8—Continued

MISSOURI¹ (46 banks)

Camdenton	Camden County Bank
Carrollton	Carroll County Trust Co.
Clayton	St. Louis County Bank
Clinton	Union State Bank
Farmington	United Bank
Fulton	Callaway Bank
Glasgow	Glasgow Savings Bank
Hannibal	Farmers & Merchants Bank & Trust Co.
Lancaster	Schuyler County State Bank
Lebanon	State Savings Bank
Luxemburg (St. Louis P. O.)	Lemay Bank & Trust Co.
Maplewood	Maplewood Bank & Trust Co. Peoples State Bank
Marshall	Wood & Huston Bank
Memphis	Bank of Memphis
Moberly	City Bank & Trust Co. Mechanics Bank & Trust Co.
Monroe City	Monroe City Bank
Normandy	Normandy State Bank
Pine Lawn	Pine Lawn Bank & Trust Co.
Sedalia	Sedalia Bank & Trust Co.
St. Louis	Baden Bank Bremen Bank & Trust Co. Cass Bank & Trust Co. Chippewa Trust Co. Easton-Taylor Trust Co. Jefferson Bank & Trust Co. Jefferson-Gravois Bank Lindell Trust Co. Manchester Bank Manufacturers Bank & Trust Co. Mercantile-Commerce Bank & Trust Co. Mississippi Valley Trust Co. Mound City Trust Co. North St. Louis Trust Co. Plaza Bank Southern Commercial & Savings Bank Southwest Bank Tower Grove Bank & Trust Co. United Bank & Trust Co.
St. Louis County	Gravois Bank
Sweet Springs	Chemical Bank
Vandalia	Vandalia State Bank
Versailles	Bank of Versailles
Washington	Franklin County Bank
Webster Groves	Webster Groves Trust Co.

DISTRICT NO. 9 (81 banks)

MICHIGAN¹ (11 banks)

Escanaba	State Savings Bank
Ewen	State Bank of Ewen
Gladstone	Gladstone State Savings Bank
Iron Mountain	Commercial Bank
Iron River	Miners' State Bank
L'Anse	Commercial Bank
Menominee	Commercial Bank
Newberry	Newberry State Bank
Sault Ste. Marie	Central Savings Bank Sault Savings Bank
South Range	South Range State Bank

MINNESOTA (18 banks)

Caledonia	Sprague State Bank
Cannon Falls	Security State Bank
Chatfield	Root River State Bank
Clinton	Clinton State Bank
Houston	Security State Bank
Lakefield	Farmers State Bank
Madelia	Farmers State Bank
Minneapolis	Fidelity State Bank
Owatonna	Security Bank & Trust Co.
Plainview	Peoples State Bank
Rockville	State Bank of Rockville
Rushmore	First State Bank
St. Cloud	Zapp State Bank

DISTRICT NO. 9—Continued

MINNESOTA—continued

Springfield	Farmers & Merchants State Bank State Bank of Springfield
Wadena	Wadena County State Bank
Welcome	Welcome State Bank
West Concord	Farmers State Bank

MONTANA (25 banks)

Anaconda	Daly Bank & Trust Co.
Belt	Belt Valley Bank
Big Timber	Citizens Bank & Trust Co.
Billings	Security Trust & Savings Bank
Bozeman	Gallatin Trust & Savings Bank Security Bank & Trust Co.
Broadus	Powder River Coun v Bank
Butte	Metals Bank & Trust Co.
Cascade	Stockmens Bank
Choteau	Citizens State Bank
Columbus	Yellowstone Bank
Deer Lodge	Deer Lodge Bank & Trust Co.
Denton	Farmers State Bank
Fromberg	Clarks Fork Valley Bank
Glasgow	Farmers-Stockgrowers Bank
Great Falls	Montana Bank & Trust Co.
Helena	Union Bank & Trust Co.
Laurel	Yellowstone Bank
Libby	First State Bank
Richey	First State Bank
Ronan	Ronan State Bank
Terry	State Bank of Terry
Townsend	State Bank of Townsend
Victor	Farmers State Bank
Worden	Farmers State Bank

SOUTH DAKOTA (23 banks)

Alcester	State Bank of Alcester
Alpena	Bank of Alpena
Arlington	Citizens State Bank
Belle Fourche	Bank of Belle Fourche
Belvidere	Belvidere State Bank
Buffalo	First State Bank
Burke	Burke State Bank
Faith	Farmers State Bank
Flandreau	Farmers State Bank
Freeman	Merchants State Bank
Fulton	Fulton State Bank
Huron	Farmers & Merchants Bank
Madison	Security Bank & Trust Co.
McIntosh	Security State Bank
Miller	Hand County State Bank
Mitchell	Commercial Trust & Savings Bank
Mobridge	Citizens Bank
Presho	Farmers & Merchants State Bank
Sturgis	Bear Butte Valley Bank
Toronto	Bank of Toronto
Vermillion	Citizens Bank
Webster	Security Bank
Woonsocket	Sanborn County Bank

WISCONSIN¹ (4 banks)

Boyceville	Bank of Boyceville
Glenwood City	First State Bank
Rhineland	Merchants State Bank
Tomahawk	Bradley Bank

DISTRICT NO. 10 (76 banks)

COLORADO (13 banks)

Brighton	Brighton State Bank
Craig	Moffatt County State Bank
Del Norte	Rio Grande County Bank
Delta	Colorado Bank & Trust Co.
Denver	Central Savings Bank & Trust Co. International Trust Co.
Eaton	Eaton Bank
Fort Morgan	Farmers State Bank
Haxtun	Haxtun State Bank
La Junta	Colorado Savings & Trust Co.
Sterling	Commercial Savings Bank Security State Bank
Yuma	Farmers State Bank

¹Exclusive of part of State located in another district.

DISTRICT NO. 10—Continued

KANSAS (21 banks)	
Abilene	Citizens Bank
Augusta	Prairie State Bank
Eldorado	Citizens State Bank
Goodland	Goodland State Bank
Great Bend	American State Bank
Hiawatha	Morrill & James Bank
Hutchinson	Hutchinson State Bank
Kansas City	Riverview State Bank
Liberal	Citizens State Bank
Luray	Peoples State Bank
Ness City	First State Bank
Oakley	Farmers State Bank
Osage City	Citizens State Bank
Pratt	Peoples Bank
Sedan	Sedan State Bank
St. Marys	St. Marys State Bank
Sylvan Grove	Sylvan State Bank
Tonganoxie	First State Bank
Topeka	Fidelity Savings State Bank
Wakefield	Farmers & Merchants State Bank
Winfield	The State Bank
MISSOURI ¹ (10 banks)	
Albany	Gentry County Bank
Carthage	Bank of Carthage
Craig	Bank of Craig
Kansas City	Commerce Trust Co. Merchants Bank
King City	First State Bank
Lamar	Barton County State Bank
Rich Hill	Security Bank
St. Joseph	Empire Trust Co.
South St. Joseph	First St. Joseph Stock Yards Bank
NEBRASKA (13 banks)	
Alma	Harlan County Bank
Bancroft	Citizens Bank
Blair	Washington County Bank
Chappell	Deuel County State Bank
Hartington	Bank of Hartington
Lexington	Farmers State Bank
North Platte	McDonald State Bank
Pawnee City	Citizens State Bank
Scribner	Farmers State Bank
Stromsburg	Stromsburg Bank
Valley	Bank of Valley
Wahoo	Wahoo State Bank
Wallace	Farmers State Bank
NEW MEXICO ¹ (2 banks)	
Aztec	Citizens Bank
Taos	First State Bank

OKLAHOMA¹ (8 banks)

Ada	Oklahoma State Bank
Eldorado	First State Bank
Fairview	Fairview State Bank
Garber	Bank of Garber
Okarche	First Bank of Okarche
Purcell	First State Bank
Stroud	First State Bank
Woodward	Bank of Woodward

WYOMING (9 banks)

Evanston	Stockgrowers Bank
Lusk	Lusk State Bank
Mountain View	Uinta County State Bank
Newcastle	First State Bank
Saratoga	Saratoga State Bank
Sundance	Sundance State Bank
Wheatland	State Bank of Wheatland
Worland	Stock Growers Bank
	Farmers State Bank

DISTRICT NO. 11 (63 banks)**ARIZONA¹ (1 bank)**

Tucson	Southern Arizona Bank & Trust Co.
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LOUISIANA¹ (2 banks)

Minden	Minden Bank & Trust Co.
Shreveport	Continental-American Bank & Trust Co.

DISTRICT NO. 11—Continued**NEW MEXICO¹ (3 banks)**

Carlsbad	American Bank
Deming	Mimbres Valley Bank
Logan	McFarland Bros. Bank

OKLAHOMA¹ (1 bank)

Atoka	Atoka State Bank
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TEXAS (58 banks)

Bay City	Bay City Bank & Trust Co.
Beaumont	Security State Bank & Trust Co.
Beeville	State Bank & Trust Co.
Bremond	First State Bank
Brownfield	Brownfield State Bank
Bryan	First State Bank & Trust Co.
Celina	First State Bank
Clarendon	Farmers State Bank
Clifton	Farmers State Bank
Dalhart	Citizens State Bank
Dallas	Liberty State Bank
De Kalb	State Bank of De Kalb
Del Rio	Del Rio Bank & Trust Co.
Dodsonville	First State Bank
East Bernard	Union State Bank
Eden	Eden State Bank
Ferris	Farmers & Merchants State Bank
Forney	Forney State Bank
Franklin	First State Bank
Gatesville	Guaranty Bank & Trust Co.
Gonzales	Gonzales State Bank
Goose Creek	Citizens State Bank & Trust Co.
Granger	First State Bank
Hamilton	Hamilton Bank & Trust Co.
Houston	Citizens State Bank
Iola	Iola State Bank
Kosse	First State Bank
Ladonia	Farmers & Merchants State Bank
Llano	Moore State Bank
Loraine	First State Bank
Madisonville	Farmers State Bank
Matador	First State Bank
Mathis	First State Bank
Maypearl	First State Bank
McAllen	City State Bank & Trust Co.
Mount Pleasant	Guaranty Bond State Bank
Pearsall	Security State Bank
Ralls	Security State Bank & Trust Co.

Richardson	Citizens State Bank
Robert Lee	Robert Lee State Bank
Roscoe	Roscoe State Bank
Rusk	Farmers & Merchants State Bank & Trust Co.
San Marcos	State Bank & Trust Co.
Schertz	Schertz State Bank
Shamrock	Farmers & Merchants State Bank
Shiro	Farmers State Bank
Silsbee	Silsbee State Bank
Sinton	Commercial State Bank
Spearman	First State Bank
Thorndale	Thorndale State Bank
Tomball	Guaranty Bond State Bank
Trent	Home State Bank
Wellington	Wellington State Bank
Wharton	Security Bank & Trust Co.
Winters	Wharton Bank & Trust Co.
	Winters State Bank

DISTRICT NO. 12 (69 banks)**ARIZONA¹ (1 bank)**

Buckeye	Buckeye Valley Bank
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CALIFORNIA (15 banks)

Carmel	Bank of Carmel
Fairfield	Solano County Bank
Long Beach	Farmers & Merchants Bank
Los Angeles	California Bank
	California Trust Co.
	Union Bank & Trust Co.

¹ Exclusive of part of State located in another district.

DISTRICT NO. 12--Continued

CALIFORNIA--continued

Newman Bank of Newman
 Oakland Bank of Commerce
 Pasadena Citizens Commercial Trust &
 Savings Bank
 Salinas Monterey County Trust &
 Savings Bank
 San Francisco..... American Trust Co.
 Wells Fargo Bank & Union
 Trust Co.
 San Rafael..... Bank of San Rafael
 Santa Paula..... Citizens State Bank

IDAHO (10 banks)

Aberdeen Bank of Aberdeen
 Arco Butte County Bank
 Boise First Security Bank of Idaho
 Hazelton Hazelton State Bank
 Kellogg First State Bank
 Malad City..... J. N. Ireland & Co., Bankers
 Orofino Bank of Orofino
 Richfield First State Bank
 Soda Springs..... Largilliere Co., Bankers
 Twin Falls Twin Falls Bank & Trust Co.

NEVADA (1 bank)

Elko Nevada Bank of Commerce

OREGON (7 banks)

Albany Bank of Albany
 Beaverton First Security Bank
 Dallas Dallas City Bank
 Gold Beach..... Curry County Bank
 Halsey Halsey State Bank
 Myrtle Point..... Security Bank
 Oakland E. G. Young & Co. Bank

DISTRICT NO. 12--Continued

UTAH (20 banks)

Brigham State Security Bank
 Cedar City Bank of Southern Utah
 Ephraim Bank of Ephraim
 Gunnison Gunnison Valley Bank
 Helper Helper State Bank
 Kaysville Barnes Banking Co.
 Logan Cache Valley Banking Co.
 Nephi Commercial Bank
 Ogden Commercial Security Bank
 Price Carbon Emery Bank
 Provo Farmers & Merchants Bank
 Salina First State Bank
 Salt Lake City.... Tracy Loan & Trust Co.
 Utah Savings & Trust Co.
 Walker Bank & Trust Co.
 Spanish Fork Bank of Spanish Fork
 Commercial Bank
 Springville Springville Banking Co.
 Vernal Bank of Vernal
 Uintah State Bank

WASHINGTON (15 banks)

Almira Almira State Bank
 Cashmere Cashmere Valley Bank
 Coulee City..... Security State Bank
 Kelso Cowlitz Valley Bank
 Lacrosse First State Bank
 Pomeroy Pomeroy State Bank
 Pullman Pullman State Bank
 Puyallup Citizens State Bank
 Ritzville Ritzville State Bank
 Rockford Farmers & Merchants Bank
 Seattle Seattle Trust & Savings Bank
 Selah Selah State Bank
 Spokane Washington Trust Co.
 Uniontown Farmers State Bank
 Wilbur State Bank of Wilbur

DESCRIPTION OF FEDERAL RESERVE DISTRICTS

Federal Reserve district	Land area (square miles)	Population July 1, 1937 (estimated)
No. 1—Boston.....	61,345	8,178,000
No. 2—New York.....	51,886	16,756,000
No. 3—Philadelphia.....	36,846	8,009,000
No. 4—Cleveland.....	73,424	11,737,000
No. 5—Richmond.....	152,316	12,028,000
No. 6—Atlanta.....	248,226	12,085,000
No. 7—Chicago.....	190,513	18,863,000
No. 8—St. Louis.....	194,810	10,413,000
No. 9—Minneapolis.....	414,004	5,452,000
No. 10—Kansas City.....	480,438	8,155,000
No. 11—Dallas.....	386,116	7,337,000
No. 12—San Francisco.....	683,852	10,244,000
Total.....	2,973,776	129,257,000

FEDERAL RESERVE DISTRICTS

DISTRICT NO. 1—BOSTON.....	61,345	8,178,000	
Connecticut (excluding Fairfield County).....	4,189	1,322,000	
Maine.....	29,895	856,000	
Massachusetts.....	8,039	4,426,000	
New Hampshire.....	9,031	510,000	
Rhode Island.....	1,067	681,000	
Vermont.....	9,124	383,000	
DISTRICT NO. 2—NEW YORK.....	51,886	16,756,000	
Connecticut (Fairfield County).....	631	419,000	
New Jersey.....	3,601	3,378,000	
Counties of—			
Bergen	Hunterdon	Morris	Sussex
Essex	Middlesex	Passaic	Union
Hudson	Monmouth	Somerset	Warren
New York.....	47,654	12,959,000	
DISTRICT NO. 3—PHILADELPHIA.....	36,846	8,009,000	
Delaware.....	1,965	261,000	
New Jersey.....	3,913	965,000	
Counties of—			
Atlantic	Cape May	Gloucester	Ocean
Burlington	Cumberland	Mercer	Salem
Camden			
Pennsylvania (eastern part).....	30,968	6,783,000	
Counties of—			
Adams	Clinton	Lebanon	Philadelphia
Bedford	Columbia	Lehigh	Pike
Berks	Cumberland	Luzerne	Potter
Blair	Dauphin	Lycoming	Schuylkill
Bradford	Delaware	McKean	Snyder
Bucks	Elk	Mifflin	Sullivan
Cambria	Franklin	Monroe	Susquehanna
Cameron	Fulton	Montgomery	Tioga
Carbon	Huntingdon	Montour	Union
Center	Juniata	Northampton	Wayne
Chester	Lackawanna	Northumberland	Wyoming
Clearfield	LANCASTER	Perry	York
DISTRICT NO. 4—CLEVELAND.....	73,424	11,737,000	
Kentucky (eastern part).....	17,614	1,395,000	
Counties of—			
Bath	Fleming	Lawrence	Nicholas
Bell	Floyd	Lee	Owsley
Boone	Garrard	Leslie	Pendleton
Bourbon	Grant	Letcher	Perry
Boyd	Greenup	Lewis	Pike
Bracken	Harlan	Lincoln	Powell
Breathitt	Harrison	McCreary	Fulaski
Campbell	Jackson	Madison	Robertson
Carter	Jessamine	Magoffin	Rockcastle
Clark	Johnson	Martin	Rowan
Clay	Kenton	Mason	Scott

FEDERAL RESERVE DISTRICTS—Continued

Federal Reserve district	Land area (square miles)	Population July 1, 1937 (estimated)
DISTRICT NO. 4.—CLEVELAND—Continued		
Kentucky (eastern part)		
Counties of—Continued		
Elliott	Knott	Menifee
Estill	Knox	Montgomery
Fayette	Laurel	Morgan
Whitley		Wolfe
Woodford		
Ohio.....	40,740	6,733,000
Pennsylvania (western part)	13,864	3,393,000
Counties of—		
Allegheny	Crawford	Indiana
Armstrong	Erie	Jefferson
Beaver	Fayette	Lawrence
Butler	Forest	Mercer
Clarion	Greene	Somerset
Venango		Warren
Washington		Westmoreland
West Virginia (northern part)	1,206	216,000
Counties of—		
Brooke	Marshall	Tyler
Hancock	Ohio	Wetzel
DISTRICT NO. 5.—RICHMOND.....		
District of Columbia.....	152,316	12,028,000
Maryland.....	62	627,000
North Carolina.....	9,941	1,679,000
South Carolina.....	48,740	3,492,000
Virginia.....	30,495	1,875,000
West Virginia (southern part)	40,262	2,706,000
Counties of—	22,816	1,649,000
Barbour	Hardy	Mingo
Berkeley	Harrison	Monongalia
Boone	Jackson	Monroe
Braxton	Jefferson	Morgan
Cabell	Kanawha	Nicholas
Calhoun	Lewis	Pendleton
Clay	Lincoln	Pleasants
Doddridge	Logan	Pocahontas
Fayette	McDowell	Preston
Gilmer	Marion	Putnam
Grant	Mason	Raleigh
Greenbrier	Mercer	Randolph
Hampshire	Mineral	Ritchie
Roane		Summers
Taylor		Tucker
Upshur		Wayne
Webster		Wirt
Wood		Wyoming
DISTRICT NO. 6.—ATLANTA.....		
Alabama.....	248,226	12,085,000
Florida.....	51,279	2,895,000
Georgia.....	54,861	1,670,000
Louisiana (southern part)	58,725	3,085,000
Parishes of—	26,891	1,444,000
Acadia	Evangeline	Rapides
Allen	Iberia	St. Bernard
Ascension	Iberville	St. Charles
Assumption	Jefferson	St. Helena
Avoyesles	Jefferson Davis	St. James
Beauregard	Lafayette	St. John the Baptist
Calcasieu	La Fourche	St. Landry
Cameron	Livingston	St. Martin
East Baton Rouge	Orleans	St. Mary
East Feliciana	Plaquemines	St. Tammany
Pointe Coupee		
Tangipahoa		Terrebonne
Vermilion		Vernon
Washington		West Baton Rouge
West Feliciana		
Mississippi (southern part)	25,519	969,000
Counties of—		
Adams	Harrison	Lawrence
Amite	Hinds	Leake
Claiborne	Issaquena	Lincoln
Clarke	Jackson	Madison
Copiah	Jasper	Marion
Covington	Jefferson	Neshoba
Forrest	Jefferson Davis	Newton
Franklin	Jones	Pearl River
George	Kemper	Perry
Greene	Lamar	Pike
Hancock	Lauderdale	Rankin
Scott		Sharkey
Simpson		Smith
Stone		Walthall
Warren		Wayne
Wilkinson		Yazoo
Tennessee (eastern part)	30,951	2,022,000
Counties of—		
Anderson	Giles	McMinn
Bedford	Grainger	Macon
Bledsoe	Greene	Marion
Blount	Grundy	Marshall
Bradley	Hamblen	Maury
Campbell	Hamilton	Meigs
Cannon	Hancock	Monroe
Carter	Hawkins	Montgomery
Cheatham	Hickman	Moore
Claiborne	Houston	Morgan
Scott		Sequatchie
Sevier		Smith
Stewart		Sumner
Sullivan		Troupdale
Union		

FEDERAL RESERVE DISTRICTS—Continued

Federal Reserve district				Land area (square miles)	Population July 1, 1937 (estimated)
DISTRICT NO. 6.—ATLANTA—Continued					
Tennessee (eastern part)					
Counties of—Continued					
Clay	Humphreys	Overton	Van Buren		
Cooke	Jackson	Perry	Warren		
Coffee	Jefferson	Pickett	Washington		
Cumberland	Johnson	Polk	Wayne		
Davidson	Knox	Putnam	White		
De Kalb	Lawrence	Rhea	Williamson		
Dickson	Lewis	Roane	Wilson		
Fentress	Lincoln	Robertson			
Franklin	Loudon	Rutherford			
DISTRICT NO. 7.—CHICAGO				190,513	18,863,000
Illinois (northern part)				35,448	6,597,000
Counties of—					
Boone	Ford	Livingston	Rock Island		
Bureau	Fulton	Logan	Sangamon		
Carroll	Grundy	McDonough	Schuyler		
Cass	Hancock	McHenry	Shelby		
Champaign	Henderson	McLean	Stark		
Christian	Henry	Macon	Stephenson		
Clark	Iroquois	Marshall	Tazewell		
Coles	Jo Daviess	Mason	Vermilion		
Cook	Kane	Menard	Warren		
Cumberland	Kankakee	Mercer	Whiteside		
De Kalb	Kendall	Moultrie	Will		
De Witt	Knox	Ogle	Winnebago		
Douglas	Lake	Peoria	Woodford		
Du Page	La Salle	Piatt			
Edgar	Lee	Putnam			
Indiana (northern part)				26,707	2,821,000
Counties of—					
Adams	Fountain	La Porte	Ripley		
Allen	Franklin	Madison	Rush		
Bartholomew	Fulton	Marion	St. Joseph		
Benton	Grant	Marshall	Shelby		
Blackford	Hamilton	Miami	Starke		
Boone	Hancock	Monroe	Steuben		
Brown	Hendricks	Montgomery	Tippecanoe		
Carroll	Henry	Morgan	Tipton		
Cass	Howard	Newton	Union		
Clay	Huntington	Noble	Vermillion		
Clinton	Jasper	Ohio	Vigo		
Dearborn	Jay	Owen	Wabash		
Decatur	Jennings	Parke	Warren		
De Kalb	Johnson	Porter	Wayne		
Delaware	Kosciusko	Pulaski	Wells		
Elkhart	Lagrange	Putnam	White		
Fayette	Lake	Randolph	Whitley		
Iowa				55,586	2,552,000
Michigan (southern part)				40,789	4,512,000
Counties of—					
Alcona	Eaton	Lapeer	Ogemaw		
Allegan	Emmet	Leelanau	Oscola		
Alpena	Genesee	Lenawee	Oscoda		
Antrim	Gladwin	Livingston	Otsego		
Arenac	Grand Traverse	Macomb	Ottawa		
Barry	Grafton	Manistee	Presque Isle		
Bay	Hillsdale	Mason	Roscommon		
Benzie	Huron	Mecosta	Saginaw		
Berrien	Ingham	Midland	St. Clair		
Branch	Ionia	Missaukee	St. Joseph		
Calhoun	Iosco	Monroe	Sanilac		
Cass	Isabella	Montcalm	Shiawassee		
Charlevoix	Jackson	Montmorency	Tuscola		
Cheboygan	Kalamazoo	Muskegon	Van Buren		
Clare	Kalkaska	Newaygo	Washtenaw		
Clinton	Kent	Oakland	Wayne		
Crawford	Lake	Oceana	Wexford		
Wisconsin (southern part)				31,983	2,381,000
Counties of—					
Adams	Green Lake	Marquette	Sheboygan		
Brown	Iowa	Milwaukee	Vernon		
Calumet	Jackson	Monroe	Walworth		
Clark	Jefferson	Oconto	Washington		
Columbia	Juneau	Outagamie	Waukesha		
Crawford	Kenosha	Ozaukee	Waupaca		
Dane	Kewaunee	Portage	Wauzara		
Dodge	Lafayette	Racine	Winnebago		

FEDERAL RESERVE DISTRICTS—Continued

Federal Reserve district	Land area (square miles)	Population July 1, 1937 (estimated)	
DISTRICT NO. 7—CHICAGO—Continued			
Wisconsin (southern part)			
Counties of—Continued			
Door	Langlade	Richland	Wood
Fond du Lac	Manitowoc	Rock	
Grant	Marathon	Sauk	
Green	Marinette	Shawano	
DISTRICT NO. 8.—ST. LOUIS.....		194,810	10,413,000
Arkansas.....		52,525	2,048,000
Illinois (southern part).....		20,595	1,281,000
Counties of—			
Adams	Franklin	Macoupin	Randolph
Alexander	Gallatin	Madison	Richland
Bond	Greene	Marion	St. Clair
Brown	Hamilton	Massac	Saline
Calhoun	Hardin	Monroe	Scott
Clay	Jackson	Montgomery	Union
Clinton	Jasper	Morgan	Wabash
Crawford	Jefferson	Perry	Washington
Edwards	Jersey	Pike	Wayne
Effingham	Johnson	Pope	White
Fayette	Lawrence	Pulaski	Williamson
Indiana (southern part).....		9,338	653,000
Counties of—			
Clark	Greene	Martin	Spencer
Crawford	Harrison	Orange	Sullivan
Daviess	Jackson	Perry	Switzerland
Dubois	Jefferson	Pike	Vanderburg
Floyd	Knox	Posey	Warrick
Gibson	Lawrence	Scott	Washington
Kentucky (western part).....		22,567	1,525,000
Counties of—			
Adair	Crittenden	Hopkins	Ohio
Allen	Cumberland	Jefferson	Oldham
Anderson	Daviess	Larue	Owen
Ballard	Edmonson	Livingston	Russell
Barren	Franklin	Logan	Shelby
Boyle	Fulton	Lyon	Simpson
Breckinridge	Gallatin	McCracken	Spencer
Bullitt	Graves	McLean	Taylor
Butler	Grayson	Marion	Todd
Caldwell	Green	Marshall	Trigg
Calloway	Hancock	Meade	Trimble
Carlisle	Hardin	Mercer	Union
Carroll	Hart	Metcalfe	Warren
Casey	Henderson	Monroe	Washington
Christian	Henry	Muhlenberg	Wayne
Clinton	Hickman	Nelson	Webster
Mississippi (northern part).....		20,843	1,054,000
Counties of—			
Alcorn	De Soto	Monroe	Tate
Attala	Grenada	Montgomery	Tippah
Benton	Holmes	Noxubee	Tishomingo
Bolivar	Humphreys	Oktibbeha	Tunica
Calhoun	Itawamba	Panola	Union
Carroll	Lafayette	Pontotoc	Washington
Chickasaw	Lee	Prentiss	Webster
Choctaw	Leflore	Quitman	Winston
Clay	Lowndes	Sunflower	Yalobusha
Coahoma	Marshall	Tallahatchie	
Missouri (eastern part).....		58,206	2,981,000
Counties of—			
Adair	Douglas	Maries	Reynolds
Audrain	Dunklin	Marion	Ripley
Barry	Franklin	Mercer	St. Charles
Benton	Gasconade	Miller	St. Clair
Bollinger	Greene	Mississippi	St. Francois
Boone	Grundy	Moniteau	St. Louis
Butler	Harrison	Monroe	St. Louis City
Caldwell	Henry	Montgomery	Ste. Genevieve
Callaway	Hickory	Morgan	Saline
Camden	Howard	New Madrid	Schuyler
Cape Girardeau	Howell	Oregon	Scotland
Carroll	Iron	Osage	Scott
Carter	Jefferson	Ozark	Shannon
Cedar	Johnson	Pemiscot	Shelby
Chariton	Knox	Perry	Stoddard
Christian	Laclede	Pettis	Stone

FEDERAL RESERVE DISTRICTS—Continued

Federal Reserve district	Land area (square miles)	Population July 1, 1937 (estimated)	
DISTRICT NO. 8.—ST. LOUIS—Continued.			
Missouri (eastern part)			
Counties of—Continued			
Clark	Lafayette	Phelps	Sullivan
Cole	Lawrence	Pike	Taney
Cooper	Lewis	Polk	Texas
Crawford	Lincoln	Pulaski	Warren
Dade	Linn	Putnam	Washington
Dallas	Livingston	Ralls	Wayne
Davies	Macon	Randolph	Webster
Dent	Madison	Ray	Wright
Tennessee (western part).....	10,736	871,000	
Counties of—			
Benton	Fayette	Henry	Shelby
Carroll	Gibson	Lake	Tipton
Chester	Hardeman	Lauderdale	Weakley
Crockett	Hardin	McNairy	
Decatur	Haywood	Madison	
Dyer	Henderson	Obion	
DISTRICT NO. 9.—MINNEAPOLIS.....			
	414,004	5,452,000	
Michigan (northern part).....	16,691	318,000	
Counties of—			
Alger	Dickinson	Keweenaw	Menominee
Baraga	Gogebic	Luce	Ontonagon
Chippewa	Houghton	Mackinac	Schoolcraft
Delta	Iron	Marquette	
Minnesota.....	80,858	2,652,000	
Montana.....	146,131	539,000	
North Dakota.....	70,183	706,000	
South Dakota.....	76,868	692,000	
Wisconsin (northern part).....	23,273	545,000	
Counties of—			
Ashland	Dunn	Oneida	Sawyer
Barron	Eau Claire	Pepin	Taylor
Bayfield	Florence	Pierce	Trempealeau
Buffalo	Forest	Polk	Vilas
Burnett	Iron	Price	Washburn
Chippewa	La Crosse	Rusk	
Douglas	Lincoln	St. Croix	
DISTRICT NO. 10.—KANSAS CITY.....			
	480,438	8,155,000	
Colorado.....	103,658	1,071,000	
Kansas.....	81,774	1,864,000	
Missouri (western part).....	10,521	1,008,000	
Counties of—			
Andrew	Cass	Holt	Nodaway
Atchison	Clay	Jackson	Platte
Barton	Clinton	Jasper	Vernon
Bates	De Kalb	McDonald	Worth
Buchanan	Gentry	Newton	
Nebraska.....	76,808	1,364,000	
New Mexico (northern part).....	48,359	231,000	
Counties of—			
Bernalillo	Mora	San Miguel	Valencia
Colfax	Rio Arriba	Santa Fe	
Harding	Sandoval	Taos	
McKinley	San Juan	Union	
Oklahoma (northwestern part).....	61,770	2,382,000	
Counties of—			
Adair	Ellis	Logan	Pontotoc
Alfalfa	Garfield	Love	Pottawatomie
Beaver	Garvin	McClain	Roger Mills
Beckham	Grady	McIntosh	Rogers
Blaine	Grant	Major	Seminole
Caddo	Greer	Mayes	Sequoyah
Canadian	Harmon	Murray	Stephens
Carter	Harper	Muskogee	Texas
Cherokee	Haskell	Noble	Tillman
Cimarron	Hughes	Nowata	Tulsa
Cleveland	Jackson	Okfuskee	Wagoner
Comanche	Jefferson	Oklahoma	Washington
Cotton	Kay	Oklmulgee	Washita
Craig	Kingfisher	Ossage	Woods
Creek	Kiowa	Ottawa	Woodward
Custer	Latimer	Pawnee	
Delaware	Le Flore	Payne	
Dewey	Lincoln	Pittsburg	
Wyoming.....	97,548	235,000	

FEDERAL RESERVE DISTRICTS—Continued

Federal Reserve district	Land area (square miles)	Population July 1, 1937 (estimated)
DISTRICT NO. 11.—DALLAS.....	386,116	7,337,000
Arizona (southeastern part).....	23,412	120,000
Counties of—		
Cochise	Greenlee	Pima
Graham		Santa Cruz
Louisiana (northern part).....	18,518	688,000
Parishes of—		
Bienville	De Soto	Madison
Bossier	East Carroll	Morehouse
Caddo	Franklin	Natchitoches
Caldwell	Grant	Ouachita
Catahoula	Jackson	Red River
Claiborne	La Salle	Richland
Concordia	Lincoln	Sabine
Tensas		Union
Webster		West Carroll
Winn		
New Mexico (southern part).....	74,144	191,000
Counties of—		
Catron	Eddy	Lincoln
Chaves	Grant	Luna
Curry	Guadalupe	Otero
De Baca	Hidalgo	Quay
Dona Ana	Lea	Roosevelt
Sierra		Socorro
Torrance		
Oklahoma (southeastern part).....	7,644	166,000
Counties of—		
Atoka	Choctaw	Johnston
Bryan	Coal	McCurtain
Marshall		Pushmataha
Texas.....	262,398	6,172,000
DISTRICT NO. 12.—SAN FRANCISCO.....	683,852	10,244,000
Arizona (northwestern part).....	90,398	292,000
Counties of—		
Apache	Maricopa	Navajo
Coconino	Mohave	Pinal
Gila		Yavapai
Yuma		
California.....	155,652	6,154,000
Idaho.....	83,354	493,000
Nevada.....	109,821	101,000
Oregon.....	95,607	1,027,000
Utah.....	82,184	519,000
Washington.....	66,836	1,658,000

FEDERAL RESERVE BRANCH TERRITORIES

(December 30, 1939)

BUFFALO BRANCH (district No. 2).—The 10 most westerly counties of New York State, as follows:

Monroe	Orleans	Allegany	Wyoming	Chautauqua
Genesee	Erie	Cattaraugus	Livingston	Niagara

CINCINNATI BRANCH (district No. 4).—That part of Kentucky in Federal Reserve district No. 4, and the following 25 counties in southern Ohio:

Adams	Clermont	Greene	Meigs	Ross
Athens	Clinton	Hamilton	Miami	Scioto
Brown	Darke	Highland	Montgomery	Vinton
Butler	Fayette	Jackson	Pike	Warren
Clark	Gallia	Lawrence	Preble	Washington

PITTSBURGH BRANCH (district No. 4).—Those portions of the States of Pennsylvania and West Virginia included in Federal Reserve district No. 4.

BALTIMORE BRANCH (district No. 5).—The State of Maryland and the following 30 counties of West Virginia:

Barbour	Grant	Lewis	Pendleton	Taylor
Berkeley	Hampshire	Marion	Pleasants	Tucker
Braxton	Hardy	Mineral	Preston	Upshur
Calhoun	Harrison	Monongalia	Randolph	Webster
Doddridge	Jackson	Morgan	Ritchie	Wirt
Gilmer	Jefferson	Nicholas	Roane	Wood

CHARLOTTE BRANCH (district No. 5).—The following counties in the States of North Carolina and South Carolina:

NORTH CAROLINA

Alexander	Caldwell	Haywood	McDowell	Swain
Alleghany	Catawba	Henderson	Mecklenburg	Transylvania
Ashe	Cherokee	Iredell	Mitchell	Union
Avery	Clay	Jackson	Polk	Watauga
Buncombe	Cleveland	Lincoln	Rowan	Wilkes
Burke	Gaston	Macon	Rutherford	Yancey
Cabarrus	Graham	Madison	Stanly	

SOUTH CAROLINA

Abbeville	Edgefield	Lancaster	Newberry	Saluda
Aiken	Fairfield	Laurens	Oconee	Spartanburg
Anderson	Greenville	Lexington	Pickens	Union
Cherokee	Greenwood	McCormick	Richland	York
Chester				

BIRMINGHAM BRANCH (district No. 6).—The State of Alabama except the following counties: Mobile, Baldwin, Russell, Pike, Barbour, Coffee, Dale, Henry, Covington, Geneva, and Houston, and towns and cities in Lee and Chambers counties located on or south of the Atlanta & West Point Railroad and the Western Railway of Alabama.

JACKSONVILLE BRANCH (district No. 6).—The entire State of Florida.

NASHVILLE BRANCH (district No. 6).—That part of the State of Tennessee included in Federal Reserve district No. 6 with the exception of the city of Chattanooga.

NEW ORLEANS BRANCH (district No. 6).—Those parts of the States of Louisiana and Mississippi located in Federal Reserve district No. 6, and the counties of Mobile and Baldwin in Alabama.

SAVANNAH AGENCY (district No. 6).—Savannah, Ga.

DETROIT BRANCH (district No. 7).—The following 19 counties in the State of Michigan:

Bay	Ingham	Livingston	Saginaw	Tuscola
Genesee	Jackson	Macomb	Sanilac	Washtenaw
Hillsdale	Lapeer	Monroe	St. Clair	Wayne
Huron	Lenawee	Oakland	Shiawassee	

LITTLE ROCK BRANCH (district No. 8).—The State of Arkansas except the following counties:

Baxter	Craighead	Greene	Mississippi	Sebastian ¹
Benton ¹	Crawford	Lawrence	Phillips	Sharp
Boone	Crittenden	Lee	Polk	Washington
Carroll	Cross	Madison	Randolph	Woodruff
Clay	Fulton	Marion	St. Francis	

and except also the towns of DeValls Bluff (Prairie County), Mena (Polk County), and Newport (Jackson County).

¹ Town of Gentry assigned to Little Rock Branch.² Town of Mansfield assigned to Little Rock Branch.

LOUISVILLE BRANCH (district No. 8).—That part of the State of Kentucky included in Federal Reserve district No. 8, with the exception of the town of Morganfield (Union County), and the following 14 counties in the State of Indiana:

Clark	Floyd	Jefferson	Orange	Switzerland
Crawford	Harrison	Lawrence	Perry	Washington
Dubois ¹	Jackson	Martin ²	Scott	

¹ Except the towns of Ferdinand and Holland.² Except the town of Loogootee.

MEMPHIS BRANCH (district No. 8).—Those parts of the States of Mississippi and Tennessee included in Federal Reserve district No. 8, with the exception of Union City (Obion County), Tennessee and Paris (Henry County), Tennessee, and the following 10 counties in the State of Arkansas:

Craighead	Cross	Lee	Phillips	St. Francis
Crittenden	Lawrence	Mississippi	Poinsett	Woodruff

also the town of DeValls Bluff (Prairie County), Arkansas.

HELENA BRANCH (district No. 9).—The entire State of Montana.

DENVER BRANCH (district No. 10).—The entire State of Colorado and that part of the State of New Mexico included in Federal Reserve district No. 10.

OKLAHOMA CITY BRANCH (district No. 10).—That part of the State of Oklahoma located in Federal Reserve district No. 10.

OMAHA BRANCH (district No. 10).—The entire States of Nebraska and Wyoming.

EL PASO BRANCH (district No. 11).—That part of the States of Arizona and New Mexico located in Federal Reserve district No. 11, and the following 14 counties in the State of Texas:

Andrews	Ector	Jeff Davis	Midland	Ward
Crane	El Paso	Loving	Pecos	Winkler
Culberson	Hudspeth	Martin	Reeves	

HOUSTON BRANCH (district No. 11).—The following 43 counties in the southeastern part of the State of Texas:

Anderson	Cherokee	Jackson	Nacogdoches	Shelby
Angelina	Colorado	Jasper	Newton	Trinity
Austin	Fayette	Jefferson	Orange	Tyler
Bastrop	Fort Bend	Lavaca	Polk	Victoria
Brazoria	Galveston	Lee	Refugio	Walker
Brazos	Grimes	Liberty	Sabine	Waller
Burleson	Hardin	Madison	San Augustine	Washington
Calhoun	Harris	Matagorda	San Jacinto	Wharton
Chambers	Houston	Montgomery		

SAN ANTONIO BRANCH (district No. 11).—The following 52 counties in the State of Texas:

Aransas	De Witt	Jim Hogg	Llano	Starr
Atascosa	Dimmit	Jim Wells	Live Oak	Tarrell
Bandera	Duval	Karnes	Mason	Travis
Bee	Edwards	Kendall	Maverick	Uvalde
Bexar	Frio	Kenedy	McMullen	Val Verde
Blanco	Gillespie	Kerr	Medina	Webb
Brewster	Goliad	Kimble	Nueces	Willacy
Brooks	Gonzales	Kinney	Presidio	Wilson
Caldwell	Guadalupe	Kleberg	Real	Zapata
Cameron	Hays	La Salle	San Patricio	Zavalla
Comal	Hidalgo			

LOS ANGELES BRANCH (district No. 12).—That part of the State of Arizona located in Federal Reserve district No. 12, and the following counties in California:

Imperial	Los Angeles	Riverside	San Diego	Ventura
Inyo	Orange	San Bernardino	Santa Barbara	

PORTLAND BRANCH (district No. 12).—The entire State of Oregon, and the town of Ilwaco and the following nine counties in the State of Washington:

Asotin	Columbia	Garfield	Skamania	Walla Walla
Clark	Cowlitz	Klickitat	Wahkiakum	

Also, the following counties in the State of Idaho:

Benewah	Boundary	Idaho	Latah	Nez Perce
Bonner	Clearwater	Kootenai	Lewis	Shoshone

SALT LAKE CITY BRANCH (district No. 12).—The entire State of Utah and the following counties in Idaho and Nevada:

IDAHO

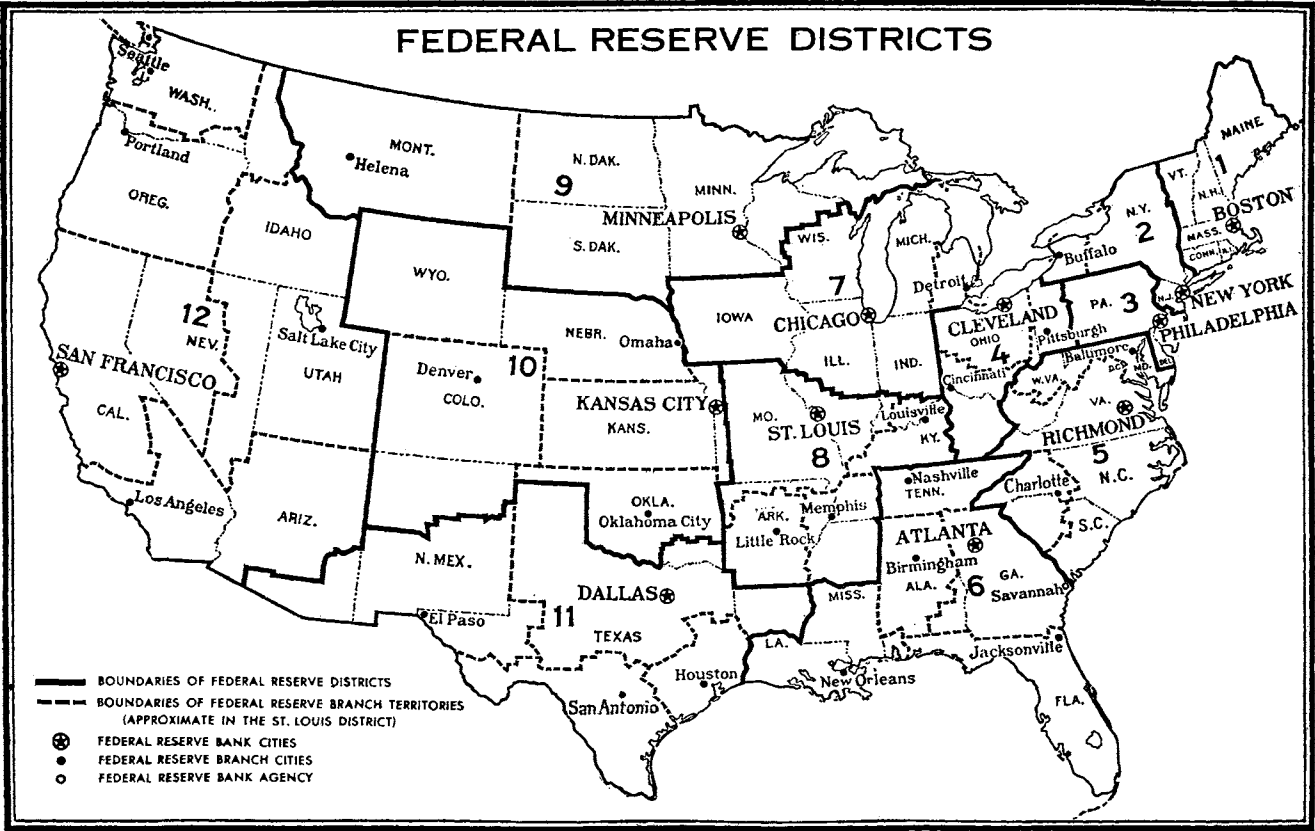
Ada	Bonneville	Custer	Jerome	Payette
Adams	Butte	Elmore	Lemhi	Power
Bannock	Camas	Franklin	Lincoln	Teton
Bear Lake	Canyon	Fremont	Madison	Twin Falls
Bingham	Caribou	Gem	Mindoka	Valley
Blaine	Cassia	Gooding	Oneida	Washington
Boise	Clark	Jefferson	Owyhee	

NEVADA

Clark	Elko	Lincoln	White Pine
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SEATTLE BRANCH (district No. 12).—The entire State of Washington except the town of Ilwaco and the following nine counties which are affiliated with the Portland Branch:

Asotin	Columbia	Garfield	Skamania	Walla Walla
Clark	Cowlitz	Klickitat	Wahkiakum	



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