
Twenty-Seventh

ANNUAL REPORT

of the

BOARD OF GOVERNORS *of the*

FEDERAL RESERVE SYSTEM



**COVERING OPERATIONS FOR
THE YEAR**

1940

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

December 31, 1940

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LETTER OF TRANSMITTAL

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, June 30, 1941.

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-seventh Annual Report, prepared by direction of the Board of Governors of the Federal Reserve System, covering operations during the calendar year 1940.

Yours respectfully,

M. S. ECCLES, *Chairman.*

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

SUMMARY

THE war situation and the national defense program were the dominating influences on business and financial developments in this country during 1940. Throughout the year the Federal Reserve System endeavored in every way within its power to contribute to the effectiveness of the defense effort. It also gave consideration to the best means of preventing undesirable credit expansion that might impede the progress of defense and increase the difficulties of readjustment later.

After the outbreak of war in the autumn of 1939, there was a rapid expansion of production and a substantial advance in prices. These developments were partly of a speculative character, in anticipation of large war demands. During the first four months of 1940, there was some recession in activity but as orders from belligerents increased and the national defense program got under way, industrial activity rose sharply. This rise continued to the end of the year, when industrial output as a whole was larger than at any previous time and many industries were operating close to existing capacity. The increase of activity, however, was not accompanied by a considerable or widespread advance in prices.

National income advanced from \$71 billion in 1939 to \$76 billion in 1940, and in the late months of the year was at the annual rate of about \$80 billion. This rise was due in large part to defense activities, together with orders from Great Britain for war materials. A considerable part of the increase reflected a further rise in the volume of industrial employment, particularly in the higher wage occupations. At the end of 1940, however, there were still a large number of persons unemployed. The cash income of farmers rose, and corporate profits, notwithstanding deductions for higher taxes, increased considerably.

The volume of bank credit expanded substantially during the year. Banks added large amounts to their holdings of Government securities and also increased their commercial, industrial, and agricultural loans, their loans on real estate, and their consumer loans. A large part of the increase in bank credit was due to substantial purchases of United States Government obligations by New York City banks. The growth in bank credit, together with the unprecedented inflow of gold from abroad, resulted in a further increase in bank deposits to a new high record. This growth was more rapid than the increase in activity, with the consequence that the rate of turnover of deposits was lower than in 1939. An increasing proportion of total deposits appeared to be held as idle funds pending investment.

The flight of capital from foreign countries in the war zones continued to be a major factor in gold imports during the early part of the year. After the German successes in the spring, the rapid increase in British payments for war materials, including heavy advance payments, raised the gold inflow to new heights. But gold reserves of the United Kingdom were largely exhausted by the movement; and at the close of 1940 the gold inflow, which had been in progress on an extraordinary scale for nearly two years and a half, was receding toward the level of current gold production abroad.

By the end of the year, bank reserves aggregated \$14 billion, almost half of this amount being in excess of legal requirements. Banks had more money available for loans and investments than ever before, and far more than enough to meet probable credit needs. In view of this vast supply of available credit and the stimulus to business being engendered by the defense program, the Board of Governors, the Presidents of the Reserve Banks, and the Federal Advisory Council joined in a special report to Congress late in December. Since reserves had risen beyond the System's power to restrain an inflationary credit expansion should one develop, and since such a development might seriously hamper the defense program and later readjustment to peace-time economic conditions, the Federal Reserve authorities recommended that the System be given power to absorb excess reserves and limit further expansion, if the need for such measures should arise. (For text of the special report, turn to pages 68-70.)

Federal Reserve credit policy during the year was expressed through open-market operations in the interest of maintaining orderly conditions in the capital market. The System's portfolio of Government obligations was intermittently reduced as market demand became strong and Government security prices advanced. By the end of the year the System had sold \$300 million of Government obligations from its portfolio. By making these securities available to other purchasers, the System exerted a stabilizing influence on the capital market.

In the latter part of the year, at the request of the Advisory Commission to the Council of National Defense, the Board organized a service within the Federal Reserve System through which smaller business enterprises interested in defense contracts could obtain advice on the proper course of action for obtaining and financing them. This work was greatly facilitated by the prior passage of the Assignment of Claims Act, which the Board, among others, had recommended. Through the Federal Reserve Banks it has been possible to assist the smaller businesses in securing defense contracts and to bring industries needing to finance such contracts in touch with lendable funds.

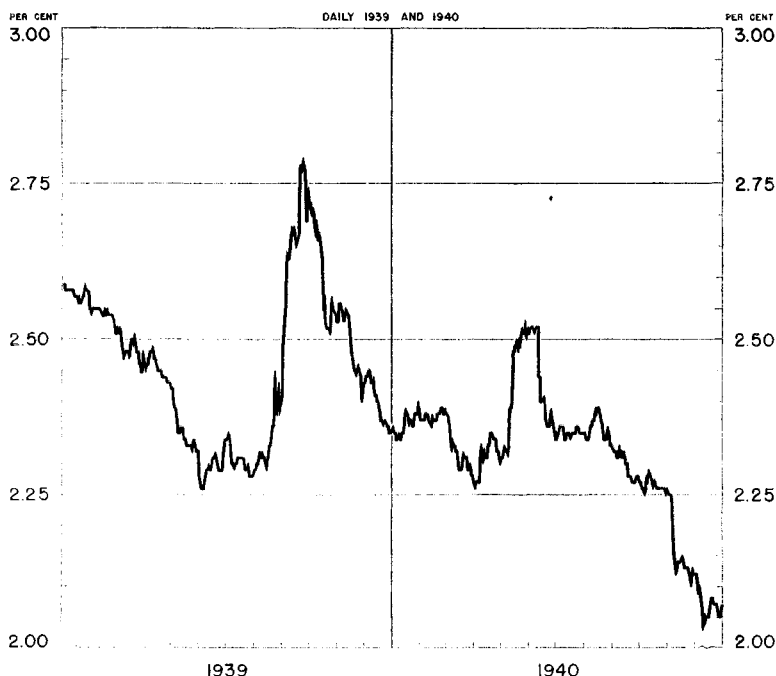
Multiplication of problems in connection with the increasing defense effort and its implications for later reconstruction have led the Board

during the year to expand considerably its studies in the field of domestic and international economic developments.

OPEN-MARKET OPERATIONS

The System's open-market policy in 1940, as in 1939, involved the use of a flexible portfolio for the purpose of maintaining orderly conditions in the Government security market. The purpose of this policy was to exert a steadying influence on the market for United States Government obligations and on the capital market in general.

YIELD ON 1960-65 TREASURY BOND



Source: Treasury Department.

About the time of the outbreak of European hostilities in 1939, the System purchased a total of \$473 million of United States Government bonds and notes. In the last two months of 1939, at times of rapidly advancing Government security prices and strong demand in the market, \$77 million of this total was sold. Also, the System's remaining holdings of Treasury bills ran off during the latter half of the year. In 1940 Government security prices rose to new high levels, reflecting principally a continued large amount of funds seeking investment, and the System disposed of an additional \$300 million.

In March, long-term Treasury bonds advanced in price, and by April 2 had recovered practically all of the loss sustained during the war crisis. From the beginning of the year to April 2, the System Account disposed of

\$18 million of Government securities. Following the invasion of Norway and Denmark and later the invasion of the Low Countries, long-term bonds declined by more than four points. This decline during April and May canceled about half of the recovery that had been made from the levels reached shortly after the outbreak of the war. Conditions in the market, however, were strikingly different from those that had existed in the autumn of 1939. Offerings were not large, and orders were in the market on a scale-down at practically all times. In view of this situation, the System's purchases during the decline amounted to only \$10 million of notes and bonds, as compared with \$473 million in the autumn of 1939.

After reaching a low point early in June, the market for the next six months continued an almost uninterrupted advance to a new all-time high on December 10. At this time the longest outstanding Treasury bond issue, the 1960-65s, yielded about 2 per cent, as shown on page 3. This compares with a low yield of $2\frac{1}{4}$ per cent reached in June 1939 and again in April 1940, and a high yield of $2\frac{3}{4}$ per cent in September 1939. The average yield on all Treasury bonds callable in more than 12 years declined to $1\frac{7}{8}$ per cent, and the average yield on three to five year tax-exempt Treasury notes was between $\frac{1}{4}$ and $\frac{3}{8}$ of one per cent.

As the market resumed its advance, the System account up to the first of September disposed of \$44 million of notes and bonds. During the last three months of the year the System pursued a more active policy of selling and disposed of \$250 million of securities. For the year as a whole, the amount of holdings in the System Account declined by \$300 million, bringing total holdings of Government securities at the Reserve Banks to the lowest level since September 1933.

BANKING DEVELOPMENTS

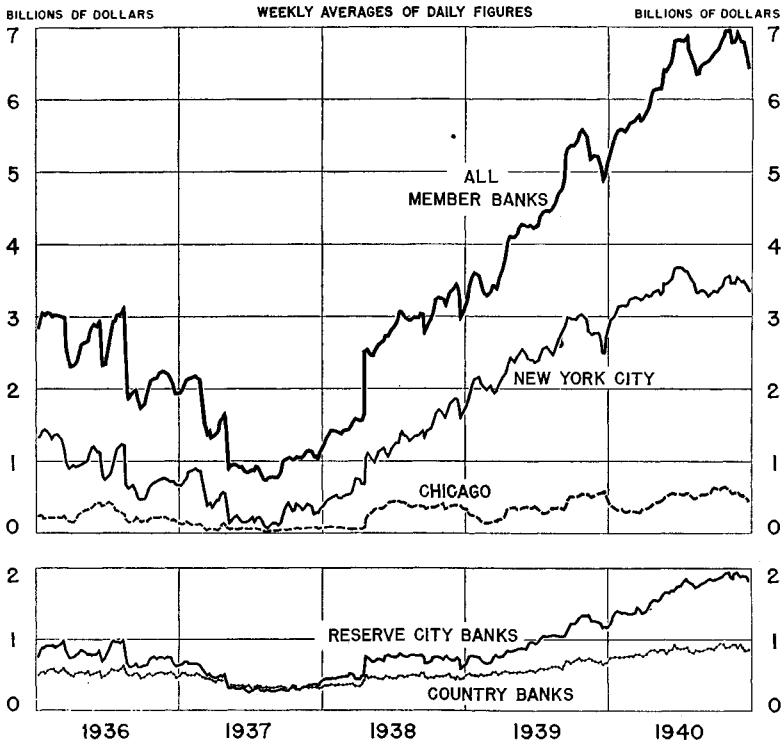
Bank reserves and bank deposits continued to increase in 1940, again establishing new high records. The principal factor in the increase was the inflow of gold from abroad after the war entered a new, more active phase in the spring of the year. Another factor in the growth of deposits was a considerable increase in bank loans and investments, mainly commercial loans and holdings of United States Government securities. Although the volume of deposits increased sharply, their rate of use or turnover declined, reflecting the fact that the increase in deposits was faster than the increase in activity. By the end of the year the banks had more idle reserves than at any previous time and more than sufficient to meet all probable credit needs.

Total reserves of member banks of the Federal Reserve System rose by \$2.4 billion in 1940, following a rise of \$2.9 billion in 1939. By the end of the year they totaled \$14 billion, of which nearly half was in excess of legal requirements. In 1940, excess reserves increased by \$1.4 billion, or by about two-thirds of the increase for 1939. The rapid expansion in bank reserves was due chiefly to the continued acquisition of gold from foreign countries—

**Growth in
reserves**

a movement that is explained more fully in a later section of this Report. During the year our monetary gold stock increased by over \$4 billion to a level of \$22 billion. The fact that the increase in bank reserves fell short of the growth in gold stock was due mainly to further expansion in the demand for currency, to sales of securities from the Federal Reserve System open-market portfolio, and to the building up of official foreign balances at the Federal Reserve Banks for exchange stabilization purposes and in anticipation of war orders.

EXCESS RESERVES OF MEMBER BANKS



Latest figures are for week ending Friday, December 27, 1940.

The growth in member bank reserves occurred at all classes of banks in all sections of the country. New York City banks were usually the first depositories of the funds obtained from the gold inflow that supplied most of the additional reserves. Some of these funds later shifted to banks in other parts of the country as the result of payments for goods and services, security transactions in New York, and Treasury and business disbursements of funds borrowed in the New York market.

Excess reserves of member banks, as well as total reserves, increased throughout the country. The amount of growth was less for New York City banks than it had been in 1938 and 1939, however, while for reserve

city banks and country banks it was as large or larger. The largest increases during the year were at banks in the Boston, New York, Cleveland, and San Francisco Federal Reserve districts, while the smallest increases were in the Minneapolis, Kansas City, and Dallas Reserve districts. Banks in the latter districts, however, reported increases in their already substantial holdings of available cash funds in the form of balances with correspondent banks.

Gold imports, together with the increase in bank loans and investments, have added to the already large volume of bank deposits. Deposits in

**Growth in
deposits**

all banks in the United States, exclusive of interbank deposits, increased by over \$6 billion during 1940.

The total volume of bank deposits and currency held by the public, including inactive as well as active deposits and currency, reached a record high level of about \$71 billion at the end of the year. This figure exceeds the predepression peak level of 1928-1929 by over \$15 billion.

That a considerable part of the volume of deposits of the general public is held idle, presumably awaiting investment or other profitable use, is indicated by the continued unusually low turnover or rate of use of existing deposits, as measured by the amount of checks drawn against them. Although there was a moderate increase in the aggregate amount of check payments handled by the country's commercial banks, the growth of deposits, other than interbank deposits, was greater. As a consequence the rate of turnover of deposits declined slightly to about 13 times a year. This compares with an average turnover rate of about 21 times a year during the early 1920's, prior to the rapid increase in turnover caused by the security market boom in the latter part of that decade.

In addition to the growth in bank deposits and bank reserves, there has been a large increase in the demand for currency by the public. By the end of 1940 currency in circulation amounted to about \$8.7 billion, representing a growth of \$1.1 billion during the year. The increased demand for currency has reflected in part greater needs owing to the acceleration in business activity and in part the holding of inactive currency.

There was a substantial increase in the volume of bank loans during the latter part of 1940. Following a moderate increase in commercial, industrial, and agricultural loans during the first half

**Increase in
commercial loans
of banks**

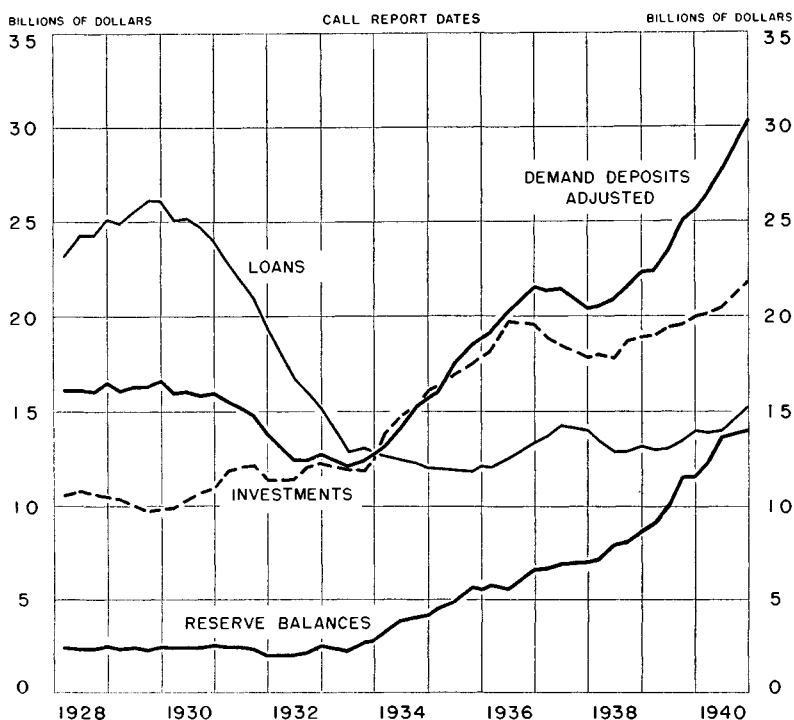
of the year, member banks generally experienced a livelier demand for such loans in the latter half of 1940.

Most of the increase was at city banks. Commercial loans at member banks in 101 leading cities increased by \$620 million during the year. Of this increase, \$555 million was in the last four months, representing an average growth of about \$31 million a week. Commercial, industrial, and agricultural loans at country banks increased by \$210 million during the year, of which \$125 million occurred in the last six months.

Loans to brokers and dealers in securities, which are made mostly by New

York City banks, declined sharply in the spring of 1940 following a fall in stock prices. Thereafter these loans showed little change until the end of the year, when they temporarily increased in volume. Real estate loans increased further in 1940, continuing a growth that has progressed steadily during the past five years. This increase has been principally at country banks in loans on urban residential property.

ALL MEMBER BANKS



Member bank holdings of United States Government obligations, direct and guaranteed, increased by about \$1.5 billion during 1940, following an increase of \$1.1 billion in 1939. The increase amounted to \$1.3 billion at New York City banks, compared with \$900 million in the previous year. In the latter half of 1940, member banks in other leading cities and country banks increased their holdings to record levels, following declines in the first half of the year. Owing in part to the approach to maturity of outstanding issues, the proportion of member banks' Government security portfolios maturing within five years increased from 39 per cent at the end of 1939 to 44 per cent at the end of 1940.

The amount of Treasury bonds, notes, and bills outstanding in the open market increased during 1940 by about \$900 million, with an increase

of \$1.1 billion in bonds and small declines in notes and bills. Guaranteed obligations showed an increase of about \$300 million. The total amount of Government obligations in the market, therefore, increased by about \$1.2 billion. The Federal Reserve System disposed of \$300 million of Government securities during this period. Commercial banks added \$1.5 billion to their holdings, insurance companies purchased about \$400 to \$500 million, and mutual savings banks over \$100 million. Other investors, principally individuals, reduced their holdings by about \$500 to \$600 million. On the other hand, these other investors added nearly \$1 billion to their holdings of United States Savings bonds.

In 1940 the net profits of member banks averaged 6.2 per cent of total capital accounts, about the same as the average for the past four years.

Member bank earnings and profits in 1940 Moderately higher income from loans offset most of the decline in income from investments and the small rise in expenses. Losses on loans were lower than those reported for any calendar year since 1920.

Increased income from loans reflected growth in volume, especially in such types as real estate and personal installment loans that bear higher interest rates. Security holdings yielded less than in previous years, notwithstanding an increase in volume, since there was a decline in the average rate of return on securities. This decline resulted partly from extensive refunding of outstanding securities by new issues with lower coupons and partly from portfolio turnover.

Changes in banking structure Following the trend of recent years, in 1940 the number of banking offices declined slightly to 18,561. The number of banks in operation decreased to 14,895, while the number of branches increased by 37 to 3,666. The net decline of 139 in the number of banks reflected mainly consolidations, absorptions, and voluntary liquidations. There were 22 bank suspensions, and two suspended banks reopened. Thirty-two new banks organized, about the same number as in 1939, but less than for any other year in the last several decades. The net increase of 37 in the number of branches was slightly smaller than in either of the two preceding years and considerably below the increases recorded in the four years following the banking holiday. As has been generally true in former years, the number of branches operated in the same city as the parent bank decreased, while the number of branches located outside the head-office city increased. Almost half of the gross increase in the number of branches was accounted for by the conversion of existing banks into branches.

Membership in the Federal Reserve System increased from 6,362 to 6,486 during 1940. The net increase in the number of State member banks was the largest since 1920, but its effect upon membership in the System was partly offset by the decrease in the number of national banks that resulted primarily from consolidations and absorptions. During the year 188 nonmember banks were admitted to membership, exclusive of four

new State member banks that did not increase membership for the reason that they were organized to succeed previously existing member banks. Almost two-thirds of the State banks admitted were located in the North Central States, and about one-fifth in Texas and Virginia.

FEDERAL RESERVE PARTICIPATION IN NATIONAL DEFENSE PROGRAM

On May 30, 1940, the President of the United States appointed the Advisory Commission to the Council of National Defense, including in its membership Chester C. Davis of the Board of Governors. Space was immediately provided in the Federal Reserve Building for the use of the Commission and the Board offered the services and facilities of the Federal Reserve System in aid of the defense program.

In September, at the request of the Defense Commission, the Board of Governors conducted a 48-hour survey to ascertain how much commercial bank credit could be made available for defense plant construction loans. Such loans were to be based on a proposed new form of contract—the Emergency Plant Facilities Contract—developed by the Commission after consultation with the War and Navy Departments and the Comptroller General. The Board acquainted the Federal Reserve Banks and their branches with the plan by telegraph and requested them to contact representative banks in their territories. It was revealed that the banks covered by the survey stood ready to lend large sums to manufacturers for emergency defense plant construction.

It had become apparent that the statutory prohibition against the assignment of claims arising from a Government contract might impede the financing of the defense program. Accordingly the Board cooperated in securing the passage of the Assignment of Claims Act of October 9, 1940, which removed this prohibition. On October 25 the Defense Commission requested the Board of Governors to act as its operating agent in assisting the smaller business enterprises in obtaining defense contracts and such financial aid as might be required. The Defense Commission suggested that the Board designate one of its members to have charge of this work and request each Reserve Bank to detail an officer at each head office and branch to serve as field representative. The Board advised the Commission on October 26 that the System would be glad to assist in the manner indicated and that Ernest G. Draper, a member of the Board, had been requested to take charge of the activities.

At the suggestion of the Defense Commission, a conference was called in Washington for November 12–13 in order to acquaint the field representatives fully with the details of the program, and prior thereto various memoranda were forwarded to the field representatives for their information and guidance. The conference was attended by 47 Reserve Bank officers; by representatives of the Board of Governors and of the Defense Commission; and by representatives of the War, Navy, Treasury, and Commerce Departments, the Reconstruction Finance Corporation, the Securi-

ties and Exchange Commission, and the Tennessee Valley Authority. It was the understanding at the conference that the field representatives, working closely with Governor Draper, with Mr. Robert L. Mehornay of the Office of the Director of Small Business Activities of the Defense Commission, and with the various Army and Navy procurement officers, would be in a position to furnish business enterprises in their districts with information on the procedure to be followed relative to obtaining defense contracts; to place potential subcontractors in touch with concerns awarded primary contracts; to encourage prime contractors to subcontract part of their work; to familiarize local banks with the procedure to be followed in accepting assignments of Government claims as security for loans; to encourage local banks to make loan commitments on condition that borrowers obtain Government contracts; and to assist small business enterprises in obtaining necessary financing, through their local banks if possible, or through other lending agencies, including the Federal Reserve Banks and the Reconstruction Finance Corporation, if additional credit was found to be needed to supplement that obtainable from the borrowers' regular banking connections.

Following the Washington conference, the Reserve Banks arranged for conferences with local procurement officers of the Army and Navy and forwarded letters to all banks in their respective districts advising of the services which they were in a position to render in connection with the defense program. Report forms entitled "Facilities for Defense Supplies" were furnished to be filled out by banks for concerns which were in a position to furnish needed defense supplies but were not on the invitation bidding lists of the War and Navy Departments, and arrangements were made to have surveys made of individual plants with a view to advising the types of defense products that could be supplied with their respective facilities. Advice was given that the field representative at each Federal Reserve Bank and branch would be ready at all times to consult with business men and bankers with respect to the procedure to be followed in obtaining Government contracts and subcontracts and to confer with them as to means of obtaining needed credit if it was not available from the usual sources. Later the Reserve Bank field representatives made surveys of various plant facilities at the request of Government officials and attended numerous meetings of bankers and business men to explain the activities of the System in the defense program and to suggest ways in which various features of the program could be explained to potential contract bidders and to the general public. Discussions of the Assignment of Claims Act and of the Emergency Plant Facilities Contract appeared to be of particular interest. A generally cooperative attitude prevailed at the meetings and the participants expressed a desire to assist to the fullest extent in financing the National Defense program.

It is believed that the defense work of the 12 Federal Reserve Banks

and their 24 branches, a total of 36 field offices, has provided a valuable service to many business enterprises throughout the country and has reduced the need for special trips to Washington to obtain information with respect to defense contracts. Either directly or through the Reserve Banks, the Board of Governors has obtained information and assistance from various Government departments and agencies in Washington for contractors producing or about to produce defense supplies. The Board has also answered many inquiries of the Reserve Banks relating to financial and other problems connected with defense loans.

Following the establishment of field offices at the Federal Reserve Banks it became evident that if they were to be of the greatest possible service in connection with the defense program, particularly with respect to the expansion of subcontracting, it would be desirable to have located at each office a staff of qualified engineers and other technical experts under the supervision of an outstanding industrialist of the community. These technicians would serve as local representatives of the Defense authorities. Before the year ended the necessary groundwork had been laid for the expanded facilities which have subsequently been established at most Federal Reserve Banks and branches.

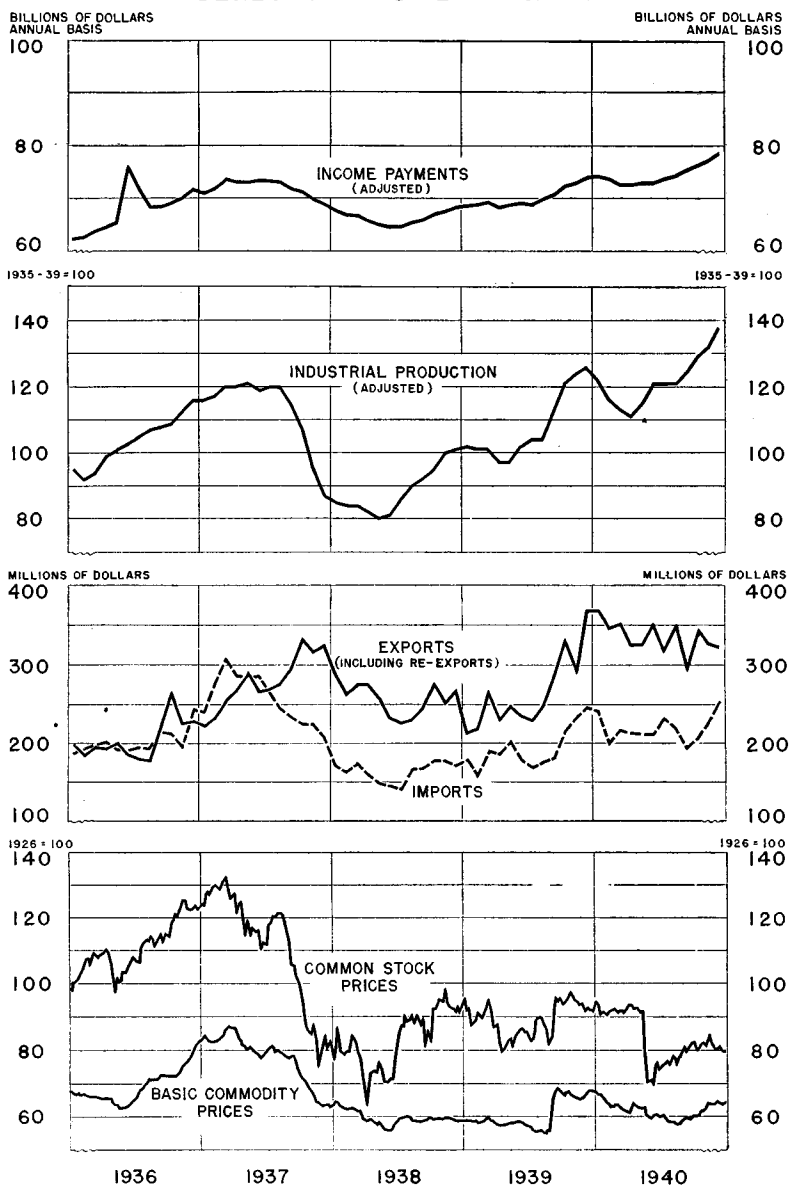
BUSINESS CONDITIONS IN 1940

Economic activity in the United States declined somewhat during the early months of 1940 but after April showed a rapid advance, owing primarily to the strong influence of defense measures undertaken after extension of German control on the European continent. By the end of the year activity generally had reached a new high level and in a few important industries was at or close to existing capacity.

With a lull in active warfare in Europe during the early months of 1940, producers became increasingly uncertain as to prospects for a continuing large volume of business and geared their buying policies more closely to current needs than in the autumn of 1939, when they had accumulated considerable inventories. As a consequence industrial activity was reduced from earlier peak levels, as shown by the chart on page 12, and prices of commodities, especially basic materials, declined. Downward tendencies, however, did not spread throughout the economy. Export demand for war materials increased and a policy of maintaining existing large inventories as protection against possible future shortages of material was generally followed. With income payments sustained in many fields, consumer purchases of nondurable goods and of such durable goods as automobiles and new houses were maintained near levels reached toward the end of 1939. Security prices showed little change, high-grade bonds selling at somewhat higher prices than they had in the autumn of 1939 and stocks at somewhat lower prices.

The spring recession

SELECTED BUSINESS SERIES



Source: Income payments, exports and imports, Department of Commerce; industrial production, Board of Governors of the Federal Reserve System; common stock prices, Standard Statistics Company; basic commodity prices, Bureau of Labor Statistics index converted to 1926 base.

Beginning with the German invasion of Norway, Denmark, and the Low Countries in the spring, the domestic situation changed rapidly. There was an immediate decline of over one-fifth in common stock prices and there was a moderate decline in prices of high-grade bonds. Commodity prices, after advancing in the first few days, continued their general downward movement

**Inauguration of
defense program**

for several months. Production, however, was greatly stimulated by the development of plans for a large defense program, repeatedly revised upward during the rest of the year. The awarding of contracts under this program began in June and the effects on business were evident in many instances before contracts were awarded. There was increased buying as attention became focused on the possibility of bottlenecks in particular industries. By the end of 1940 over \$10 billion of defense contracts had been awarded and additional commitments of \$3 billion had been made. Some of the contracts had been completed by the end of 1940 and work had been started on many of the longer-time projects. The bulk of the work on the defense program, however, remained to be done in later years.

By the year end industrial production had risen to a level higher than at any time in the history of the country, about 10 per cent above the peak reached at the end of 1939. The rise was general, reflecting increased buying for civilian as well as for military requirements, but was most marked for metals and metal products, wool textiles, and building materials, all products which were in particular demand for military purposes. In some instances trade buying beyond current needs was stimulated by the prospect of priorities, and by the end of the year many manufacturers were increasing their inventories of materials. The amount of goods in process also increased considerably, reflecting in part increased activity on products that require a long time to produce. As new orders continued in excess of current output, unfilled orders reached new high levels and pressure for increased output was strong.

The defense program required expansion of capacity for the manufacture of armaments, and, by expanding income and civilian demands, focused attention on the possible need for additional plant capacity in steel and certain other industries where most existing facilities were already in use. In the case of important materials obtained mostly from abroad, the Federal Government was accumulating stocks in a move to insure adequate future supplies in the event of shipping or other difficulties. The Government was also making special arrangements to import copper to be made available to consumers whenever sufficient quantities should not be available from domestic sources at existing prices.

The rise in industrial production was accompanied by increased activity on the railroads, in the distributive trades, and in construction. Contracts awarded for new plant construction in the last quarter of 1940 were above the high 1929 level. Awards for new privately financed factory construction exceeded the peak reached in the summer of 1937, and in addition there was a large volume of contracts for Government financed construction of factories to make airplanes, munitions, and the like. A large volume of contracts was awarded also for cantonment construction to be carried on during the winter and spring of 1940-41. Private residential building, greatly

**Increase in
industrial
activity**

**Activity in
other lines**

stimulated in some areas by defense activities, reached a level higher than at any time since 1929.

Agricultural income increased in 1940, chiefly as a result of higher prices for all major products except hogs. Also, more livestock products were marketed and receipts from Federal loans on crops increased. For the year as a whole, cash farm income, including Government payments, was up 5 per cent, about the same increase as shown by total national income payments. There was a sharp curtailment in all principal exports of agricultural commodities, including cotton, tobacco, wheat, pork products, and fruits, but the effect of this on agricultural income was more than offset by increased domestic demand and by expansion in loans under the Federal program.

During 1940 there were two general movements in wholesale commodity prices, a decline from the beginning of the year until August and an advance from August to November. The level at the end of the year was about the same as that reached in the rapid advance late in 1939, following the outbreak of war in Europe. Retail prices showed only a small rise during 1940.

The change in the military situation in Europe during the spring had certain direct effects on wholesale prices, mostly on the down side, and other less direct but fully as important effects that became evident months later in marked price advances. The principal declines in the spring were in commodities held partly for speculative purposes; wheat, for example, dropped from over \$1 a bushel to about 70 cents and for a short period grain markets were closed to restore orderly conditions. Wood pulp and paper advanced, as Scandinavian supplies were cut off, but there were few other increases at this time.

During the summer the general tendency of prices was downward despite a steady growth in domestic demand and maintenance of exports of manufactured goods at a high level. One important factor in this continued price decline was the pressure of foreign supplies of certain basic commodities on markets in this country as Continental markets were closed by extension of the British blockade.

In the autumn, with a further increase in trade buying to cover requirements in connection with defense activities and growing civilian demand, prices of basic industrial materials rose sharply. Prices of semi-manufactured articles, particularly those most affected by military demands, also showed important increases and there were advances in some finished industrial products, notably automobiles and textiles. Prices of agricultural commodities rose during this period to a level about the same as a year earlier.

In the last two months of 1940 wholesale prices showed relatively little change, owing to increased domestic production and greater imports and also to various steps taken by Federal agencies to restrain price advances, particularly in the metals.

Early in 1940 employment and payrolls in nonagricultural pursuits declined moderately as industrial activity receded, but thereafter they showed large sustained advances. These increases were quite general but were most rapid in manufacturing industries, especially those making armaments and other products called for by the defense program. Payrolls in manufacturing rose more rapidly than employment, owing for the most part to an increasing amount of overtime work and pay in defense industries. There were also scattered wage rate increases. For the year as a whole factory payrolls were 14 per cent larger than in 1939.

**Employment,
payrolls, and
wage rates**

Profits of large industrial corporations as a group were nearly one-fourth larger in 1940 than in the preceding year. The largest increases occurred in durable goods industries. Net income of railroads was larger than in any other year since 1930. Substantial increases in profits accompanied the rise in industrial activity as total costs rose less than gross income. Expansion in gross income reflected larger production and, in some instances, higher prices for finished products. Certain costs, such as interest and depreciation, changed relatively little and in most industries payrolls increased no more than output. Material costs, however, rose somewhat more than production, owing to increases in prices of materials affected by higher shipping charges, prospective shortages, and the like. Also, tax deductions were increased substantially to take account of higher corporate income taxes and a newly enacted excess profits tax.

**Corporate
profits**

Prices of common stocks at the end of 1940 generally were at a lower level than at the beginning of the year. With the intensification of war in May, common stock prices showed a sharp drop to levels near the lowest of recent years. In the summer and fall, prices recovered about half of the May decline.

**Security
markets**

Volume of trading on the New York Stock Exchange increased substantially in May but for the year as a whole was smaller than in any year since 1921.

Prices of corporate bonds moved gradually upward during the year, except during May when high-grade bonds declined moderately and lower-grade bonds declined sharply. Yields on high-grade corporate bonds included in Moody's averages for Aaa issues reached successive new low records in the course of the year, and at the year end averaged less than $2\frac{3}{4}$ per cent. At that time yields on lower-grade obligations, as represented by issues included in Moody's averages for Baa bonds, were below $4\frac{1}{2}$ per cent, a new low for recent years.

Corporate security issues, including refunding and new capital, totaled \$2.7 billion for the year. This was the largest total for any year since 1936 and was \$600 million larger than in 1939. New corporate financing during 1940 was largely for refunding, as was the case in other recent years. The amount of issues for new capital, although nearly double the 1939 total, was considerably smaller than in 1936 and 1937.

At the end of 1940 business activity was at a record level, particularly in industries affected by the defense program and by British demands for war materials, and continued high activity was assured for a considerable period by the large volume of orders on hand. Schedules called for greatly increased output of war materials, which in some instances could be attained by fuller utilization of existing plants but in others could be brought about only through expansion of plant capacity or curtailment of production for civilian purposes.

**Business
situation at
end of year**

Sharp price advances had occurred in some commodities, particularly lumber, wool, and steel scrap. It had been recognized at the time of the establishment of the Advisory Commission to the Council of National Defense in May that expansion and redirection of economic activity would be likely to create serious price problems, and before the year end attempts were being made in various ways to prevent rising prices from adding to the many problems already faced by the country.

The number of persons employed outside agriculture was about 2.5 million higher at the end of 1940 than before the war and about 400,000 men had been added to the armed forces. The number available to meet growing demands was still substantial, however. Workers potentially available included, in addition to employable workers without jobs, many people not ordinarily regarded as part of the labor force. Although the labor resources of the country were thus not being fully utilized, the number of skilled men in some trades had proved insufficient. This situation was being alleviated by training new workers and by reorganizing work so as to make use of workers with limited experience.

It was evident that while the defense program would provide assurance of a high level of activity for a considerable period in the future, the standard of living could not be expected to be at a correspondingly higher level, since many of the goods produced would be war materials. Part of the increased money incomes would be paid out in increased taxes, and part might go to meet higher living costs.

INTERNATIONAL GOLD AND CAPITAL MOVEMENTS

The impact of war worked major changes in the international position of the United States during 1940. Progression of the war from one phase to another and the extension of territory affected by military occupation brought pronounced readjustments in gold and capital movements to this country as well as a reorientation of foreign trade. The changes came into evidence in the spring and became increasingly apparent as the year wore on.

The first eight months of the war (September 1939–April 1940) were marked by movements of gold and capital similar to those in the year of crisis that preceded the war. The flight of capital from the neutral countries threatened by war developments but still able to maintain relatively free exchange markets continued on the same great scale after September 1, 1939, as

**Early months
of the war**

in the year that preceded. Many countries participated. On the basis of reported figures, Swiss nationals and residents of other countries who were using Swiss accounts accumulated nearly \$240 million of dollar assets in the eight months ending with April 1940. An additional \$90 million was accumulated in Belgian accounts; \$70 million in Dutch; \$60 million in Italian; and substantial sums in the names of residents of other countries that were neutral at the time.

Some of the movement recorded in these figures represented the building up of official funds in this country for purposes of exchange stabilization; but the great bulk of the movement from these countries reflected the flight of private capital—a flight that put pressure on the resources of the monetary authorities. In fact the private movement was considerably larger than the reported figures would indicate. It is known, for example, that foreigners seeking to protect their dollar assets accumulated United States currency or made deposits here in accounts which appeared to belong to residents of this country. Again, refugees with large dollar deposits or security holdings, by the mere fact of their coming to the United States, converted what were previously foreign liabilities of this country into domestic, thus removing important sums from the regular weekly reports of capital inflow. It was mainly to meet this continuing exodus of uneasy private money that countries other than the British Empire, France, and Japan shipped over \$550 million of gold directly to the United States, and additional large amounts by way of British countries, in the first eight months of the war.

During the same period the British Empire and France shipped nearly \$1,500 million of gold to this country, including substantial amounts for other European countries, and Japan sold more than \$100 million. The role played by private capital in the gold movement from belligerent countries was mixed. With the outbreak of war the Allies imposed exchange controls and curbed the flight of British and French funds that had been in progress. The United Kingdom went further. It immediately requisitioned a large part of the dollar balances that its nationals had previously acquired, and subsequently, in a series of steps, it requisitioned specified holdings of dollar securities as well. In this and other ways the various controls not only stopped the flight of capital on the part of their own nationals, but drew upon existing private assets to finance their war needs. During the first eight months of the war the recorded figures indicate that \$460 million of the capital credited in this country to the United Kingdom, Canada, and France was used up. Most of this had been private capital at the outset of the war.

While private dollar funds of nationals of belligerent countries were being converted to war purposes, alien funds were being withdrawn from such countries, largely through the mechanism of the free sterling market. The British Treasury has estimated that there was a drain on British dollar resources of at least \$735 million through capital withdrawals from

England in the first 16 months of the war, and other evidence suggests that the bulk of these withdrawals occurred in the first half of the period. Funds were also transferred from Canada and, undoubtedly, France. In some degree the movement was an extension of the private flight of neutral capital already described, but in this case the flight of neutral funds was from Allied financial centers and at the expense of the dollar resources of the Allies.

Not only did the flight of capital continue in this form even after exchange controls were introduced, but British gold and dollar resources were employed to lend assistance to friendly countries and to settle adverse trade balances with others than the United States. Although to some extent the trade balances were settled by sterling transactions, the creditor country holding the sterling or using it to repatriate securities from British holders, substantial balances often remained to be settled in gold or dollars.

In the first eight months of the war these special factors of capital withdrawals, together with gold and dollar payments to countries other than the United States, were more prominent than were increased Allied purchases of goods in this country. The British Empire was buying substantial amounts of cotton, steel, machinery, and other products, and France was getting delivery on planes; but in general this first part of the war period was characterized more by preparatory work than by widespread and urgent buying.

The spring campaign of Germany made sweeping changes in this picture. Denmark, Norway, Luxembourg, Netherlands, Belgium, and France fell within a period of ten weeks. Directly and indirectly most of Continental Europe was brought under German control. The centers from which neutral European funds had been coming to the United States were largely blocked off. American assets of the countries named were frozen by a series of Executive Orders. Subsequently the American assets of several other invaded countries were added to the list. The amounts so frozen are shown in the accompanying table.

FROZEN FOREIGN ASSETS IN UNITED STATES IN 1940¹

[Estimated market values in millions of dollars]

Country and date	Bullion, currency, and deposits	United States and foreign securities	Other ²	Total
Denmark (April 8).....	55	27	10	92
Norway (April 8).....	100	54	23	177
Belgium (May 10).....	442	251	68	761
Luxembourg (May 10).....	30	16	2	48
Netherlands (May 10).....	700	796	126	1,622
France (June 17).....	988	448	158	1,594
Latvia, Lithuania, and Estonia (July 10).....	26	2	1	29
Rumania (October 9).....	46	2	5	53
Total.....	2,387	1,596	393	4,376

¹ Data compiled by United States Treasury from special reports required by the freezing orders and covering respective countries and their empires. In some instances the net assets (total assets after deduction of debit balances) are slightly smaller than the totals in the table.

² Includes credit instruments and claims not listed separately, merchandise, real property, etc.

Capital and Gold Flow to the United States.—The extension of German military operations went far toward drying up the flow of European funds to the United States. From August 1938, on the eve of the Munich conference, through April 1940, the reported inflow of capital from European countries other than the United Kingdom and France had amounted to \$1,300 million. From May to the end of 1940 private holders listed in these same countries withdrew \$230 million; but official funds here rose as private funds were liquidated. There was little net change. After May 1940 the reported gold, capital, and trade transactions of these smaller European countries, which had played so significant a role in the movements of the year preceding the war and in the first eight months of the war itself, largely ceased to affect the American position.

Similarly France ceased to be a factor. It had sent large amounts of gold to the United States for war purchases so long as it remained a combatant, and just before the freezing order in June it added considerably to its balances here. Since that time France has been active only to the very limited extent permitted by the freezing arrangements and the British naval blockade.

Most of the unfilled war orders of France were taken over by the British. At the same time the British greatly intensified their own purchases in this country. Heavy advance payments were made on the new orders, and deliveries increased substantially. Gold sales to this country by the British Empire were over two and a half times as great in the last eight months of 1940 as in the first eight months of the war. About \$3 billion was added to United States gold stock from foreign sources in this final period.

United States Foreign Trade.—The rapid growth in English and Canadian purchases here and the blockade of the European Continent transformed the foreign trade of this country. By the middle of the summer nearly two-thirds of all United States exports were going to the British Empire. The remainder were going to Latin America and other countries that, for the most part, had little need for agricultural produce from the United States.

Almost the entire export trade of this country was in industrial products. Half of these by value were what might be called war materials—aircraft, firearms, ammunition, explosives, and, at an earlier stage of war production, machine tools and metals and their manufactures. Exports of these so-called war materials rose from a volume of about \$50 million a month at the outbreak of the war to \$150 million a month in the last half of 1940. Not all of the commodities in this group went to Great Britain. Some went to Japan; and the Latin American countries, no longer adequately supplied from Europe, turned to the United States for steel and various other products. But British purchases accounted for the major part of the exports in this group and bulked large in most other commodities as well. In fact, from the collapse of France to the end of the year, the

limiting factor on British purchases in this country was not the British willingness or ability to buy but the capacity of American industry to turn out the goods.

By the end of 1940 the gold reserves of the United Kingdom had been largely exhausted—partly in making heavy advance payments on orders for American goods to be delivered later. The remaining dollar resources available to the British Treasury were mostly in American securities or direct investments in British controlled companies here. These involved special marketing problems and the dollars represented could not be accurately determined in advance of sale.

While expanding British purchases of war materials in this country appeared to be assured by prospective American assistance under the lend-lease plan, it was apparent as the year ended that the United States had entered a new phase in its international financial relations. The great gold movement in progress since 1933 reached its climax in the war crisis, and could no longer continue at the intensified rate made possible by the draining of British, French, and other gold reserves. From August 1938, when the Munich crisis was starting, to the end of 1940, the United States Treasury had purchased nearly \$8.5 billion of foreign gold. During the same period foreign gold production amounted to about \$3 billion. Although undeterminable movements in gold hoards were a factor in the difference between the two figures, the magnitude of the drain upon foreign gold reserves was clearly of extraordinary proportions.

By the end of 1940 Europe, with its important gold holding countries, had largely fallen under German control and was blockaded by the British Navy; and the British Treasury itself was nearing the end of its accumulated gold resources and falling back on current gold production of the Empire, supplemented by the proceeds of intensified sales of American securities. Ahead lay the prospect of American assistance on a great scale under the lend-lease plan. South American countries in need of dollars were being assisted by the Export-Import Bank and the Stabilization Fund; and the way was being prepared for creation of an Inter-American Bank, through which further assistance could be given. Nowhere else in the world were there large accumulations of gold likely to be shipped to the United States for sale to the Treasury.

As the year ended it seemed evident that, until the disposition of the great gold holdings of the European Continent was finally determined, further foreign gold acquisitions of the United States would be largely limited to gold production abroad. Such production, including rough estimates for Japan and the U. S. S. R., which publish no comprehensive figures, was running at the close of 1940 at the rate of about \$1.3 billion a year; and some of this was in countries that might have little occasion to export their entire gold output.

FEDERAL RESERVE BANK OPERATIONS

Figures for the volume of operations in principal departments of Federal Reserve Banks during 1940 as compared with the preceding four years are given in Table 4 on page 39. The number and amount of bills discounted for member banks declined for the third successive year and fell below the volume handled for any previous year in the history of the System. Advances to industry under section 13b of the Federal Reserve Act also declined, but toward the end of the year there was an increase in the amount of applications for industrial loans owing to an expanding demand for credit in the financing of defense contracts. The number and amount of checks collected by the Reserve Banks and of paper money and coin handled increased in 1940. Securities issued, redeemed, and exchanged as fiscal agents for the United States Treasury and Government agencies were somewhat below the 1939 level.

**EARNINGS, EXPENSES, AND DISTRIBUTION OF NET EARNINGS OF
FEDERAL RESERVE BANKS IN 1940 AND 1939**

[In thousands of dollars]

	1940	1939
Current earnings	43,537	38,501
Current expenses	29,165	28,647
Current net earnings	14,372	9,854
Profits on sales of U. S. Government securities and other additions to current net earnings in excess of special depreciation allowances and provision for losses	11,488	2,389
Net earnings	25,860	12,243
Paid U. S. Treasury (section 13b)	82	25
Dividends paid	8,215	8,110
Transferred to surplus (section 13b)	-54	-426
Transferred to surplus (section 7)	17,017	4,534
Total	25,860	12,243
Transferred from surplus (section 7) to reserves for contingencies	12,273	1,965

An additional task performed by the Federal Reserve Banks for the United States Treasury arose out of Executive Orders pertaining to the control of property held in this country by certain foreign countries and their nationals. The Federal Reserve Banks, and particularly the Federal Reserve Bank of New York, were required to handle a large volume of applications for licenses covering transactions involving such frozen property and other matters relating thereto.

Current earnings, current expenses, and distribution of net earnings of the Federal Reserve Banks for 1940 compared with 1939 are shown in the accompanying table. Net earnings were \$25,860,000 in 1940, an increase of \$13,617,000 over the amount for 1939. This increase was due partly to larger current earnings from holdings of United States Government securities and partly

**Earnings
and expenses**

to increased profits on Government securities. Current expenses of the Federal Reserve Banks increased \$518,000 to \$29,165,000.

Of total net earnings for 1940, payments to the Secretary of the Treasury under section 13b of the Federal Reserve Act, relating to working capital advances to commercial and industrial businesses, amounted to \$82,000. The 6 per cent dividend to member banks, paid in accordance with the provisions of the Federal Reserve Act, amounted to \$8,215,000. Remaining net earnings of \$17,563,000 were added to surplus accounts. Transfers from surplus to reserves for contingencies totaled \$12,273,000.

Detailed statements of earnings, expenses, and distribution of net earnings for the System and for each Federal Reserve Bank are given in Table 5 on pages 40-41.

Average daily holdings of bills and securities at the Reserve Banks for the past four years and average rates of earnings thereon are shown in the accompanying table. It will be noted that while average holdings of United States securities were smaller in 1940 than in the preceding year earnings therefrom were substantially larger. This was due to a higher average earning rate, which is accounted for by the fact that holdings of United States securities in 1940 consisted exclusively of bonds and notes, whereas in 1939 they included a substantial volume of bills.

EARNINGS ON BILLS AND SECURITIES

[Amounts in thousands of dollars]

Item and year	Total	Bills discounted	Bills bought in open market	United States Government securities, direct and guaranteed	Industrial advances
Daily average holdings:					
1937	2,542,545	13,749	3,390	2,503,865	21,541
1938	2,590,597	8,739	543	2,584,877	16,438
1939	2,602,590	5,103	440	2,584,268	12,779
1940	2,429,984	4,046		2,416,761	9,177
Earnings:					
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
1940	42,677	51		42,174	452
Average rate of earnings (per cent):					
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
1940	1.76	1.26		1.75	4.93

Discount rates of the Federal Reserve Banks were unchanged during the year except on industrial advances and commitments under section 13b of the Federal Reserve Act. Rates on such transactions were generally reduced during the last quarter to permit the charging of lower interest on loans to finance defense contracts. The Reserve Banks were also authorized, in case of industrial advances participated in by a local bank, to charge the rate fixed by the financing institution if lower than the established Federal Reserve Bank rate.

Discount rates

The number of banks on the Federal Reserve par list at the end of 1940 was 11,632, comprising all of the 6,486 member banks and 5,146 non-member 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 2,715.

Banks on the par list pay without deduction of exchange charges such checks drawn upon them as are forwarded for payment by the Reserve Banks.

The number of banks on the par list declined 125 during the year, as a result of mergers, voluntary liquidations, suspensions, and withdrawals from the par list. During the year there was a net reduction of four in the number of nonpar banks. Thirty-two such banks terminated their existence and 14 became par banks; on the other hand, 10 new banks opened as nonpar banks and 32 par banks assumed a nonpar status. In 1940 as in the previous year, more of the banks that were in existence throughout the year withdrew from the par list than were added to it.

Of the gross increase of 42 in the number of nonpar banks, 10 were in the St. Louis and 14 in the Minneapolis Federal Reserve district. The net increase in the number of nonpar banks in the St. Louis district was one and in the Minneapolis district three. The distribution of the number of nonpar banks by States at the end of the year was as follows: Minnesota 415, Georgia 256, Mississippi 177, Tennessee 169, Nebraska 162, Wisconsin 160, Arkansas 133, Alabama 131, North Carolina 125, South Carolina 119, North Dakota 113, Iowa 113, Missouri 106, Louisiana 104, Texas 98, South Dakota 95, Florida 88, and 13 other States 151.

The balance of the credit granted to the National Bank of Hungary by the Reserve Banks in 1931 was repaid on July 29, 1940, in the amount of \$1,817,000 plus accrued interest from July 18, the date on which the credit expired. Two semiannual interest payments due in 1940 were made according to the terms of the renewal agreement of 1937 (ANNUAL REPORT for 1937, p. 35).

Two loans on gold to a foreign central bank were outstanding at the end of 1939 for a total amount of \$5,020,000. This total included \$1,520,000 maturing in February 1940 and \$3,500,000 maturing in March 1940. In February the first loan was renewed for one month in the amount of \$1,000,000, and later in the month, a further loan of \$1,000,000 maturing in May was granted. These loans were repaid in full in advance of the respective due dates.

A series of relatively small loans on gold for periods not exceeding three months was made to another central bank from August 31 to December 24. The amount of such loans outstanding on December 31, 1940, was \$947,000, all maturing by the end of January 1941.

LEGISLATION RELATING TO THE FEDERAL RESERVE SYSTEM

Although not the major subject of any legislation enacted during 1940, the Federal Reserve System and its operations were directly or indirectly affected by Congressional action with respect to the following:

**Interdistrict
Collection
System**

**Credits to foreign
central banks**

Impounding Funds of Certain Foreign Countries and Their Nationals.—An Act approved May 7, 1940, made certain technical and clarifying amendments to section 5(b) of the Act of October 6, 1917, known as the Trading with the Enemy Act. This provision was the basis for the Presidential Proclamation of a Federal “bank holiday” in 1933, and had been amended by section 2 of the Emergency Banking Act of March 9, 1933. The 1940 amendment was for the purpose of clarifying the authority of the President to regulate transactions in funds or other property in this country in which foreign countries or their nationals have an interest. By Executive Orders under this provision during 1940, transactions in funds or other property of various invaded countries and their nationals were subjected to licensing by the Secretary of the Treasury. In this connection reports as to such funds or property, as well as applications for licenses, were required to be filed with the Federal Reserve Banks.

Possession of Property Stolen from Banks.—An Act approved June 29, 1940, provided criminal penalties for any person who receives, possesses, or disposes of any money or property which he knows to have been feloniously taken from any member bank of the Federal Reserve System, any insured bank, or any bank organized or operating under the laws of the United States. The Act was in the form of a further amendment to the amended Act of May 18, 1934, which provides criminal penalties for robberies of such banks.

Assignment of Claims under Government Contracts.—The Assignment of Claims Act of 1940, approved October 9, 1940, provided that claims under public contracts may under certain conditions be assigned to a bank, trust company, or other financing institution. While this Act does not directly refer to the Federal Reserve System, it is closely related to the arrangements which the Federal Reserve System made, in cooperation with the Advisory Commission to the Council of National Defense, to assist in facilitating the defense program, particularly in connection with the obtaining of contracts by the smaller business enterprises and financing by local banks.

CHANGES IN REGULATIONS OF THE BOARD OF GOVERNORS

The regulations of the Board of Governors were changed during the year 1940 in the following respects:

Regulation on Noncash Collections.—On February 1, 1940, there became effective a new Regulation G governing the collection by Federal Reserve Banks of notes and bills and other “noncash items” for member banks and nonmember banks. The regulation, which had been adopted by the Board on December 26, 1939, was issued in order that the principal terms and conditions relating to the collection of noncash 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 circulars of the individual Federal Reserve Banks.

Interlocking Bank Directorates.—Effective January 2, 1940, the Board of Governors amended section 3(c) of Regulation L, relating to interlocking bank directorates under the Clayton Act, so as to permit any director, officer, or employee of a bank which does not exercise trust powers to serve a trust company which does not receive deposits.

The Banking Act of 1935 had amended the Clayton Act by tightening the prohibitions against interlocking bank directorates, but had allowed a period until February 1, 1939 for the adjustment of lawfully existing relationships. The statute authorized the Board of Governors to make exceptions by regulation, and the Board, by amendments to sections 3(a) and 3(e) of its Regulation L, had extended the period of adjustment until June 1, 1940, the last extension having been made on February 1, 1940. No further extension was made, and, therefore, on June 1, 1940 the provisions of the statute which had been postponed became effective.

Common Trust Funds Invested Principally in Mortgages.—Effective June 1, 1940, the Board amended section 17 of Regulation F, relating to trust powers of national banks, so as to permit the operation of Common Trust Funds invested principally in mortgages, in States in which there is specific statutory authority for the operation of such funds. These amendments enable such funds operated under State statutes to obtain certain tax exemptions which are granted by the Federal revenue laws to Common Trust Funds operated in accordance with the Board's regulations.

BANK EXAMINATIONS

There was no change in the policy and procedure of the Board of Governors with respect to bank examinations during 1940. Briefly, the situation was as follows:

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 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 Banks under the direction of the Board of Governors.

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 such examinations was continued without change, i.e., that at least one regular examination of each State member bank, including its trust department, be made during each calendar year by the examiners for the Federal Reserve Bank of its district. As in previous years, in order to avoid duplication of examinations and to

minimize inconvenience to the banks examined, it has been the policy wherever practicable to make joint examinations in cooperation with the State banking authorities or, by agreement with the State authorities, to make alternate examinations.

GRANTS OF AUTHORITY

Pursuant to provisions of the Federal Reserve Act and the Securities Exchange Act, the Board of Governors took the following action with regard to grants of authority during the year 1940.

During the year the Board approved the applications for membership of 196 State banks and 192 were admitted to membership. Four of the 192 admissions did not increase the number of member banks in the Federal Reserve System, since they represented banks organized to succeed existing member banks. The difference between the number of applications approved and the number of banks admitted to membership is accounted for by the fact that nine of the banks admitted in 1940 were approved for membership in 1939, twelve of those approved in 1940 did not accomplish membership until 1941, and one bank whose application was approved elected not to join the System.

Membership in the Reserve System

Under the provisions of section 11(k) of the Federal Reserve Act, the Board granted authority to exercise one or more trust powers to 18 national banks. Trust powers of 31 national banks were terminated, 14 by voluntary liquidations, 4 by consolidations with other national banks, and 13 by voluntary surrender. At the end of 1940, there were 1,860 national banks holding permits to exercise trust powers. A list of such banks, showing the power or powers each is authorized to exercise, will be furnished upon request.

Trust powers of national banks

During the year 1940 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 five permits for general purposes and eight permits for limited purposes.

Holding company affiliates

Under the authority of section 301 of the Banking Act of 1935, the Board determined that nine 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.

Foreign banking corporations

There were no changes during the year 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 or in the list of foreign banking corporations chartered by the Board under the provisions of section 25(a) of the Federal Reserve Act.

The four 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, 12 foreign branches or offices located as follows: In England, 3; France, 4; Spain, 2; China, 2; Hong Kong, 1. During the year the Chase Bank discontinued one of the two offices operated in Paris and opened a temporary office in unoccupied French territory at Chateauneuf-sur-Cher. The National City Bank of New York (France) S. A. of Paris, affiliated with the International Banking Corporation, established an office at Le Puy en Velay in the south of France.

At the end of the year, seven member banks were operating a total of 93 branches or offices in 62 cities in 23 foreign countries or dependencies or insular possessions of the United States. This represents a net increase of one as the result of the establishment of four new branches and the discontinuance of three.

During the year the Board granted permission, pursuant to the provisions of section 25 of the Federal Reserve Act, for the establishment of two foreign branches of member banks, a branch of the Guaranty Trust Company of New York at Vichy, France, and an additional branch of the First National Bank of Boston at Buenos Aires, Argentina. Two other branches were established by the National City Bank of New York under permission given in the previous year, one at Barranquilla, Colombia, and an additional branch at Shanghai, China. The three discontinued branches were those of the National City Bank of New York at Brussels, Belgium, and Hankow, China, and the branch of the Guaranty Trust Company of New York at Antwerp, Belgium.

Of the 93 branches and offices, four national banks were operating 84, and three State bank members were operating nine. The foreign branches were distributed geographically as follows:

**Foreign branches
of member banks**

Argentina.....	10	Dominican Republic..	6	Philippine Islands....	1
Belgium.....	1	England.....	11	Puerto Rico.....	7
Brazil.....	4	France.....	3	Straits Settlements....	1
Burma.....	1	Hong Kong.....	1	Uruguay.....	1
Canal Zone.....	4	India.....	3	Venezuela.....	1
Chile.....	2	Japan.....	4		
China.....	7	Mexico.....	1		
Colombia.....	3	Panama.....	4		
Cuba.....	16	Peru.....	1		

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 150 nonmember banks with such agreements in force.

FEDERAL RESERVE MEETINGS

Four meetings of the Federal Open Market Committee were held in Washington during 1940, on March 20, May 27-28, September 27, and December 18, and the executive committee of the Federal Open Market Committee met 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.

The procedure was followed during the year of having meetings of the Presidents' Conference in Washington at the time of the meetings of the Federal Open Market Committee and, accordingly, meetings of the Presidents of the Federal Reserve Banks were held on March 19, May 27, September 27-28, and December 17-18, 1940.

The Chairmen of the Federal Reserve Banks held two conferences in 1940, the first of which was on April 12-14 and the second on December 9-10, 1940.

Four meetings of the Federal Advisory Council were held in Washington during 1940, on February 19-20, May 20-21, October 7-8, and November 18-19. Recommendations of the Council to the Board of Governors are published in the appendix to this Report.

BOARD OF GOVERNORS—STAFF AND EXPENDITURES

Effective March 8, 1940, Marriner S. Eccles of Utah was reappointed a member of the Board of Governors for the remainder of the term held by Chester C. Davis of Maryland expiring on January 31, 1944, and Mr. Davis was reappointed a member of the Board for the full term expiring on January 31, 1954.

On March 5 Mr. Eccles was redesignated by the President as Chairman of the Board for a term of four years from February 1, 1940, and on July 18, 1940, Ronald Ransom of Georgia was redesignated by the President as Vice Chairman.

Effective as of June 10, 1940, Fred A. Nelson was appointed an Assistant Secretary of the Board of Governors.

Changes in Board staff In order to provide a better service in handling the growing number of requests from the public for Board publications and for information on the Federal Reserve System, this work and the personnel engaged therein, hitherto distributed through various divisions of the Board's staff, have been concentrated in a new unit set up for the purpose in the Office of the Secretary.

In connection with the expansion of economic research in the Division of Research and Statistics, the Board engaged Professor Alvin H. Hansen of Harvard University on a part-time basis.

The total cost of conducting the work of the Board during the year 1940 was \$1,646,690.45. 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 \$1,704,011.35, 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 Atlanta, the accounts of the Board for the year 1940 were audited by the Auditor of the Federal Reserve Bank of Atlanta, who certified them to be correct.

BANKING STUDIES AND REPORTS TO CONGRESS

During 1940 the Federal Reserve System continued the analysis of the banking and monetary problems outlined in the ANNUAL REPORT for 1938. A series of banking studies was completed by the Board's staff and is now in process of publication.

At the time the Board discontinued publication of detailed statistics in its Annual Reports, it stated that such data would be made available in another form. A comprehensive compilation of domestic and international banking and monetary statistics, with some earlier historical data but devoted principally to the period since the establishment of the Federal Reserve System, is being prepared for publication.

At the request of Congressional committees, during the year the Board prepared a number of reports on bills pending before Congress. These included reports on bills relating to the Home Loan Bank System, loans to small business concerns, assignment of claims under public contracts, power of national banks to make real estate loans, the Federal Land Bank System, and foreign accounts in Federal Reserve Banks and insured banks. Copies of these reports may be obtained from the Board by request.

FEDERAL RESERVE BULLETIN

Beginning with the January 1940 issue, several changes in format and content were made in the Federal Reserve Bulletin. Each issue during 1940 contained one or more articles by members of the Board or its staff, or officers of the Federal Reserve Banks. These articles have been a

medium for discussion of subjects within the field of the Bulletin, and have supplemented the monthly review of current banking and monetary developments and the statistical and legal data which constitute the main substance of the Bulletin. A section has also been added to the Bulletin in which questions of general interest relating to money and banking are answered.

CHANGES IN SENIOR EXECUTIVE OFFICERS OF FEDERAL RESERVE BANKS

Effective as of December 31, 1940, George L. Harrison resigned as President of the Federal Reserve Bank of New York and was succeeded on January 1, 1941, by Allan Sproul. Mr. Sproul was succeeded as First Vice President by Leslie R. Rounds, formerly Vice President of the Bank. The appointments of Messrs. Sproul and Rounds were for the unexpired portions of the five-year terms ending February 28, 1941. On January 2, 1941, Mr. Harrison was appointed a member of the Federal Advisory Council to represent the second Federal Reserve District, succeeding Leon Fraser in that capacity.

TABLES

NO. 1.—STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS (IN DETAIL) DECEMBER 31, 1940¹

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.....	6,379,500	
Gold certificates in interdistrict settlement fund with Board of Governors.....	11,860,837	
Gold certificates held by banks.....	1,510,444	
Gold certificates on hand and due from U. S. Treasury.....		19,750,781
Redemption fund—Federal Reserve notes.....		9,692
Total gold reserves.....	19,760,473	
Other cash:		
United States notes.....	54,583	
Silver certificates.....	203,499	
Standard silver dollars.....	2,432	
National and Federal Reserve Bank notes.....	1,345	
Subsidiary silver nickels and cents.....	13,260	
Total other cash.....		275,109
Total reserves.....		20,035,582
Bills discounted:		
Secured by U. S. Government obligations, direct and guaranteed:		
Discounted for member banks.....	851	
For others.....		
Total secured by U. S. Government obligations, direct and guaranteed.....		851
Other bills discounted:		
For member banks.....	1,117	
For others.....	947	
Total other bills discounted.....		2,064
Total bills discounted.....		2,915
Industrial advances.....		7,538
U. S. Government securities, direct and guaranteed:		
Bonds.....		1,284,600
Notes.....		899,500
Total U. S. Government securities, direct and guaranteed.....		2,184,100
Total bills and securities.....		2,194,553
Due from foreign banks.....		47
Federal Reserve notes of other Reserve Banks.....		31,628
Uncollected items:		
Transit items.....	849,330	
Exchanges for clearing house.....	41,472	
Other cash items.....	21,596	
Total uncollected items.....		912,398
Bank premises.....		41,851
Other assets:		
Miscellaneous assets acquired account industrial advances.....	1,227	
Industrial advances past due.....	1,614	
Claims account closed banks.....	1,271	
Total.....	4,112	
Less reserves.....	2,577	
Net.....	1,535	
Interest accrued.....	8,493	
Premium on securities.....	33,497	
Deferred charges.....	589	
Suspense account and miscellaneous assets.....	3,395	
Total other assets.....		47,509
Total assets.....		23,263,568

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)	6,256,650	
Held by issuing Federal Reserve Banks and branches	314,459	
Forwarded for redemption	11,194	
Federal Reserve notes in actual circulation (including notes held by Treasury and by Federal Reserve Banks other than issuing bank)		5,930,997
Deposits:		
Member bank—reserve account		14,024,784
U. S. Treasurer—general account		368,470
Foreign		1,132,909
Other deposits:		
Nonmember clearing account	365,262	
Officers' checks	65,189	
Federal Reserve exchange drafts	170	
All other	168,923	
Total other deposits		599,544
Total deposits		16,125,707
Deferred availability items		832,779
Other liabilities:		
Accrued dividends unpaid	847	
Unearned discount	4	
Discount on securities		
Reserves for estimated losses on bills and securities	350	
Suspense account and miscellaneous liabilities	1,366	
Total other liabilities		2,567
Total liabilities		22,892,050

CAPITAL ACCOUNTS

Capital paid in		138,578
Surplus (sec. 7)		151,720
Surplus (sec. 13b)		26,839
Other capital accounts:		
Reserve for contingencies	34,627	
Earnings:		
Gross earnings	43,538	
Current expenses	29,166	
Current net earnings	14,372	
Add—profit and loss	13,597	
Deduct:		
Dividends accrued since closing of books	8,215	
Net earnings available for depreciation allowances, reserves and surplus	19,754	
Total other capital accounts		54,381
Total liabilities and capital accounts		23,263,568

NO. 2.—STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK AT END OF 1939 AND 1940

[In thousands of dollars]

	Total		Boston		New York		Philadelphia		Cleveland		Richmond	
	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939
ASSETS												
Gold certificates on hand and due from U. S. Treasury	19,750,781	15,199,120	1,136,171	865,816	9,757,527	7,225,434	1,046,557	846,062	1,331,413	1,027,910	553,294	405,603
Redemption fund—Federal Reserve notes	9,692	9,902	1,213	924	972	1,619	1,073	1,071	660	816	1,108	935
Other cash	275,109	315,194	26,617	28,528	51,324	71,716	18,754	26,470	19,963	21,340	18,806	20,223
Total reserves	20,035,582	15,524,217	1,164,001	895,268	9,809,823	7,298,769	1,066,384	873,603	1,352,036	1,050,066	573,208	426,761
Bills discounted:												
Secured by U. S. Government obligations, direct and guaranteed	851	574	100	30	245	90	187	150	150	113	10	42
Other bills discounted	2,064	6,191			491	2,258	278	513	150	542	41	230
Total bills discounted	2,915	6,765	100	30	736	2,348	465	663	300	655	51	272
Industrial advances	7,538	11,044	974	1,301	1,756	2,035	2,052	3,084	250	315	781	948
U. S. Government securities, direct and guaranteed:												
Bonds	1,284,600	1,351,045	92,213	98,098	379,572	419,593	107,638	115,673	128,649	140,975	68,168	70,076
Notes	899,500	1,133,225	64,568	82,283	265,783	351,944	75,369	97,022	90,082	118,247	47,732	58,778
Total U. S. Government securities, direct and guaranteed	2,184,100	2,484,270	156,781	180,381	645,355	771,537	183,007	212,695	218,731	259,222	115,900	128,854
Total bills and securities	2,194,553	2,502,079	157,855	181,712	647,847	775,920	185,524	216,442	219,281	260,192	116,732	130,074
Due from foreign banks	47	47	3	3	18	18	5	5	4	4	2	2
Federal Reserve notes of other Federal Reserve Banks	31,628	33,454	635	584	4,773	4,336	1,865	1,945	1,947	2,137	3,328	4,189
Uncollected items	912,398	867,206	82,594	82,640	234,525	245,509	63,085	73,955	102,207	97,538	76,132	64,944
Bank premises	40,062	41,749	2,833	2,889	9,701	9,895	4,501	4,573	4,587	5,547	2,590	2,545
Other assets	47,596	58,583	3,168	3,887	13,228	17,226	4,909	5,829	5,074	6,523	2,756	3,486
Total assets	23,261,866	19,027,335	1,411,089	1,166,983	10,719,915	8,351,673	1,326,273	1,176,352	1,685,136	1,422,007	774,748	632,001

LIABILITIES												
Federal Reserve notes in actual circulation ¹	5,930,997	4,958,546	479,728	408,195	1,576,404	1,269,922	410,704	348,938	540,941	463,123	283,520	229,550
Deposits:												
Member bank—reserve account.....	14,025,633	11,653,232	756,465	544,545	7,556,979	6,319,837	703,580	598,597	920,969	680,194	354,132	282,998
U. S. Treasurer—general account.....	368,481	634,270	6,044	77,716	131,605	139,593	13,664	65,043	16,328	113,236	12,636	25,590
Foreign bank.....	1,132,909	397,443	54,872	29,243	633,979	136,108	75,944	39,417	72,069	37,791	33,322	17,473
Other deposits.....	599,544	255,836	8,236	6,758	492,197	165,324	26,675	16,820	4,774	8,181	4,245	2,513
Total deposits.....	16,126,567	12,940,781	825,617	658,262	8,814,760	6,760,862	819,863	719,877	1,014,140	839,402	404,335	328,574
Deferred availability items.....	832,779	776,665	79,913	76,082	201,083	199,137	60,412	73,866	95,814	86,696	70,836	58,805
Other liabilities including accrued dividends.....	2,196	2,558	269	183	175	873	872	965	149	126	246	10
Total liabilities.....	22,892,539	18,678,550	1,385,527	1,142,722	10,592,422	8,230,794	1,291,854	1,143,646	1,651,044	1,389,347	758,937	616,939
CAPITAL ACCOUNTS												
Capital paid in.....	138,579	135,599	9,335	9,384	51,096	50,972	11,882	12,115	14,198	13,830	5,366	5,171
Surplus (sec. 7).....	157,064	151,720	10,905	10,405	56,447	53,326	15,144	14,198	14,323	14,323	5,247	5,247
Surplus (sec. 13b).....	26,785	26,839	2,874	2,874	7,070	7,109	4,393	4,393	1,007	1,007	3,244	3,246
Other capital accounts.....	46,899	34,627	2,448	1,598	12,880	9,472	3,000	2,000	4,564	3,500	1,954	1,398
Total liabilities and capital accounts.....	23,261,866	19,027,335	1,411,089	1,166,983	10,719,915	8,351,673	1,326,273	1,176,352	1,685,136	1,422,007	774,748	632,001
Commitments to make industrial advances.....	5,226	9,070	244	479	700	1,803	162	930	727	1,140	540	761
FEDERAL RESERVE NOTE STATEMENT												
Federal Reserve notes:												
Issued to Federal Reserve Bank by Federal Reserve agent.....	6,256,650	5,274,522	502,343	429,660	1,660,126	1,362,927	429,044	368,874	569,587	488,021	299,792	245,605
Held by Federal Reserve Bank.....	325,653	315,976	22,615	21,465	83,722	93,005	18,340	19,936	28,646	24,898	16,272	16,055
In actual circulation ¹	5,930,997	4,958,546	479,728	408,195	1,576,404	1,269,922	410,704	348,938	540,941	463,123	283,520	229,550
Collateral held by agent for notes issued to banks:												
Gold certificates on hand and due from U. S. Treasury.....	6,379,500	5,371,000	510,000	440,000	1,685,000	1,385,000	440,000	375,000	575,000	491,000	315,000	250,000
Eligible paper.....	1,688	1,365	100	30	331	184	372	177	.....	.....	10	57
Total collateral held.....	6,381,188	5,372,365	510,100	440,030	1,685,321	1,385,184	440,372	375,177	575,000	491,000	315,010	250,057

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]

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ANNUAL REPORT OF BOARD OF GOVERNORS

	Atlanta		Chicago		St. Louis		Minneapolis		Kansas City		Dallas		San Francisco	
	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939
ASSETS														
Gold certificates on hand and due from U. S. Treasury...	384,635	300,831	2,899,447	2,455,662	494,577	413,898	311,096	258,566	420,712	348,852	280,159	242,196	1,135,193	808,290
Redemption fund—Federal Reserve notes.....	629	745	1,229	624	169	772	332	219	410	478	509	364	1,388	1,336
Other cash.....	19,055	16,661	36,352	39,906	16,482	17,783	6,576	9,268	15,285	17,418	14,010	15,259	31,885	30,622
Total reserves.....	404,319	318,237	2,937,028	2,496,192	511,228	432,453	318,004	268,053	436,407	366,748	294,678	257,819	1,168,466	840,248
Bills discounted:														
Secured by U. S. Government obligations, direct and guaranteed.....	2	20				15	109	50	48	25		4		35
Other bills discounted.....	36	190	157	643	28	186	107	216	667	906	40	146	69	361
Total bills discounted.....	38	210	157	643	28	201	216	266	715	931	40	150	69	396
Industrial advances.....	334	694	269	324		11	219	743	80	181	278	500	545	908
U. S. Government securities, direct and guaranteed:														
Bonds.....	49,278	54,597	146,651	148,547	55,508	45,803	36,611	36,677	62,958	61,021	49,948	48,970	107,406	111,015
Notes.....	34,506	45,795	102,688	124,599	38,868	38,419	25,636	30,764	44,085	51,183	34,974	41,075	75,209	93,116
Total U. S. Government securities, direct and guaranteed.....	83,784	100,392	249,339	273,146	94,376	84,222	62,247	67,441	107,043	112,204	84,922	90,045	182,615	204,131
Total bills and securities.....	84,156	101,296	249,765	274,113	94,404	84,434	62,682	68,450	107,838	113,316	85,240	90,695	183,229	205,435
Due from foreign banks.....	2	2	6	6		1			1	1	1	1	4	4
Federal Reserve notes of other Federal Reserve Banks...	3,385	3,617	4,136	5,475	2,896	2,510	1,514	1,316	2,261	1,975	1,024	865	3,864	4,505
Uncollected items.....	43,435	33,471	126,885	119,172	52,651	36,269	19,555	20,795	36,161	33,000	29,530	26,817	45,638	33,096
Bank premises.....	1,991	2,034	3,040	3,390	2,318	2,243	1,367	1,396	3,059	3,106	1,226	1,175	2,849	2,956
Other assets.....	1,766	2,359	5,069	5,974	1,917	1,903	1,396	1,622	2,198	2,514	1,865	2,140	4,250	5,120
Total assets.....	539,054	461,016	3,325,929	2,904,322	665,415	559,813	404,518	361,632	587,925	520,660	413,564	379,512	1,408,300	1,091,364

* Less than \$500.

LIABILITIES														
Federal Reserve notes in actual circulation ¹	195,853	162,941	1,262,396	1,085,378	221,148	193,549	158,709	141,427	211,215	183,908	97,865	83,575	492,514	388,040
Deposits:														
Member bank—reserve account.....	246,999	211,821	1,711,100	1,528,702	326,872	270,676	174,476	154,788	279,690	260,687	240,275	216,794	754,096	583,593
U. S. Treasurer—general account.....	12,547	22,462	84,537	71,030	23,893	32,195	22,857	24,452	16,861	23,077	10,926	21,233	16,553	18,643
Foreign bank.....	27,123	14,222	92,992	49,169	23,248	11,784	17,049	9,346	22,473	11,784	23,248	11,784	56,590	29,322
Other deposits.....	5,481	6,813	5,324	5,312	7,167	7,294	5,376	6,105	13,164	991	2,446	9,584	24,459	20,141
Total deposits.....	292,150	255,318	1,893,953	1,654,213	381,180	321,949	219,758	194,691	332,188	296,539	276,895	259,395	851,728	651,699
Deferred availability items.....	37,533	30,078	122,197	120,150	51,417	33,564	16,344	16,362	33,301	29,887	27,369	25,388	36,530	26,650
Other liabilities including accrued dividends.....	80	17	153	160	56	15	81	87	48	72	61	48	3	2
Total liabilities.....	525,616	448,354	3,278,699	2,859,901	653,801	549,077	394,892	352,567	576,752	510,406	402,220	368,406	1,380,775	1,066,391
CAPITAL ACCOUNTS														
Capital paid in.....	4,693	4,621	14,533	13,494	4,212	4,073	2,975	2,931	4,462	4,314	4,208	4,066	11,619	10,628
Surplus (sec. 7).....	5,725	5,725	22,824	22,824	4,925	4,709	3,152	3,152	3,613	3,613	3,974	3,974	10,785	10,224
Surplus (sec. 13b).....	713	713	1,429	1,429	533	538	1,000	1,001	1,138	1,142	1,263	1,266	2,121	2,121
Other capital accounts.....	2,307	1,603	8,444	6,674	1,944	1,416	2,499	1,981	1,960	1,185	1,899	1,800	3,000	2,000
Total liabilities and capital accounts.....	539,054	461,016	3,325,929	2,904,322	665,415	559,813	404,518	361,632	587,925	520,660	413,564	379,512	1,408,300	1,091,364
Commitments to make industrial advances.....		78	24	22	299	303	50	62	35	532	4		2,441	2,960
FEDERAL RESERVE NOTE STATEMENT														
Federal Reserve notes:														
Issued to Federal Reserve Bank by Federal Reserve agent.....	220,270	177,629	1,294,126	1,121,094	234,319	204,926	163,870	146,847	219,247	193,713	106,582	92,100	557,344	443,126
Held by Federal Reserve Bank.....	24,417	14,688	31,730	35,716	13,171	11,377	5,161	5,420	8,032	9,805	8,717	8,525	64,830	55,086
In actual circulation ¹	195,853	162,941	1,262,396	1,085,378	221,148	193,549	158,709	141,427	211,215	183,908	97,865	83,575	492,514	388,040
Collateral held by agent for notes issued to banks:														
Gold certificates on hand and due from U. S. Treasury.....	225,000	180,000	1,310,000	1,140,000	244,000	209,000	165,500	147,500	225,000	195,000	111,000	94,500	574,000	464,000
Eligible paper.....						55	190	118	685	744				
Total collateral held.....	225,000	180,000	1,310,000	1,140,000	244,000	209,055	165,690	147,618	225,685	195,744	111,000	94,500	574,000	464,000

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 1939 AND 1940

[In thousands of dollars]

	Rate of interest (per cent)	Dec. 30, 1939	Dec. 31, 1940	Change
Treasury bonds of:				
1941.....	3½	57,027	57,000	-27
1941-43.....	3½	14,669	14,600	-69
1940-43.....	3½	10,675	.....	-10,675
1943-45.....	3½	46,523	46,500	-23
1945.....	2½	29,258	28,700	-558
1944-46.....	3½	53,132	53,000	-132
1943-47.....	3½	30,443	30,400	-43
1945-47.....	2¾	63,681	63,300	-381
1947.....	2	44,156	31,800	-12,356
1946-48.....	3	71,870	71,800	-70
1948.....	2½	25,197	21,400	-3,797
1946-49.....	3½	27,746	23,600	-4,146
1948-51.....	2¾	88,536	92,800	+4,264
1950-52.....	2½	80,715	80,000	-715
1947-52.....	4½	10,698	10,600	-98
1949-52.....	3½	30,378	27,500	-2,878
1949-53.....	2½	91,644	90,300	-1,344
1951-53.....	2½	96,000	77,900	-18,100
1951-54.....	2¾	93,394	89,700	-3,694
1944-54.....	4	35,078	35,000	-78
1953-55.....	2	.....	47,800	+47,800
1951-55.....	3	45,952	44,000	-1,952
1946-56.....	3¾	24,025	24,500	+475
1956-59.....	2¾	58,200	50,400	-7,800
1955-60.....	2½	79,894	68,300	-11,594
1958-63.....	2¾	57,006	52,800	-4,206
1960-65.....	2¾	74,399	46,300	-28,099
Total Treasury bonds.....		1,340,295	1,280,000	-60,295
Guaranteed bonds:				
HOLC of 1942-44.....	2¾	4,000	2,000	-2,000
HOLC of 1944-52.....	3	2,000	1,000	-1,000
FFMC of 1942-47.....	3	1,000	1,000	.....
FFMC of 1944-49.....	3	3,550	600	-2,950
FFMC of 1944-64.....	3¾	200	.....	-200
Total guaranteed bonds.....		10,750	4,600	-6,150
Treasury notes:				
Series maturing:				
June 15, 1940.....	1½	136,783	.....	-136,783
Dec. 15, 1940.....	1½	105,974	.....	-105,974
Mar. 15, 1941.....	1½	118,822	60,200	-58,622
June 15, 1941.....	1½	60,397	58,300	-2,097
Dec. 15, 1941.....	1½	44,069	43,000	-1,069
Mar. 15, 1942.....	1¾	85,872	84,800	-1,072
Sept. 15, 1942.....	2	68,294	66,200	-2,094
Dec. 15, 1942.....	1¾	33,801	30,800	-3,001
June 15, 1943.....	1½	144,420	102,400	-42,020
Sept. 15, 1943.....	1	.....	35,700	+35,700
Dec. 15, 1943.....	1½	79,096	69,800	-9,296
Mar. 15, 1944.....	1	113,498	109,900	-3,598
June 15, 1944.....	¾	79,441	79,400	-41
Sept. 15, 1944.....	1	61,705	60,600	-1,105
Mar. 15, 1945.....	¾	.....	98,400	+98,400
Total Treasury notes.....		1,132,172	899,500	-232,672
Guaranteed note:				
RFC of Jan. 15, 1942.....	⅞	1,053	.....	-1,053
Total holdings.....		2,484,270	2,184,100	-300,170

NO. 4.—VOLUME OF OPERATIONS IN PRINCIPAL DEPARTMENTS OF FEDERAL RESERVE BANKS 1936-1940

[Number in thousands; amounts in thousands of dollars]

	1936	1937	1938	1939	1940
NUMBER OF PIECES HANDLED¹					
Bills discounted:					
Applications.....	3	7	6	2	2
Notes discounted.....	4	7	6	4	3
Advances made.....	3	7	6	2	1
Industrial advances:					
Advances made.....	.7	.2	.4	.2	.2
Commitments to make industrial advances.....	.3	.1	.2	.1	.2
Bills purchased in open market for own account.....	1	2	.2	.1	
Currency received and counted.....	2,232,980	2,257,892	2,089,987	2,134,908	2,248,290
Coin received and counted.....	2,665,190	2,730,387	2,676,248	2,644,418	2,705,344
Checks handled.....	1,009,264	1,044,553	1,098,115	1,157,140	1,184,356
Collection items handled:					
U. S. Government coupons paid ²	18,806	18,566	17,802	17,145	15,444
All other.....	6,968	6,705	6,389	6,177	6,094
Issues, redemptions, and exchanges by fiscal agency department:					
U. S. Government direct obligations.....	27,919	3,892	3,456	3,528	3,752
All other.....	1,538	661	575	1,162	485
Transfer of funds.....	951	980	853	814	780
AMOUNTS HANDLED					
Bills discounted:					
Notes discounted.....	6,886	16,187	10,472	11,285	8,384
Advances made.....	160,714	516,852	226,687	75,690	61,500
Industrial advances:					
Advances made.....	8,519	4,932	6,500	3,805	2,860
Commitments to make industrial advances.....	12,583	6,978	11,217	4,621	4,374
Bills purchased in open market for own account.....	25,207	25,252	2,781	2,133	
Currency received and counted.....	10,059,637	10,199,559	8,883,728	9,285,921	9,438,629
Coin received and counted.....	276,323	287,708	271,128	276,589	288,140
Checks handled.....	234,417,787	255,453,609 ²	231,820,217	255,937,980	280,436,092
Collection items handled:					
U. S. Government coupons paid ²	798,925	865,465	854,273	890,620	902,288
All other.....	7,089,008	6,159,828	5,321,443	5,442,645	5,068,674
Issues, redemptions, and exchanges by fiscal agency department:					
U. S. Government direct obligations.....	25,196,825	19,304,020	24,450,791	24,462,659	20,189,983
All other.....	2,223,136	1,691,863	2,581,611	4,537,228	1,687,194
Transfer of funds.....	87,001,630	94,596,861	82,219,749	88,080,756	92,105,910

¹ Revised.

² Two or more checks, coupons, etc., handled as a single item are counted as one "piece."

³ Includes coupons from obligations guaranteed by the United States.

NO. 5.—EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS DURING 1940

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
CURRENT EARNINGS													
Discounted bills.....	\$51,188	\$868	\$14,969	\$4,710	\$3,480	\$2,349	\$2,234	\$3,051	\$2,332	\$2,756	\$7,510	\$4,656	\$2,273
U. S. Government securities.....	42,174,224	3,046,481	12,740,845	3,426,176	4,291,014	2,152,496	1,662,283	4,616,872	1,894,530	1,237,339	1,936,708	1,624,281	3,495,199
Industrial advances.....	451,501	54,322	88,844	120,867	16,097	54,207	21,714	14,689	818	15,265	8,848	22,477	33,353
Commitments to make industrial advances.....	97,672	2,422	9,074	1,646	10,924	7,453	1,614	374	3,105	573	5,054	16	55,417
All other.....	763,220	7,973	131,354	53,738	83,939	28,117	17,255	196,231	19,994	9,570	151,556	11,860	51,633
Total current earnings.....	43,537,805	3,112,066	12,985,086	3,607,137	4,405,454	2,244,622	1,705,100	4,831,217	1,920,779	1,265,503	2,159,676	1,663,290	3,637,875
CURRENT EXPENSES													
Operating expenses:													
Salaries:													
Officers.....	2,233,802	120,167	511,769	121,132	177,079	143,483	141,593	240,875	157,297	111,167	171,311	125,954	211,975
Employees.....	17,995,426	1,083,714	4,632,517	1,293,633	1,570,119	956,145	1,004,642	2,457,306	1,018,012	581,362	1,004,308	981,928	1,411,740
Retirement System contributions for current service.....	984,185	55,639	250,156	69,354	83,538	55,168	56,086	127,202	59,187	33,457	61,272	51,474	81,652
Legal fees.....	62,284	12,073	10,883	6,506	15,762	434	673	566	151	9,243	59	—17	5,946
Directors' fees and expenses.....	133,895	7,236	11,573	8,600	7,605	7,524	14,290	7,249	12,491	11,681	19,991	9,702	15,953
Federal Advisory Council, fees and expenses.....	16,537	1,150	1,035	750	902	763	952	1,590	1,600	1,381	1,696	1,368	3,350
Traveling expenses (other than of directors and members of Federal Advisory Council).....	319,027	15,479	47,735	25,816	28,459	23,722	25,150	36,053	23,379	21,898	19,649	21,864	29,823
Postage and expressage.....	3,540,191	388,209	599,246	284,651	340,529	287,074	213,902	438,345	166,881	138,968	217,207	170,637	294,542
Telephone and telegraph.....	446,459	16,239	87,847	26,164	42,103	25,676	43,372	30,995	35,487	18,652	41,029	33,938	44,927
Printing, stationery and supplies.....	849,492	79,437	198,808	66,092	71,150	47,306	53,123	90,644	47,635	33,694	49,241	46,654	65,708
Insurance on currency and security shipments.....	227,452	35,289	41,020	20,430	21,563	18,708	12,495	25,525	5,863	7,413	9,080	7,508	22,558
Other insurance.....	192,856	13,174	21,306	16,554	15,010	11,679	15,074	16,829	15,761	14,801	19,410	15,097	18,461
Taxes on bank premises.....	1,493,058	153,468	482,692	77,617	142,155	69,549	63,455	161,233	52,391	67,755	91,239	33,431	98,020
Depreciation on bank building.....	1,253,981	55,832	244,857	126,531	185,124	83,403	42,509	98,177	42,290	28,846	191,019	77,501	107,892
Light, heat, power, and water.....	401,267	28,857	75,236	30,040	43,275	24,232	35,203	40,394	25,717	19,574	28,735	24,844	25,110
Repairs and alterations to bank building.....	162,878	5,067	24,859	28,151	15,333	4,818	11,841	8,553	12,298	13,579	13,000	12,574	12,805
Rent.....	143,626	96	720	68,549	17,304	1,386	.....	.....	3,120	.....	1,682	1,115	49,654
Furniture and equipment.....	334,550	18,985	84,620	31,253	24,377	22,351	28,188	16,389	12,139	11,523	13,923	34,934	35,868
All other.....	576,297	34,945	—9,945	74,363	55,217	36,270	56,632	85,473	52,526	39,561	42,165	43,887	65,203
Total operating expenses.....	31,367,263	2,125,061	7,316,214	2,308,357	2,877,849	1,835,609	1,820,569	3,883,095	1,744,225	1,164,585	1,996,116	1,694,393	2,601,187
Less reimbursements for certain fiscal agency and other expenses...	5,416,317	210,575	933,518	202,536	264,348	236,001	655,976	961,115	468,856	251,882	345,554	518,614	367,342

Net operating expenses.....	25,950,946	1,914,486	6,382,696	2,105,821	2,613,501	1,599,608	1,164,593	2,921,983	1,275,369	912,703	1,650,562	1,175,779	2,233,845
Assessment for expenses of Board of Governors.....	1,704,011	122,453	602,890	165,500	158,308	74,243	59,879	204,768	50,617	38,397	49,291	50,509	127,156
Federal Reserve currency:													
Original cost.....	1,352,281	121,328	323,951	85,476	124,225	75,223	47,752	319,084	40,436	28,215	39,683	30,114	116,794
Cost of redemption.....	158,239	11,254	31,884	10,755	14,084	12,419	11,024	25,329	6,786	5,619	8,458	5,862	14,765
Total current expenses.....	29,165,477	2,169,521	7,341,421	2,367,552	2,910,118	1,761,493	1,283,248	3,471,164	1,373,208	984,934	1,747,994	1,262,264	2,492,560

PROFIT AND LOSS

Current earnings (above).....	43,537,805	3,112,066	12,985,086	3,607,137	4,405,454	2,244,622	1,705,100	4,831,217	1,920,779	1,265,503	2,159,676	1,663,290	3,637,875
Current expenses (above).....	29,165,477	2,169,521	7,341,421	2,367,552	2,910,118	1,761,493	1,283,248	3,471,164	1,373,208	984,934	1,747,994	1,262,264	2,492,560
Current net earnings.....	14,372,328	942,545	5,643,665	1,239,585	1,495,336	483,129	421,852	1,360,053	547,571	280,569	411,682	401,026	1,145,315
Additions to current net earnings:													
Profits on sales of U. S. Government securities.....	11,698,656	851,604	3,408,167	979,180	1,163,699	608,518	496,545	1,292,363	528,208	363,421	570,275	449,203	985,473
All other.....	2,240,674	149,405	637,888	517,747	175,872	72,575	92,519	237,658	60,998	53,782	52,381	52,951	136,898
Total additions.....	13,937,330	1,001,009	4,046,055	1,496,927	1,339,571	681,093	589,064	1,530,021	589,206	417,203	622,656	502,154	1,122,371
Deductions from current net earnings:													
Losses and reserves for losses on industrial advances (net).....	250,494	31,378	102,972	17,906	110,150	30,500	26,509			499		16,000	34,880
Charge-offs and special depreciation on bank premises.....	1,788,664				812,926			282,000	150,000			543,738	
All other.....	410,475	570	31,767	1,678	110,824	261,174	266	100	205	3,021	45	271	554
Total deductions.....	2,449,633	31,948	134,739	19,584	913,600	291,674	26,775	282,100	150,205	3,520	45	560,009	35,434
Net additions.....	11,487,697	969,061	3,911,316	1,477,343	425,971	389,419	562,289	1,247,921	439,001	413,683	622,611	-57,855	1,086,937
Net earnings.....	25,860,025	1,911,606	9,554,981	2,716,928	1,921,307	872,548	984,141	2,607,974	986,572	694,252	1,034,293	343,171	2,232,252
Paid U. S. Treasury (sec. 13b).....	82,152	23		56,097	15,108			10,924					
Dividends paid.....	8,214,971	560,433	3,065,085	714,329	842,330	317,760	279,310	826,919	248,242	177,401	263,803	247,577	671,782
Transferred to surplus (sec. 13b).....	-54,456		-35,976			-1,721		-5,675	-4,265	-385	-4,265	-3,434	
Transferred to surplus (sec. 7).....	17,617,358	1,351,150	6,528,872	1,946,502	1,063,869	556,509	704,831	1,770,131	744,005	517,236	774,755	99,028	1,560,470
Surplus (sec. 7), January 1.....	151,720,413	10,404,596	53,326,285	14,197,796	14,322,790	5,247,219	5,724,628	22,824,268	4,709,179	3,152,420	3,612,681	3,974,462	10,224,089
Addition, as above.....	17,617,358	1,351,150	6,528,872	1,946,502	1,063,869	556,509	704,831	1,770,131	744,005	517,236	774,755	99,028	1,560,470
Transferred to reserves for contingencies.....	-12,272,706	-850,000	-3,408,167	-1,000,000	-1,063,869	-556,509	-704,831	-1,770,131	-528,208	-517,236	-774,755	-99,000	-1,000,000
Surplus (sec. 7), Dec. 31.....	167,065,065	10,905,746	56,446,990	15,144,298	14,322,790	5,247,219	5,724,628	22,824,268	4,924,976	3,152,420	3,612,681	3,974,490	10,784,559

¹ Net recoveries.

NO. 6.—CURRENT EARNINGS, CURRENT EXPENSES, AND NET EARNINGS OF FEDERAL RESERVE BANKS AND DISPOSITION OF NET EARNINGS, 1914-1940

	Earnings and expenses			Disposition of net earnings					Direct charges to surplus (Sec. 7) ^a
	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.....	67,564,417	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	28,500,614	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	28,646,555	12,243,365	8,110,462		24,579	-425,653	4,533,977	1,964,919
1940.....	43,537,805	29,165,477	25,860,025	8,214,971		82,152	-54,456	17,617,358	12,272,706
Total—1914-1940.....	1,359,347,923	646,637,436	648,117,900	186,531,536	149,138,300	927,995	\$-762,326	312,282,395	155,217,330

Aggregate for each Federal Reserve Bank

1914-1940:									
Boston.....	\$91,634,893	\$46,729,854	\$42,966,628	\$13,630,640	\$7,111,395	\$91,766	\$-3,155	\$22,135,982	\$11,230,237
New York.....	400,345,682	157,500,677	233,739,699	62,686,555	68,006,262	82,987	-682,388	103,646,283	47,199,295
Philadelphia.....	106,548,869	49,638,701	54,746,873	17,877,815	5,558,901	349,985	194,990	30,765,182	15,620,883
Cleveland.....	121,731,751	59,864,090	53,864,535	18,826,577	4,842,447	51,976	-8,446	30,151,981	15,829,192
Richmond.....	64,971,332	35,302,641	25,656,025	7,953,546	6,200,189	66,714	-176,443	11,612,019	6,364,800
Atlanta.....	63,283,065	29,824,170	27,278,972	6,647,348	8,950,561	23,876	-44,304	11,701,491	5,976,863
Chicago.....	187,369,386	84,162,367	91,575,740	21,796,514	25,313,526	111,103	11,681	44,342,916	21,518,648
St. Louis.....	58,533,605	33,004,303	20,330,923	6,718,901	2,755,629	5,948	-13,844	10,864,289	5,939,311
Minneapolis.....	43,961,760	22,678,890	17,881,147	4,692,070	5,202,900	34,319	-7,447	7,950,305	4,806,884
Kansas City.....	65,236,632	29,649,940	22,146,493	6,330,140	6,939,100	35,204	-7,587	8,849,936	5,237,254
Dallas.....	48,432,341	29,146,844	15,120,474	6,014,853	560,049	74,117	10,821	8,460,634	4,486,145
San Francisco.....	107,298,607	58,134,959	42,810,391	13,356,577	7,697,341		-35,904	21,792,377	11,007,818

¹ Current earnings less current expenses, plus other additions and less other deductions.

² The Banking Act of 1933 eliminated the provision in the Federal Reserve Act requiring payment of a franchise tax.

³ 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.

⁴ 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 1940 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, 1940)

Federal Reserve Bank (including branches)	President	Other officers		Employees, except those whose salaries are reim- bursed to bank		Employees whose salaries are reimbursed to bank		Total	
	Annual salary	Number	Annual salaries	Number	Annual salaries	Number	Annual salaries	Number	Annual salaries
Boston.....	\$30,000	9	\$91,000	633	\$934,805	77	\$116,855	720	\$1,172,660
New York.....	50,000	39	465,600	2,070	3,923,886	410	755,081	2,520	5,194,567
Philadelphia.....	25,000	11	103,700	700	1,152,328	81	136,000	793	1,417,028
Cleveland.....	25,000	18	153,500	850	1,404,351	87	165,893	956	1,748,744
Richmond.....	21,000	17	123,400	541	783,383	115	161,969	674	1,089,752
Atlanta.....	20,000	22	124,120	404	542,373	323	409,417	750	1,095,910
Chicago.....	35,000	21	201,850	1,206	1,785,652	621	876,164	1,849	2,898,666
St. Louis.....	20,000	19	137,500	509	719,388	166	227,745	695	1,104,633
Minneapolis.....	25,000	13	88,000	273	420,091	154	201,649	441	734,740
Kansas City.....	25,000	19	145,100	482	743,448	190	266,139	692	1,179,687
Dallas.....	18,000	15	108,900	379	596,431	252	351,059	647	1,074,390
San Francisco.....	25,000	26	194,600	699	1,150,031	177	277,109	903	1,646,740
Total.....	319,000	229	1,937,270	8,746	14,156,167	2,653	3,945,080	11,640	20,357,517

NO. 8.—RECEIPTS AND DISBURSEMENTS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR THE YEAR 1940

General fund account:

Balance January 1, 1940:	
Available for general expenses of the Board.....	\$150,476.48
Available for expenses chargeable to Federal Reserve Banks.....	53,708.15
Total.....	\$204,184.63

RECEIPTS

Available for general expenses of the Board:	
Assessments on Federal Reserve Banks for estimated general expenses of the Board.....	\$1,704,011.35
Subscriptions to the Federal Reserve Bulletin.....	6,308.54
Other publications, sales.....	1,558.14
Reimbursements for leased wire service.....	36,528.80
Miscellaneous receipts, refunds, and reimbursements.....	25,122.31
Total receipts available for general expenses of the Board.....	1,773,529.14
Available for expenses chargeable to Federal Reserve Banks:	
Assessments on Federal Reserve Banks for:	
Cost of printing Federal Reserve notes.....	844,208.83
Expenses of leased wire system (telegraph).....	51,006.90
Expenses of leased telephone lines.....	16,095.69
Expenses of Federal Reserve Issue and Redemption Division (office of Comptroller of the Currency).....	51,811.16
Miscellaneous expenses.....	8,101.08
Total receipts available for expenses chargeable to Federal Reserve Banks.....	971,223.66
Total receipts.....	2,744,752.80
Total available for disbursement.....	2,948,937.43

DISBURSEMENTS

For expenses of the Board:	
General expenses of 1940 (per detailed statement).....	\$1,646,690.45
Less accounts unpaid December 31, 1940.....	24,393.61
	1,622,296.84
Expenses of 1939 paid in 1940.....	27,959.99
Expenses of leased wire service, reimbursable.....	40,239.20
Plans for alteration and addition to building.....	51,243.58
Miscellaneous refunds and reimbursable expenses.....	15,740.39
Total disbursements for expenses of the Board.....	1,757,480.00
For expenses chargeable to Federal Reserve Banks:	
Cost of printing Federal Reserve notes.....	882,062.73
Expenses of leased wire system (telegraph).....	51,006.90
Expenses of leased telephone lines.....	15,679.19
Expenses of Federal Reserve Issue and Redemption Division (office of Comptroller of the Currency).....	52,994.20
Miscellaneous expenses.....	2,877.69
Total disbursements for expenses chargeable to Federal Reserve Banks.....	1,004,620.71
Total disbursements.....	2,762,100.71
Balance in general fund account December 31, 1940:	
Available for general expenses of the Board.....	166,525.62
Available for expenses chargeable to Federal Reserve Banks.....	20,311.10
	\$186,836.72

No. 8.—Receipts and Disbursements—Continued

PERSONAL SERVICES	
Salaries.....	\$1,283,803.46
Retirement contributions.....	58,785.52
Total Personal Services.....	<u>1,342,588.98</u>
NON-PERSONAL SERVICES	
Traveling Expenses.....	67,416.41
Postage and Expressage.....	1,430.71
Telephone and Telegraph.....	60,524.65
Printing and Binding.....	67,351.66
Stationery and Supplies.....	16,041.36
Furniture and Equipment.....	25,145.49
Books and Subscriptions.....	6,434.77
Light, Heat, Power and Water.....	24,487.42
Repairs and Alterations (Building and Grounds).....	17,056.13
Rental and Repairs (Furniture and Equipment).....	2,578.15
Medical Service and Supplies.....	342.21
Insurance.....	2,402.66
Miscellaneous.....	12,389.85
Total Non-Personal Services.....	<u>304,101.47</u>
GRAND TOTAL.....	<u>\$1,646,690.45</u>

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

[Per cent per annum]

In effect December 31, 1940

	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Rediscounts for and advances to member banks under secs. 13 and 13a of the Federal Reserve Act except last paragraph of sec. 13:												
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 corporations, secured by direct obligations of the United States (last paragraph of sec. 13 of the Federal Reserve Act):												
To banks (including nonmember banks)....	1	1	1½	(2)1½	1½	1	1	1	1½	1	1	1½
To others.....	2½	3½	2½	3½	4	2½	4	4	3	2½	2½	4
Advances direct to industrial or commercial organizations under sec. 13b of the Federal Reserve Act.	3½-6	4-6	3½-6	3½-5	4-6	4-6	3-6	3½-5½	3-6	4-6	4-6	4-6
Advances to or in participation with financing institutions under sec. 13b of the Federal Reserve Act:												
On portion for which institution is obligated ¹	3	2-3	2½	3	(4)3	4	3-6	1½-2	3-6	4	4	3-4
On remaining portion ²	3½	2-5	(5)	3½	(6)4	4-6	3-6	(5)	3-6	4	4-6	4-5
Commitments to make advances under sec. 13b of the Federal Reserve Act.....	½-1	1-2	½-2	1	1-2	1-2	½-2	(7)1	1-2	(8)2	1	½-2
Minimum buying rates on prime bankers' acceptances payable in dollars.....	(10)		(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)
1-15 days ⁹		½										
16-30 days.....		½										
31-45 days.....		½										
46-60 days.....		½										
61-90 days.....		½										
91-120 days.....		¾										
121-180 days.....		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 The Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, and Dallas may charge same rate as charged borrower by financing institution, if lower than rate shown.

⁴ One per cent less than rate charged borrower by financing institution with minimum of three per cent (see note 3).

⁵ Same as to borrower.

⁶ One-half of one per cent less than rate charged borrower by financing institution with minimum of four per cent (see note 3).

⁷ Minimum charge one-fourth of one per cent.

⁸ Minimum charge one-half of one per cent.

⁹ This rate also applies to acceptances bought under repurchase agreement, which agreements are always for a period of 15 days or less.

¹⁰ 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	12½	14	12
On time deposits:					
All member banks.....	3	4½	5¼	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.—MARGIN REQUIREMENTS¹

Prescribed by Board of Governors of the Federal Reserve System in accordance with Securities Exchange Act of 1934

[Per cent of market value]

	Apr. 1, 1936- Oct. 31, 1937	Nov. 1, 1937 and after
For extensions of credit by brokers and dealers on listed securities, under Regulation T.....	55	40
For short sales, under Regulation T.....	(²)	50
For loans by banks on stocks, under Regulation U.....	³ 55	40

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

² Requirement under Regulation T was the margin "customarily required" by the broker.

³ Regulation U became effective May 1, 1936.

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

NO. 13.—ALL MEMBER BANKS—CONDITION ON DECEMBER 31, 1940, 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).....	15,320,598	10,004,346	5,316,252	3,383,623	696,100	5,931,494	5,309,381
United States Government direct obligations.....	12,337,408	7,642,011	4,695,397	4,429,224	1,194,097	4,154,998	2,559,089
Obligations guaranteed by United States Government.....	3,485,638	2,093,305	1,392,333	1,614,718	112,410	1,048,840	709,670
Obligations of States and political subdivisions.....	3,012,693	2,004,686	1,008,007	694,700	188,262	984,083	1,145,648
Obligations of Government corporations and agencies not guaranteed by United States.....	499,355	322,085	177,270	166,233	40,991	184,509	107,622
Other bonds, notes, and debentures.....	2,053,842	1,368,600	685,242	476,153	117,710	555,901	904,078
Corporate stocks (including Federal Reserve Bank stock).....	416,533	212,881	203,652	145,682	27,744	152,689	90,418
Total loans and investments.....	37,126,067	23,647,914	13,478,153	10,910,333	2,377,314	13,012,514	10,825,906
Reserve with Federal Reserve Banks.....	13,991,733	7,986,914	6,004,819	7,056,651	1,050,980	4,026,746	1,857,356
Cash in vault.....	991,146	712,561	278,585	101,576	41,829	396,124	451,617
Demand balances with banks in United States (except private banks and American branches of foreign banks).....	6,084,424	4,651,188	1,433,236	120,485	315,615	2,707,770	2,940,554
Other balances with banks in United States.....	100,881	76,236	24,645	1,641	3,667	33,635	61,938
Balances with banks in foreign countries.....	11,311	8,031	3,280	6,264	355	3,171	1,521
Due from own foreign branches.....	2,182	2,086	96	96		2,086	
Cash items in process of collection.....	2,783,960	1,663,795	1,120,165	1,136,669	165,349	1,110,078	371,864
Bank premises owned and furniture and fixtures.....	914,425	592,759	321,666	200,215	19,740	322,055	372,415
Other real estate owned.....	228,243	108,191	120,052	23,922	3,057	84,692	116,572
Investments and other assets indirectly representing bank premises or other real estate.....	111,146	62,415	48,731	10,071	803	79,896	20,376
Customers' liability on acceptances.....	83,052	47,148	35,904	57,432	2,988	19,919	2,713
Income accrued but not yet collected.....	105,026	60,238	44,788	37,757	7,848	41,048	18,373
Other assets.....	124,082	41,088	82,994	25,024	5,651	33,428	59,979
Total assets.....	62,657,678	39,660,564	22,997,114	19,688,136	3,995,196	21,873,162	17,101,184
LIABILITIES							
Demand deposits—Total.....	44,110,412	27,360,631	16,749,781	16,919,623	3,201,042	14,987,013	9,002,734
Individuals, partnerships, and corporations.....	29,576,064	17,913,896	11,662,168	11,357,143	1,905,172	9,468,202	6,845,547
United States Government ²	616,118	459,225	156,893	47,856	89,826	327,333	151,103
States and political subdivisions.....	2,723,660	1,993,674	729,986	370,195	174,203	995,339	1,183,923
Banks in United States.....	9,581,199	6,119,964	3,461,235	4,031,856	996,958	3,919,160	633,225
Banks in foreign countries.....	700,073	355,691	344,382	641,205	7,523	49,373	1,972
Certified and officers' checks, cash letters of credit and travelers' checks, etc.....	913,298	518,181	395,117	471,368	27,360	227,606	186,964

Time deposits—Total	12,319,198	8,426,642	3,892,556	824,032	508,877	4,857,400	6,128,889
Individuals, partnerships, and corporations:							
Savings deposits.....	10,266,149	7,107,266	3,158,883	403,053	435,766	4,072,802	5,354,528
Certificates of deposit.....	654,941	505,293	149,648	10,948	29,305	150,131	484,557
Christmas savings and similar accounts.....	27,823	18,885	8,968	1,086	201	9,848	16,718
Open accounts.....	737,865	295,315	442,550	353,155	30,805	272,890	81,015
Postal savings ²	55,987	42,600	13,387	.....	4,500	18,940	32,547
States and political subdivisions.....	435,075	359,321	75,754	51,108	8,300	225,513	150,154
Banks in United States.....	135,226	93,040	42,186	.....	.....	105,526	29,370
Banks in foreign countries.....	6,102	4,922	1,180	4,352	.....	1,750	.....
Total deposits	56,429,610	35,787,273	20,642,337	17,743,655	3,709,919	19,844,413	15,131,623
Due to own foreign branches.....	182,067	145,970	36,097	182,067	.....	.....	.....
Bills payable, rediscounts, and other liabilities for borrowed money.....	3,282	3,127	155	.....	.....	1	3,281
Acceptances outstanding.....	97,461	54,433	42,978	67,203	3,446	23,950	2,862
Dividends declared but not yet payable.....	38,953	24,561	14,392	17,997	980	11,920	8,056
Income collected but not yet earned.....	67,666	46,380	21,286	1,957	1,955	35,367	20,753
Expenses accrued and unpaid.....	77,946	48,080	29,916	16,743	8,300	35,336	17,567
Other liabilities.....	63,177	22,494	40,683	35,803	850	18,163	8,361
Total liabilities	56,960,162	36,132,318	20,827,844	18,073,059	3,725,450	19,969,150	15,192,503
CAPITAL ACCOUNTS							
Capital (see page 5).....	2,356,258	1,523,437	832,821	548,062	101,700	787,150	919,346
Surplus.....	2,279,621	1,307,038	972,583	827,225	103,690	720,657	628,049
Undivided profits.....	721,444	467,711	253,733	191,070	29,160	251,088	250,126
Reserves for contingencies.....	295,839	194,729	101,110	45,501	35,019	128,478	86,841
Other capital accounts.....	44,354	35,331	9,023	3,219	177	16,639	24,319
Total capital accounts	5,697,516	3,528,246	2,169,270	1,615,077	269,746	1,904,012	1,908,681
Total liabilities and capital accounts	62,657,678	39,660,564	22,997,114	19,688,136	3,995,196	21,873,162	17,101,184
Net demand deposits subject to reserve.....	35,261,636	21,060,469	14,201,167	15,662,469	2,721,247	11,173,420	5,704,500
Demand deposits—adjusted ³	30,429,062	18,761,956	11,667,106	11,062,037	1,941,386	9,581,069	7,844,570
Number of banks.....	6,486	5,144	1,342	36	13	348	6,089

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 accounts, 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. 14.—ALL MEMBER BANKS—CLASSIFICATION OF LOANS, INVESTMENTS, REAL ESTATE, AND CAPITAL ON DECEMBER 31, 1940, 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	15,320,598	10,004,346	5,316,252	3,383,623	696,100	5,931,494	5,309,381
Commercial and industrial loans	6,203,515	4,016,691	2,186,824	2,025,344	475,797	2,435,554	1,266,820
Agricultural loans	865,031	728,640	136,451	6,445	4,974	263,270	590,402
Commercial paper bought in open market	321,473	221,056	100,417	4,596	14,384	120,444	182,049
Bills, acceptances, etc. payable in foreign countries	4,291	3,038	1,253	195	547	2,769	780
Acceptances of other banks, payable in United States	55,875	30,134	25,741	49,171	23	4,038	2,643
Reporting banks' own acceptances	74,418	41,369	33,049	45,686	1,708	25,855	1,169
Loans to brokers and dealers in securities	642,448	274,021	368,427	465,031	41,943	114,952	20,522
Other loans for purchasing or carrying securities	652,121	369,377	282,744	189,680	54,043	207,121	201,277
Real estate loans: On farm land	299,188	233,753	65,435	61	339	90,617	208,171
On residential property	2,118,475	1,363,227	755,248	63,402	9,967	964,596	1,080,510
On other properties	810,344	490,276	320,068	66,081	8,305	380,644	355,314
Loans to banks	43,106	22,683	20,423	25,219	11	14,690	3,186
All other loans	3,222,650	2,205,139	1,017,511	440,395	83,841	1,304,093	1,394,321
Overdrafts	7,603	4,942	2,661	2,317	218	2,851	2,217
United States Government direct obligations—Total	12,337,408	7,642,011	4,695,397	4,429,224	1,194,097	4,154,998	2,559,089
Treasury bills	651,986	445,062	206,924	207,218	296,869	103,044	44,855
Treasury notes	2,594,269	1,720,130	874,139	1,245,135	145,278	770,805	433,051
Bonds maturing in 5 years or less	1,367,488	727,530	639,958	596,130	51,886	469,818	249,654
Bonds maturing in 5 to 10 years	2,855,694	1,524,940	1,360,754	1,232,622	117,497	922,063	613,512
Bonds maturing in 10 to 20 years	4,344,955	2,908,212	1,436,743	1,058,141	482,847	1,711,562	1,002,405
Bonds maturing after 20 years	493,016	316,137	176,879	89,978	99,720	177,706	125,612
Obligations guaranteed by United States Government—Total	3,485,638	2,093,305	1,392,333	1,614,718	112,410	1,048,840	709,670
Total amount maturing in 5 years or less	2,329,749	1,324,833	1,004,916	1,244,657	104,931	590,030	390,131
Reconstruction Finance Corporation	840,575	338,143	502,432	513,278	57,316	162,241	107,740
Home Owners' Loan Corporation	1,490,350	1,060,118	421,232	644,407	19,332	503,849	322,762
Federal Farm Mortgage Corporation	463,128	255,761	207,367	155,876	3,804	163,699	139,749
Other Government corporations and agencies	691,585	430,283	261,302	301,157	31,958	219,051	139,419
Obligations of Government corporations and agencies, not guaranteed by United States—Total	499,355	322,085	177,270	166,233	40,991	184,509	107,622
Total amount maturing in 5 years or less	377,790	239,142	138,648	139,152	26,125	153,224	60,289
Federal Land banks	129,171	82,943	46,228	35,350	15,865	30,339	47,617
Federal Intermediate Credit Banks	164,414	98,837	65,477	77,816	12,419	62,263	11,916
Other Government corporations and agencies	205,770	140,205	65,565	53,067	12,707	91,907	48,089

ANNUAL REPORT OF BOARD OF GOVERNORS

Obligations of States and political subdivisions—Total	3,012,693	2,004,686	1,008,007	694,700	188,262	984,083	1,145,648
In default.....	6,735	6,032	703	477		3,917	2,341
Without specific maturity.....	220,432	187,625	32,807	11,136	63,952	76,812	68,532
Maturing in 5 years or less.....	1,788,648	1,067,938	720,710	559,454	97,498	530,662	601,034
Maturing after 5 years.....	996,878	743,091	253,787	123,633	26,812	372,692	473,741
Other bonds, notes, and debentures—Total	2,053,842	1,368,600	685,242	476,153	117,710	555,901	904,078
Total amount in default.....	55,690	32,454	23,236	16,686	1,153	16,970	20,881
Total amount maturing in 5 years or less.....	579,907	318,597	261,310	218,332	59,767	160,207	141,601
Railroads.....	701,663	472,120	229,543	131,582	32,617	194,136	343,328
Public utilities.....	499,920	335,280	164,640	71,170	32,931	134,013	261,806
Industrials.....	539,702	375,181	164,521	156,651	32,369	148,898	201,784
Other domestic corporations.....	147,774	73,694	74,080	68,096	8,238	35,040	36,400
Foreign—public and private.....	164,783	112,325	52,458	48,654	11,555	43,814	60,760
Corporate stocks—Total	416,533	212,881	203,652	145,682	27,744	152,689	90,418
Federal Reserve Banks.....	138,539	84,551	53,988	40,905	6,153	45,074	46,407
Affiliates of reporting banks.....	99,659	47,204	52,455	41,363	277	52,500	5,519
Other domestic banks.....	18,864	6,715	12,149	2,487	40	7,732	8,605
Other domestic corporations.....	157,977	73,525	84,452	60,531	21,260	46,534	29,602
Foreign corporations.....	1,494	886	608	346	14	849	285
Bank premises, furniture and fixtures, and other real estate—Total	1,142,668	700,950	441,718	224,137	22,797	406,747	488,987
Bank premises.....	842,618	537,373	305,245	199,542	19,549	292,405	331,122
Furniture and fixtures.....	71,807	55,386	16,421	673	191	29,650	41,293
Farm land (including improvements).....	18,446	13,644	4,802	17	217	6,951	11,261
Residential properties.....	86,228	36,738	49,490	8,253	889	25,543	51,543
Other real properties.....	123,569	57,809	65,760	15,652	1,951	52,198	53,768
Assets indirectly representing bank premises or other real estate—Total	111,146	62,415	48,731	10,071	803	79,896	20,376
Investments.....	77,831	51,099	26,732	8,835	702	53,670	14,624
Other assets.....	33,315	11,316	21,999	1,236	101	26,226	5,752
Capital:							
Par or face value—Total	2,359,291	1,525,673	833,618	548,062	101,700	787,150	922,379
Capital notes and debentures.....	40,758		40,758	375		25,450	14,933
First preferred stock.....	247,726	181,899	65,827	8,868	1,700	99,543	137,615
Second preferred stock.....	18,243	13,638	4,605			2,150	16,093
Common stock.....	2,052,564	1,330,136	722,428	538,819	100,000	660,007	753,738
Retirable value of: First preferred stock.....	343,093	233,160	109,933	21,992	1,700	135,936	183,465
Second preferred stock.....	23,894	15,523	8,371			2,150	21,744

For footnote see preceding table.

NO. 15.—MEMBER BANK RESERVE BALANCES, RESERVE BANK CREDIT, AND RELATED ITEMS— END OF YEAR 1918-1939 AND END OF MONTH 1940

[In millions of dollars]

End of year or month	Reserve Bank credit out- standing					Gold stock ²	Treasury currency out- standing ³	Money in circulation	Treasury cash holdings ⁴	Treasury deposits with Federal Reserve Banks	Nonmember deposits ⁵	Other Federal accounts ⁶	Member bank reserve balances	
	Bills discounted	Bills bought	U. S. Govern- ment securi- ties	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	224	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	6,006	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.....	7	.....	2,484	102	2,593	17,644	2,963	7,598	2,409	634	653	251	11,653	5,209
1940—Jan.....	7	.....	2,477	18	2,503	17,931	2,970	7,376	2,359	549	723	248	12,150	5,559
Feb.....	7	.....	2,477	62	2,547	18,177	2,981	7,455	2,372	562	740	247	12,328	5,692
Mar.....	4	.....	2,475	50	2,529	18,433	2,990	7,511	2,371	702	691	255	12,423	5,828
Apr.....	3	.....	2,467	48	2,518	18,770	2,999	7,559	2,320	446	787	256	12,919	6,149
May.....	3	.....	2,477	39	2,519	19,209	3,008	7,710	2,198	365	973	253	13,237	6,385
June.....	2	.....	2,466	63	2,531	19,963	3,013	7,848	2,186	234	1,198	261	13,781	6,857
July.....	4	.....	2,448	32	2,484	20,463	3,024	7,883	2,250	694	1,382	262	13,498	6,514
Aug.....	4	.....	2,436	76	2,515	20,913	3,036	8,059	2,277	810	1,516	261	13,541	6,525
Sept.....	5	.....	2,434	46	2,485	21,244	3,044	8,151	2,290	756	1,581	269	13,727	6,655
Oct.....	4	.....	2,333	78	2,412	21,506	3,059	8,300	2,188	349	1,661	271	14,208	6,960
Nov.....	4	.....	2,199	101	2,304	21,801	3,072	8,522	2,187	250	1,726	277	14,215	6,849
Dec.....	3	.....	2,184	87	2,274	21,995	3,087	8,732	2,213	368	1,732	284	14,026	6,615

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, to \$350,000 in 1939, and to \$450,000 in 1940.

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 1933 are for licensed member banks only. For required reserves and changes in the percentages of requirements see table 11.

NO. 16.—NUMBER OF BANKS AND BRANCHES IN UNITED STATES, 1933-1940

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	8,579		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		
1940.....	6,683	2,344	7,891	895	686	62	18,561		
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		
1940.....	5,144	1,342	6,951	851	551	56	14,895		
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
1940.....	1,539	1,002	940	44	135	6	3,666	1,716	1,950

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 53 insured banks with 31 branches and 498 noninsured banks with 104 branches. The figures beginning with 1939 exclude one bank with 4 branches which theretofore 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 55 noninsured banks with 6 branches.

NO. 17.—ANALYSIS OF CHANGES IN NUMBER OF BANKS AND BRANCHES DURING 1940

	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, 1939.....	15,034	5,187	1,175	7,171	887	551	63
Increases in number of banks:							
Primary organizations (new banks) ¹	+32	+3		+24	+5		
Reopenings of suspended banks.....	+2			+2			
Decreases in number of banks:							
Suspensions.....	-22	-1		-18	-3		
Voluntary liquidations ²	-53	-4	-1	-28	-16		-4
Consolidations, absorptions, etc.....	-96	-41	-11	-39	-5		
Unclassified.....	-2				-2		
Inter-class bank changes:							
Conversions—							
National into State.....		-16	+2	+14			
State into National.....		+16	-8	-8			
Private into State.....					+3		-3
Federal Reserve membership— ³							
Admissions of State banks.....			+188	-182	-6		
Withdrawals of State banks.....			-3	+3			
Federal deposit insurance— ⁴							
Admissions of State banks.....				+12	-12		
Withdrawals of State banks.....							
Net increase or decrease in number of banks.....	-139	-43	+167	-220	-36		-7
Number of banks on December 31, 1940.....	14,895	5,144	1,342	6,951	851	551	56
Analysis of Branch Changes							
Number of branches on December 31, 1939....	3,629	1,518	1,002	927	44	132	6
Increases in number of branches:							
De novo branches.....	+46	+13	+2	+28		+3	
Banks converted into branches.....	+43	+21	+9	+12	+1		
Decreases in number of branches:							
Branches discontinued.....	-51	-23	-11	-17			
Unclassified.....	-1		-1				
Inter-class branch changes:							
From State to National.....		+10	-7	-3			
From nonmember to State member.....			+8	-8			
From uninsured to insured nonmember.....				+1	-1		
Net increase or decrease in number of branches.....	+37	+21		+13		+3	
Number of branches on December 31, 1940....	3,666	1,539	1,002	940	44	135	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 one bank which was not insured at time of suspension.

**NO. 18.—NUMBER OF BANKS ON PAR LIST AND NOT ON PAR LIST,¹ BY FEDERAL
RESERVE DISTRICTS AND STATES, ON DECEMBER 31, 1939 AND 1940**

Federal Reserve district or State	Member banks		Nonmember banks, other than mutual savings banks			
			On par list		Not on par list	
			Dec. 31, 1940	Dec. 31, 1939	Dec. 31, 1940	Dec. 31, 1939
DISTRICT	Dec. 31, 1940	Dec. 31, 1939	Dec. 31, 1940	Dec. 31, 1939	Dec. 31, 1940	Dec. 31, 1939
Boston.....	350	353	165	167		
New York.....	765	768	243	257		
Philadelphia.....	651	652	236	248		
Cleveland.....	658	639	558	590	2	2
Richmond.....	431	410	289	306	289	295
Atlanta.....	316	315	82	86	695	698
Chicago.....	556	504	1,392	1,458	221	217
St. Louis.....	415	392	661	695	443	442
Minneapolis.....	460	467	120	133	706	703
Kansas City.....	739	736	919	946	176	176
Dallas.....	568	544	246	270	154	158
San Francisco.....	277	282	235	239	29	28
Total.....	6,486	6,362	5,140	5,395	2,715	2,719
STATE						
New England:						
Maine.....	42	43	27	27		
New Hampshire.....	53	53	12	12		
Vermont.....	41	42	32	33		
Massachusetts.....	154	154	42	42		
Rhode Island.....	14	14	9	9		
Connecticut.....	58	58	59	61		
Middle Atlantic:						
New York.....	557	563	170	178		
New Jersey.....	280	277	74	84		
Pennsylvania.....	773	775	298	308		
East North Central:						
Ohio.....	363	344	330	357		
Indiana.....	184	148	315	355	3	3
Illinois.....	419	464	304	417	28	27
Michigan.....	220	213	237	249	1	1
Wisconsin.....	137	134	272	280	160	158
West North Central:						
Minnesota.....	209	209	50	58	415	411
Iowa.....	148	143	397	405	113	110
Missouri.....	150	142	363	378	106	106
North Dakota.....	45	50	5	4	113	117
South Dakota.....	63	64	6	8	95	93
Nebraska.....	147	148	108	114	162	161
Kansas.....	206	203	457	471	1	1
South Atlantic:						
Delaware.....	19	19	23	24		
Maryland.....	73	73	101	103		
District of Columbia.....	15	14	7	8		
Virginia.....	176	162	99	109	39	43
West Virginia.....	98	96	76	79	6	6
North Carolina.....	54	51	18	18	125	126
South Carolina.....	26	25	4	5	119	120
Georgia.....	69	70	17	17	256	260
Florida.....	57	56	15	16	88	87
East South Central:						
Kentucky.....	112	112	280	282	10	12
Tennessee.....	77	77	51	52	169	171
Alabama.....	82	82	4	5	131	130
Mississippi.....	26	26	4	4	177	175
West South Central:						
Arkansas.....	57	56	46	49	133	132
Louisiana.....	37	36	4	5	104	104
Oklahoma.....	219	220	159	161	12	12
Texas.....	525	501	232	256	98	102
Mountain:						
Montana.....	67	68	24	23	20	20
Idaho.....	27	28	23	23		
Wyoming.....	35	35	22	21	1	2
Colorado.....	93	91	32	53	1	1
New Mexico.....	27	27	14	14		
Arizona.....	7	7	5	5		
Utah.....	33	33	27	26		
Nevada.....	8	7	3	4		
Pacific:						
Washington.....	57	60	51	53	26	25
Oregon.....	32	34	36	36	3	3
California.....	115	115	92	94		

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 par list" comprise nonmember banks which have not agreed to pay without deduction such checks drawn upon them as may be forwarded for payment through the Federal Reserve Banks. Checks on such banks are not collectible through the Federal Reserve Banks. The difference of 3 between the number of nonmember banks on December 31, 1940 shown in this table and in table 14 is due to the fact that this table excludes 145 banks (principally 64 Federal Reserve Bank of St. Louis

NO. 19.—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	34.0	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	0.023	0.59	2.36	3.01	4.96	89.2	104.9	28.2	84.5
1940	.56	0.014	0.50	2.21	2.84	4.75	83.6	97.4	26.9	82.1
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	0.058	0.48	2.21	2.93	4.85	86.3	100.5	25.4	87.0
September	.60	0.101	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	0.010	0.51	2.35	2.94	4.92	91.8	107.9	29.6	86.7
1940										
January	.56	0.004	0.47	2.30	2.88	4.86	92.7	108.8	29.6	88.4
February	.56	0.004	0.46	2.32	2.86	4.83	91.5	107.3	28.7	87.6
March	.56	(⁵)	0.42	2.25	2.84	4.80	91.5	107.5	28.9	87.1
April	.56	0.003	0.45	2.25	2.82	4.74	92.9	109.2	29.1	87.8
May	.56	0.042	0.65	2.38	2.93	4.94	83.0	97.3	25.4	80.6
June	.56	0.071	0.76	2.39	2.96	5.11	73.3	84.8	22.7	75.1
July	.56	0.009	0.57	2.28	2.88	4.80	76.1	87.2	24.4	80.1
August	.56	0.019	0.58	2.25	2.85	4.76	77.5	89.1	24.9	80.3
September	.56	0.021	0.48	2.18	2.82	4.66	80.9	93.7	27.0	81.0
October	.56	(⁵)	0.43	2.10	2.79	4.56	81.4	94.6	27.4	80.2
November	.56	0.003	0.34	1.97	2.75	4.48	82.1	95.8	27.8	79.0
December	.56	(⁵)	0.35	1.89	2.71	4.45	80.4	94.0	26.4	77.6

¹ Revised.² Annual data are averages of monthly figures.³ 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.⁴ 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.⁵ Standard Statistics Co. Monthly data are averages of Wednesday figures.⁶ Negative rate.

NO. 20.—BUSINESS INDEXES¹

[Adjusted for seasonal variation]

Year and month	Industrial production (physical volume) (1935-39 = 100)				Construction contracts awarded (value) ² 1923-25 = 100			Employment (number)		Factory payrolls* (value) (1923-25 = 100)	Freight-car loadings (number) (1935-39 = 100)	Department store sales (value) (1923-25 = 100)	Wholesale commodity prices* (1926 = 100)	National income payments (value) (1929 = 100)
	Total	Durable manufactures	Nondurable manufactures	Minerals	Total	Residential	All other	Nonagricultural (1935-39 = 100)	Factory (1923-25 = 100)					
1919	72	84	62	71	63	44	79	106.7	98.0	120	78	138.6		
1920	75	93	60	83	63	30	90	107.1	117.2	129	94	154.4		
1921	58	53	57	66	56	44	65	82.0	75.6	110	87	97.6		
1922	73	81	67	71	79	68	88	90.7	81.2	121	88	96.7		
1923	88	104	72	98	84	81	86	103.8	102.9	142	98	100.6		
1924	82	95	69	89	94	95	94	96.4	96.0	139	99	98.1		
1925	91	108	76	92	122	124	120	99.8	101.1	146	103	103.5		
1926	96	114	79	99	129	121	135	101.7	104.2	152	106	100.0		
1927	95	107	83	100	129	117	139	99.5	102.4	147	107	95.4		
1928	99	117	85	99	135	126	142	99.7	103.5	148	108	96.7		
1929	110	133	93	107	117	87	142	107.6	106.0	152	111	95.3	100.0	
1930	91	99	84	93	92	50	125	100.9	92.4	89.4	131	102	86.4	90.8
1931	75	68	79	80	63	37	84	92.3	78.1	67.8	105	92	73.0	77.3
1932	58	41	70	66	28	13	40	82.8	66.3	46.7	78	69	64.8	60.1
1933	69	54	79	76	25	11	37	83.3	73.4	50.1	82	67	65.9	57.1
1934	75	66	81	80	32	12	48	90.5	85.7	64.5	89	75	74.9	65.8
1935	87	84	90	86	37	21	50	94.2	91.3	74.1	92	79	80.0	71.7
1936	103	108	100	99	55	37	70	100.0	99.0	85.8	107	88	80.8	82.7
1937	113	122	106	112	59	41	74	105.0	108.6	102.5	111	92	86.3	87.5
1938	88	78	95	97	64	45	80	98.5	90.9	78.5	89	85	78.6	80.7
1939	108	108	108	106	72	60	81	102.3	99.9	92.2	101	90	77.1	85.4
1940	122	135	113	117	81	72	89	105.6	107.5	105.4	109	94	78.6	90.5
1939														
January	102	98	104	103	86	55	111	100.5	96.8	84.7	98	88	76.9	83.4
February	101	98	104	102	73	58	85	100.7	96.8	87.1	95	88	76.9	83.7
March	101	96	104	103	69	55	80	100.8	96.7	88.8	94	88	76.7	84.6
April	97	93	103	92	67	58	74	99.8	96.6	86.8	87	88	76.2	83.1
May	97	90	104	96	63	55	68	100.6	96.3	86.3	90	87	76.2	83.8
June	102	97	106	105	63	58	67	101.7	97.3	87.9	97	86	75.6	84.1
July	104	101	106	107	67	62	71	102.0	98.4	85.8	99	87	75.4	83.6
August	104	106	108	92	73	67	78	102.4	99.0	91.2	101	88	75.0	85.2
September	113	115	111	114	73	68	76	103.0	100.8	95.4	111	90	79.1	86.1
October	121	129	115	119	76	68	82	104.2	104.8	103.2	114	92	79.4	88.0
November	124	133	117	120	83	61	101	104.9	107.0	103.2	114	93	79.2	88.5
December	126	140	117	115	86	60	107	105.4	108.2	105.4	110	95	79.2	90.0
1940														
January	122	135	113	118	75	53	93	104.9	107.6	99.8	111	92	79.4	90.3
February	116	124	110	114	63	56	68	104.2	105.8	99.3	105	90	78.7	89.7
March	113	118	107	117	62	57	66	104.0	104.0	99.8	100	89	78.4	88.4
April	111	113	107	119	64	62	66	103.3	102.8	97.9	103	89	78.6	88.2
May	115	119	110	117	64	64	65	103.8	102.8	97.8	106	89	78.4	88.6
June	121	131	114	118	74	69	77	104.2	103.9	99.5	111	91	77.5	88.7
July	121	132	112	120	85	77	91	104.7	105.1	98.2	110	92	77.7	89.3
August	121	135	112	113	90	82	98	105.6	107.4	105.5	112	98	77.4	90.5
September	125	146	112	116	93	82	101	106.1	108.9	111.6	112	97	78.0	91.7
October	129	150	116	113	95	85	103	107.3	111.4	116.2	110	94	78.7	92.5
November	133	154	120	118	111	87	130	108.8	114.2	116.4	116	100	79.6	93.6
December	139	165	124	119	115	90	136	110.6	116.6	122.4	119	101	80.0	95.8

* Without seasonal adjustment.

¹ Indexes 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.

² Three-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 JANUARY 2, 1940

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

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

By unanimous vote, section 3 of Regulation L, Interlocking Bank Directorates under the Clayton Act, was amended, effective immediately, so as to permit any director, officer or employee of a member bank of the Federal Reserve System which does not exercise trust powers to serve a trust company which does not receive deposits, or any director, officer or employee of a trust company which is a member of the Federal Reserve System and which does not receive deposits to serve a bank, banking association or savings bank which does not exercise trust powers.

In section 8 of the Clayton Act Congress made a number of exceptions to the prohibition against interlocking bank directorates and authorized the Board to make additional exceptions, by regulation. The Board has exercised this authority only to fill out the pattern established by Congress in the statute. Mutual savings banks are specifically exempted from the prohibition of the statute and in the opinion of the Board there are less potentialities of competition between banks which do not exercise trust powers and trust companies which do not receive deposits than between member banks with savings deposits and mutual savings banks. Moreover, the statute does not prohibit interlocking relationships between member banks and life insurance companies, finance companies, building and loan associations, and several other types of institutions which compete with member banks for numerous kinds of loans to a much greater extent than do trust companies which receive no deposits. The Board felt that the two classes of institutions described in the amendment are clearly of distinct types, operating in different fields.

MEETING ON FEBRUARY 1, 1940

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

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

On August 1, 1939, the Board of Governors extended the authority contained in subsections 3(a) and 3(e) of Regulation L, Interlocking Bank Directorates Under the Clayton Act, to permit (1) any private banker or any director, officer, or employee of a member bank of the Federal Reserve System 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 February 1, 1940, and (2) any director, officer, or employee of any member bank of the Federal Reserve System 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 February 1, 1940, 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 June 1, 1940.

The reasons for the Board's action were set forth in the following press statement:

"The Board of Governors of the Federal Reserve System has amended subsections 3(a) and 3(e) of its Regulation L relating to interlocking bank directorates under the Clayton Act, effective immediately, so as to extend until June 1, 1940, the time during which certain persons who have been serving member banks may continue to serve a member bank and not more than one other bank.

"This final extension was made at the request of Senator Wagner, Chairman of the Banking and Currency Committee of the Senate, and of Senator Glass, senior member of that Committee, and upon receipt of the following letter from the President addressed to the Chairman of the Board:

"'In view of my veto last year of the Bill extending the time for ending interlocking bank directorships and in view of the apparent hope on the part of some of these directors that some method could be devised for a slight extension of the final date, I am writing to you and the Board to tell you that I have no objection to a short extension—say three months but no longer than four months. This will give ample time to make the necessary arrangements. As I said in my veto message, I honestly believe that the intent of the law should be definitely put into effect especially because so much time has already elapsed.'"

MEETING ON MAY 3, 1940

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

Amendment to Regulation F, Trust Powers of National Banks.

By unanimous vote, Regulation F, Trust Powers of National Banks, was amended to permit the operation of common trust funds composed principally of mortgages.

In connection with this action, the Board issued a statement to the press under date of May 6, in which the reasons for the action were set forth as follows:

"The Board, effective June 1, 1940, has approved amendments to its Regulation F, relating to the administration of trusts by national banks, to permit the operation of Common Trust Funds which are invested principally in mortgages. The Board for some time has had under consideration a proposal by representatives of member banks for such amendments to its regulation and the proposal was approved by representatives of banking associations. It was represented to the Board that smaller trust institutions may not have facilities for operating Common Trust Funds composed principally of securities, the operation of which is now permitted by the Board's Regulation F, but would have facilities for operating Common Trust Funds composed principally of mortgages. Under the amendments to Regulation F Common Trust Funds composed principally of mortgages may be operated only in States in which there is statutory authority for

such operation, and these amendments will permit funds operated under such statutes to obtain certain tax exemptions which are granted by the Federal revenue laws to Common Trust Funds operated in accordance with the Board's regulations."

MEETING ON OCTOBER 17, 1940

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

Changes in Rates on Industrial Loans under section 13b of the Federal Reserve Act.

Unanimous approval was given to a telegram to all Federal Reserve Banks stating that the Board was prepared to approve for the Banks schedules of rates on advances under section 13b of the Federal Reserve Act which would enable a Federal Reserve Bank to charge the same rate on its participation in an industrial loan as the rate charged by the financing institution on the portion of the loan for which it was obligated.

At the request of the Board of Governors the Presidents of the Federal Reserve Banks, at a conference in Washington on September 28, 1940, gave consideration to whether the existing schedules of rates charged by the Federal Reserve Banks on industrial advances were justified in the light of existing conditions and whether the rates at all Federal Reserve Banks should be uniform. It was the consensus of the Presidents that in view of the different conditions existing in the various Federal Reserve districts there was no necessity for uniformity of rates, that the variety of problems arising in connection with financing the defense program made it desirable to have a spread in rates, and that in general the rate charged by a Federal Reserve Bank on its participation in a loan made with a financing institution should be the rate agreed upon by the financing institution and the borrower. The Board of Governors was in agreement with the policy suggested by the Presidents and the telegram to the Federal Reserve Banks was for the purpose of advising the Banks accordingly.

Changes in industrial loan rates approved by the Board during the latter part of 1940 for the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco were in accordance with this policy.

MEETING ON DECEMBER 23, 1940

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

Condition of Membership Prohibiting a Bank from Acting as Agent in the Rental or Sale of Real Estate.

It was unanimously voted that in the future a condition of membership requiring a bank to discontinue acting as agent in the rental or sale of real estate would not be generally prescribed in connection with admission of State banks to membership in the Federal Reserve System, but that in any case where the information available reflected abuses or unsound practices the matter would be handled by condition of membership or otherwise in the same manner as if the unsound

practices were disclosed in the operations of any other department of the bank.

For a number of years it had been the policy of the Board to prescribe such a condition in connection with the admission to membership of banks which were engaged as a business in the handling of real estate as rental or sales agent. The question was presented to the Board for reconsideration at this time in connection with the membership application of a State bank which did a substantial amount of business as agent in the sale and rental of real estate. The bank was in good condition and under capable management which was well qualified by experience to handle real estate transactions and it appeared that the real estate activities of the bank had not had, and were not likely in the future to have, any adverse effects on the bank. The Board felt that in a situation of this kind there was no longer any necessity, from the standpoint of effective supervision of State member banks, to take the position that it would admit a bank to membership only on condition that it discontinue its real estate agency operations, it being understood that the condition could be prescribed in any case where circumstances might require.

RECORD OF POLICY ACTIONS—FEDERAL OPEN MARKET COMMITTEE

MEETING ON MARCH 20, 1940

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Sinclair, Mr. Parker, Mr. Schaller, Mr. Day.

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 resolution was in the same form as the resolution adopted at the two preceding meetings of the Federal Open Market Committee. As on the two previous occasions, the action was taken in the light of continued unsettled conditions in our markets resulting from the war in Europe and the unanimous opinion of the members of the Committee that because of these conditions the executive committee should continue to have flexible authority to execute transactions in the System open market account for the purpose of exercising an influence toward maintaining orderly market conditions.

MEETING ON MAY 28, 1940

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Sinclair, Mr. Schaller, Mr. Day, Mr. Leach (alternate for Mr. Parker).

Upon motion duly made and seconded, the following resolution, which was in the same form as the resolution adopted at the meeting of the Federal Open Market Committee on March 20, 1940, was adopted by unanimous vote:

"That the executive committee be directed until otherwise directed by the Federal Open Market Committee to arrange for such trans-

actions 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."

The action of the Committee renewed the authority granted to the executive committee at the meeting of the Federal Open Market Committee on March 20, 1940, and was taken for substantially the same reasons, with the understanding that the executive committee would have authority under the resolution to direct the sale of securities, within the limits fixed by the full Committee, not only for the purpose of exercising an influence toward orderly conditions in the market but also for the purpose of disposing of securities, which had been acquired in a period of market weakness, whenever there was a strong buying market and there were not sufficient offerings from other sources to meet demands.

The reason for this was that experience had indicated that the System ordinarily would be called upon to buy more securities during a period of market weakness than it would have occasion to sell during a period of rising prices for the purpose of exercising an influence of a stabilizing character, and, therefore, the Committee believed that securities which had been acquired during a period of market weakness should be sold whenever that could be done without adverse effects on the market.

MEETING ON SEPTEMBER 27, 1940

Members present: Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Sinclair, Mr. Parker, Mr. Schaller, Mr. Day.

Upon motion duly made and seconded, the following resolution was adopted, Messrs. Harrison, Szymczak, McKee, Ransom, Davis, Sinclair, Parker, Schaller and Day voting "aye," and Mr. Draper voting "no":

"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 advisable in the light of existing 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."

By this action the Committee changed the form of the existing resolution by substituting the phrase "advisable in the light of existing conditions" for the phrase "necessary for the purpose of exercising an influence toward maintaining orderly market conditions." This was done for the purpose of bringing the resolution more closely into conformity with the existing understanding of the authority conferred upon the executive committee as stated in the record in connection with the action taken on May 28, 1940. It was the opinion of the full Committee that the resolution should be in such form as to enable the executive committee to continue to direct the execution of transactions in the account not only for the purpose of exercising an influence toward maintaining orderly market conditions but also, within the stated limit, for the purpose of selling

securities which had been acquired during a period of market weakness, whenever such sales could be made without adversely affecting the market.

Mr. Draper voted against the adoption of the resolution for the reason that the changed instructions to the executive committee might be construed by the public as a change in policy having deflationary implications. He also felt that caution was particularly necessary at this time not only because of the domestic situation but also because of the dangerous war conditions abroad.

MEETING ON DECEMBER 18, 1940

Member present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Sinclair, Mr. Parker, Mr. Schaller, Mr. Day.

Upon motion duly made and seconded, the following resolution was adopted, Messrs. Eccles, Harrison, Szymczak, McKee, Ransom, Davis, Sinclair, Parker, Schaller, and Day voting "aye," and Mr. Draper voting "no":

"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 advisable in the light of existing conditions; provided that the aggregate amount of securities held in the account at the close of this date shall not be increased or decreased by more than \$200,000,000."

The above resolution was in the same form as that adopted at the meeting on September 27, 1940, except that it reduced from \$500,000,000 to \$200,000,000 the amount by which the aggregate amount of securities held in the System account could be increased or decreased. The reason for the action was that, because of the many uncertainties in the then existing situation which could not be appraised satisfactorily, it was believed that the executive committee should continue to be in a position to act in accordance with its best judgment within the limits of the resolution and in the light of developments from time to time, especially when it might be deemed desirable to exercise an influence toward preventing disorderly conditions in the market during the interval before another meeting of the full Committee, but that, in view of the large reduction in the portfolio that had been accomplished during the past several months, there was no need at this time for making further sales for the sole purpose of reducing the account.

Mr. Draper stated that he voted "no" on the above resolution for the following reasons which were broader in scope than those outlined by him when voting in the negative on a similar resolution adopted at the meeting of the Federal Open Market Committee on September 27, 1940:

"I do not believe that in the present circumstances sales from the portfolio are necessary in order to maintain orderly market conditions. I have seen no recent evidence of the market being disorderly. In my judgment, also, sales from the portfolio for the purpose of maintaining an orderly market should be resorted to much less frequently and less vigorously than purchases at a time when the market is declining rapidly. Rapid declines are apt to result in a selling wave amounting to panic, which I believe should be prevented when possible. On the other hand, there is little danger of a panic when

the market advances, and it makes little difference whether a rise is rapid or slow, so long as the level it reaches is appropriate to existing conditions and is not the result of purely speculative purchases.

“A still more important reason for my belief that there is no occasion to sell is that our portfolio has been reduced very substantially and that we shall need all the ammunition we can muster when reserve requirements will have been increased and the time comes to adopt a policy of credit restriction in order to prevent inflation.”

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

FEBRUARY 20, 1940

Topic No. 1: Purchases of Foreign Silver.

RECOMMENDATION: The Federal Advisory Council has noted that the Senate Committee on Banking and Currency is considering at this time S.785 which would discontinue the purchase of foreign silver by the Secretary of the Treasury. The Council is unanimously of the opinion that these purchases of foreign silver should be discontinued forthwith, particularly in view of the fact that silver purchases increase the already excessively large bank reserves.

MAY 21, 1940

Topic No. 1: Assignment of claims on the United States.

RECOMMENDATION: The Federal Advisory Council repeats at this time the recommendation made at its meeting of November 29, 1938, and reading as follows: "The Federal Advisory Council requests the Board of Governors of the Federal Reserve System to recommend to the proper authorities an amendment to that part of section 3477 of the Revised Statutes of the United States which is Title 31 U.S.C.A., Sec. 203, which makes null and void all transfers and assignments of any claims on the United States. The amendment should permit the assignment of claims where legitimate credit has been extended excepting in those cases where claims arise in consequence of torts, tax refunds, or the like."

The Council believes this suggested amendment to the law especially important at this time, since the Government's preparedness program whenever put into effect will result in the necessity of placing large orders for materials of all kinds. Many small and medium sized business enterprises would be in a better position to accept and execute Government orders if they were able to use assignments of their claims against the Government as collateral for loans.

OCTOBER 8, 1940

Topic No. 1: Financing of war defense program.

RECOMMENDATION: The Federal Advisory Council believes the danger of inflation would be increased by a material addition to the already large holdings of Government securities in the commercial banking system. The Council, therefore, urges the Board of Governors of the Federal Reserve System to use its influence to the end that future issues of Government securities be placed, as far as possible, with individual and corporate investors, including insurance companies, trusts, and savings institutions, rather than with banks of deposit; terms and maturities of future issues should be fixed with a view of encouraging ownership by such investors and discouraging ownership by banks of deposit.

SPECIAL REPORT TO THE CONGRESS

by the

Board of Governors of the Federal Reserve System, the Presidents of the Federal Reserve Banks, and the Federal Advisory Council

(Submitted to the President of the Senate and the Speaker of the House of Representatives, December 31, 1940)

FOR the first time since the creation of the Federal Reserve System, the Board of Governors, the Presidents of the twelve Federal Reserve Banks and the members of the Federal Advisory Council representing the twelve Federal Reserve Districts present a joint report to the Congress.

This step is taken in order to draw attention to the need of proper preparedness in our monetary organization at a time when the country is engaged in a great defense program that requires the coordinated effort of the entire Nation. Defense is not exclusively a military undertaking, but involves economic and financial effectiveness as well. The volume of physical production is now greater than ever before and under the stimulus of the defense program is certain to rise to still higher levels. Vast expenditures of the military program and their financing create additional problems in the monetary field which make it necessary to review our existing monetary machinery and to place ourselves in a position to take measures, when necessary, to forestall the development of inflationary tendencies attributable to defects in the machinery of credit control. These tendencies, if unchecked, would produce a rise of prices, would retard the national effort for defense and greatly increase its cost, and would aggravate the situation which may result when the needs of defense, now a stimulus, later absorb less of our economic productivity. While inflation cannot be controlled by monetary measures alone, the present extraordinary situation demands that adequate means be provided to combat the dangers of overexpansion of bank credit due to monetary causes.

The volume of demand deposits and currency is fifty per cent greater than in any other period in our history. Excess reserves are huge and are increasing. They provide a base for more than doubling the existing supply of bank credit. Since the early part of 1934 fourteen billion dollars of gold, the principal cause of excess reserves, has flowed into the country, and the stream of incoming gold is continuing. The necessarily large defense program of the Government will have still further expansive effects. Government securities have become the chief asset of the banking system, and purchases by banks have created additional deposits. Because of the excess reserves, interest rates have fallen to unprecedentedly low levels. Some of them are well below the reasonable requirements of an easy money policy, and are raising serious, long-term problems for the future well-being of our charitable and educational institutions, for the holders of insurance policies and savings bank accounts, and for the national economy as a whole.

The Federal Reserve System finds itself in the position of being unable effectively to discharge all of its responsibilities. While the Congress has not deprived the System of responsibilities or of powers, but in fact has granted it new powers, nevertheless, due to extraordinary world conditions, its authority is now inadequate to cope with the present and potential excess reserve problem. The Federal Reserve System, therefore, submits for the consideration of the Congress the following five-point program:

1. Congress should provide means for absorbing a large part of existing

excess reserves, which amount to seven billion dollars, as well as such additions to these reserves as may occur. Specifically, it is recommended that Congress—

- (a) Increase the statutory reserve requirements for demand deposits in banks in central reserve cities to 26%; for demand deposits in banks in reserve cities to 20%; for demand deposits in country banks to 14%; and for time deposits in all banks to 6%.
- (b) Empower the Federal Open Market Committee to make further increases of reserve requirements sufficient to absorb excess reserves, subject to the limitation that reserve requirements shall not be increased to more than double the respective percentages specified in paragraph (a).
(The power to change reserve requirements, now vested in the Board of Governors, and the control of open market operations, now vested in the Federal Open Market Committee, should be placed in the same body.)
- (c) Authorize the Federal Open Market Committee to change reserve requirements for central reserve city banks, or for reserve city banks, or for country banks, or for any combination of these three classes.
- (d) Make reserve requirements applicable to all banks receiving demand deposits regardless of whether or not they are members of the Federal Reserve System.
- (e) Exempt reserves required under paragraphs (a), (b) and (d) from the assessments of the Federal Deposit Insurance Corporation.

2. Various sources of potential increases in excess reserves should be removed. These include: the power to issue three billions of greenbacks; further monetization of foreign silver; the power to issue silver certificates against the seigniorage, now amounting to one and a half billion dollars on previous purchases of silver. In view of the completely changed international situation during the past year, the power further to devalue the dollar in terms of gold is no longer necessary or desirable and should be permitted to lapse. If it should be necessary to use the stabilization fund in any manner which would affect excess reserves of banks of this country, it would be advisable if it were done only after consultation with the Federal Open Market Committee, whose responsibility it would be to fix reserve requirements.

3. Without interfering with any assistance that this Government may wish to extend to friendly nations, means should be found to prevent further growth in excess reserves and in deposits arising from future gold acquisitions. Such acquisitions should be insulated from the credit system and, once insulated, it would be advisable if they were not restored to the credit system except after consultation with the Federal Open Market Committee.

4. The financing of both the ordinary requirements of Government and the extraordinary needs of the defense program should be accomplished by drawing upon the existing large volume of deposits rather than by creating additional deposits through bank purchases of Government securities. We are in accord with the view that the general debt limit should be raised; that the special limitations on defense financing should be removed; and that the Treasury should be authorized to issue any type of securities (including fully taxable securities) which would be especially suitable for investors other than commercial banks. This is clearly desirable for monetary as well as fiscal reasons.

5. As the national income increases a larger and larger portion of the defense expenses should be met by tax revenues rather than by borrowing. Whatever the point may be at which the budget should be balanced, there cannot be any question that whenever the country approaches a condition of full utilization of its economic capacity, with appropriate consideration of both employment and production, the budget should be balanced. This will be essential if monetary responsibility is to be discharged effectively.

In making these five recommendations, the Federal Reserve System has addressed itself primarily to the monetary aspects of the situation. These monetary measures are necessary, but there are protective steps, equally or more important, that should be taken in other fields, such as prevention of industrial and labor bottlenecks, and pursuance of a tax policy appropriate to the defense program and to our monetary and fiscal needs.

It is vital to the success of these measures that there be unity of policy and full coordination of action by the various Governmental bodies. A monetary system divided against itself cannot stand securely. In the period that lies ahead a secure monetary system is essential to the success of the defense program and constitutes an indispensable bulwark of the Nation.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

(December 31, 1940)

	Term expires
MARRINER S. ECCLES, of Utah, <i>Chairman</i>	January 31, 1944
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, 1946
CHESTER C. DAVIS, of Maryland.....	January 31, 1954
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*
 FRED A. NELSON, *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 E. LALLY, *Deputy Fiscal Agent*

FEDERAL OPEN MARKET COMMITTEE

(December 31, 1940)

Members

MARRINER S. ECCLES, *Chairman* (Board of Governors)
 GEORGE L. HARRISON, *Vice Chairman* (Elected by Federal Reserve Banks of Boston and New York)
 M. S. SZYMCAK (Board of Governors)
 JOHN K. MCKEE (Board of Governors)
 RONALD RANSOM (Board of Governors)
 CHESTER C. DAVIS (Board of Governors)
 ERNEST G. DRAPER (Board of Governors)
 JOHN S. SINCLAIR (Elected by Federal Reserve Banks of Philadelphia and Cleveland)
 ROBERT S. PARKER (Elected by Federal Reserve Banks of Richmond, Atlanta, and Dallas)
 GEORGE J. SCHALLER (Elected by Federal Reserve Banks of Chicago and St. Louis)
 WILLIAM A. DAY (Elected by Federal Reserve Banks of Minneapolis, Kansas City, and San Francisco)

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, 1940)

OFFICERS

President, EDWARD E. BROWN
Vice President, HOWARD A. LOEB
Secretary, WALTER LICHTENSTEIN

EXECUTIVE COMMITTEE

EDWARD E. BROWN	LEON FRASER
HOWARD A. LOEB	B. G. HUNTINGTON
THOMAS M. STEELE	ROBERT M. HANES

MEMBERS

- District No. 1—THOMAS M. STEELE, President, The First National Bank and Trust Company of 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—B. G. HUNTINGTON, President, The Huntington National Bank, Columbus, Ohio.
- District No. 5—ROBERT M. HANES, President, Wachovia Bank and Trust Company, Winston-Salem, North Carolina.
- District No. 6—RYBURN G. CLAY, Director, Fulton National Bank, Atlanta, Georgia.
- District No. 7—EDWARD E. BROWN, President, The First National Bank of Chicago, Chicago, Illinois.
- District No. 8—S. E. RAGLAND, President, The First National Bank of Memphis, Memphis, Tennessee.
- District No. 9—JOHN CROSBY, Vice President, Farmers and Mechanics Savings Bank of Minneapolis, 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, 1940)

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.....	Alfred H. Williams
Cleveland.....	Geo. C. Brainard.....	R. E. Klages
Richmond.....	Robt. Lassiter.....	W. G. Wysor
Atlanta.....	Frank H. Neely.....	J. F. Porter
Chicago.....	R. E. Wood.....	F. J. Lewis
St. Louis.....	Wm. T. Nardin.....	Oscar Johnston
Minneapolis.....	W. C. Coffey.....	Roger B. Shepard
Kansas City.....	R. B. Caldwell.....	J. J. Thomas
Dallas.....	J. H. Merritt.....	Jay Taylor
San Francisco.....	R. C. Force.....	St. George Holden

Each Federal Reserve Bank has nine directors divided equally into Classes A, B, and C. The term of office of a director is three years. The 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. The Class B directors, elected by member banks, must be actively engaged in some commercial, agricultural, or industrial pursuit and may not be officers, directors, or employees of any bank. The 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.....	R. A. Young	W. W. Paddock.....	William Willett ¹
New York.....	George L. Harrison...	Allan Sproul.....	R. M. Gidney L. W. Knoke Walter S. Logan L. R. Rounds Robert G. Rouse John H. Williams
Philadelphia...	John S. Sinclair.....	Frank J. Drinnen.....	W. J. Davis E. C. Hill C. A. McIlhenny ²
Cleveland.....	M. J. Fleming.....	F. J. Zurlinden.....	Wm. H. Fletcher W. F. Taylor ² G. H. Wagner
Richmond.....	Hugh Leach.....	J. S. Walden, Jr.....	J. G. Fry Geo. H. Keese ¹
Atlanta.....	Robt. S. Parker.....	W. S. McLarin, Jr.....	Malcolm H. Bryan H. F. Conniff
Chicago.....	Geo. J. Schaller.....	H. P. Preston	J. H. Dillard W. H. Snyder ² C. S. Young
St. Louis.....	Wm. McC. Martin....	F. Guy Hitt.....	O. M. Attebery C. M. Stewart ¹
Minneapolis...	J. N. Peyton.....	O. S. Powell.....	E. W. Swanson Harry I. Ziemer ²
Kansas City...	Geo. H. Hamilton....	C. A. Worthington.....	J. W. Helm ² H. G. Leedy
Dallas.....	R. R. Gilbert	E. B. Stroud.....	R. B. Coleman W. J. Evans W. O. Ford ¹
San Francisco.	Wm. A. Day.....	Ira Clerk.....	C. E. Earhart ¹ W. M. Hale R. B. West

¹ Cashier.² Also cashier.

DIRECTORS OF FEDERAL RESERVE BANKS

District No. 1—Boston

Term
Expires
Dec. 31

Class A:		
Lewis S. Reed.....	President, Citizens and Mfg. Nat. Bank, Waterbury, Conn..	1940
Allan Forbes.....	President, State Street Tr. Co., Boston, Mass.....	1941
Leon A. Dodge.....	President, First National Bank, Damariscotta, Me.....	1942
Class B:		
Edward S. French.....	President, Boston & Maine R. R., Springfield, Vt.....	1940
Philip R. Allen.....	Chairman, Bird & Son, Inc., E. Walpole, Mass.....	1941
Edward J. Frost.....	Vice President, Treasurer, and Director, William Filene's Sons Co., Boston, Mass.....	1942
Class C:		
Henry I. Harriman.....	Director, New England Power Co., Boston, Mass.....	1940
Frederic H. Curtiss.....	Vice President, Board of Trustees, Wellesley College, Wellesley, Mass.....	1941
Henry S. Dennison.....	President, Dennison Mfg. Co., Framingham, Mass.....	1942

District No. 2—New York

Class A:		
William C. Potter.....	Chairman, Guaranty Trust Co., New York, N. Y.....	1940
Otis A. Thompson.....	President, Nat. Bank & Tr. Co., Norwich, N. Y.....	1941
Neil H. Dorrance.....	President, First Nat. Bank & Tr. Co., Camden, N. Y.....	1942
Class B:		
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
Robert T. Stevens.....	President, J. P. Stevens & Co., Inc., New York, N. Y.....	1942
Class C:		
Owen D. Young.....	Honorary Chairman, General Electric Co., New York, N. Y.....	1940
Beardsley Rumml.....	Treasurer, R. H. Macy & Co., Inc., New York, N. Y.....	1941
Edmund E. Day.....	President, Cornell University, Ithaca, N. Y.....	1942

Buffalo Branch

Appointed by Federal Reserve Bank:		
Robert M. O'Hara.....	Managing Director, Buffalo, N. Y.....	1940
William A. Dusenbury.....	President, First National Bank, Olean, N. Y.....	1940
Frank F. Henry.....	Chairman, Washburn Crosby Co., Inc., Buffalo, N. Y.....	1941
George F. Rand.....	President, The Marine Trust Co., Buffalo, N. Y.....	1942
Appointed by Board of Governors:		
Howard Kellogg.....	President, Spencer Kellogg & Sons, Inc., Buffalo, N. Y.....	1940
Marion B. Folsom.....	Treasurer, Eastman Kodak Co., Rochester, N. Y.....	1941
Gilbert A. Prole.....	Genesee Farm Supply Co., Batavia, N. Y.....	1942

District No. 3—Philadelphia

Class A:		
John B. Henning.....	President, Wyoming Nat. Bank, Tunkhannock, Pa.....	1940
Joseph Wayne, Jr.....	President, Philadelphia Nat. Bank, Philadelphia, Pa.....	1941
George W. Reily.....	President, Harrisburg Nat. Bank, Harrisburg, Pa.....	1942
Class B:		
C. Frederick C. Stout.....	John R. Evans & Company, Camden, N. J.....	1940
Harry L. Cannon.....	President, H. F. Cannon & Son, Inc., Bridgeville, Del.....	1941
Ward D. Kerlin.....	Secretary and Treasurer, Camden Forge Co., Camden, N. J.....	1942
Class C:		
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
Thomas B. McCabe.....	President, Scott Paper Co., Chester, Pa.....	1942

District No. 4—Cleveland

Class A:		
Harry B. McDowell.....	President, McDowell Nat. Bank, Sharon, Pa.....	1940
Frank F. Brooks.....	President, First National Bank, Pittsburgh, Pa.....	1941
Ben R. Conner.....	President, First National Bank, Ada, Ohio.....	1942
Class B:		
Ross P. Wright.....	Secretary-Treasurer, Reed Mfg. Co., Erie, Pa.....	1940
George D. Crabbs.....	President, Philip Carey Mfg. Co., Cincinnati, Ohio.....	1941
Thomas E. Millsop.....	President, Weirton Steel Company, Weirton, W. Va.....	1942
Class C:		
George C. Brainard.....	President, General Fireproofing Co., Youngstown, Ohio.....	1940
Vacancy.....		1941
Reynold E. Klages.....	President, Columbus Auto Parts Co., Columbus, Ohio.....	1942

Cincinnati Branch

Appointed by Federal Reserve Bank:		
Benedict J. Lazar.....	Managing Director, Cincinnati, Ohio.....	1940
John J. Rowe.....	President, Fifth Third Union Tr. Co., Cincinnati, Ohio.....	1940
Buckner Woodford.....	Vice President and Cashier, Bourbon-Agricultural Bank & Trust Co., Paris, Ky.....	1941
Appointed by Board of Governors:		
Frank A. Brown.....	Farmer, Chillicothe, Ohio.....	1940
Stuart B. Sutphin.....	President, I. V. Sutphin Co., Cincinnati, Ohio.....	1941

Pittsburgh Branch

		<i>Term Expires Dec. 31</i>
<i>Appointed by Federal Reserve Bank:</i>		
Percy A. Brown.....	Managing Director, Pittsburgh, Pa.....	1940
Samuel W. Harper.....	President, Wheeling Dollar Sav. & Trust Co., Wheeling, W. Va.....	1940
Clarence Stanley.....	President, Union Trust Company, Pittsburgh, Pa.....	1941
<i>Appointed by Board of Governors:</i>		
George T. Ladd.....	President, United Engineering & Foundry Co., Pittsburgh, Pa.....	1940
Harry S. Wherrett.....	President, Pittsburgh Plate Glass Co., Pittsburgh, Pa.....	1941

District No. 5—Richmond

<i>Class A:</i>		
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
Charles E. Rieman.....	President, Western National Bank, Baltimore, Md.....	1942
<i>Class B:</i>		
John H. Hanna.....	Chairman, Capital Transit Co., Washington, D. C.....	1940
Edwin Malloy.....	President and Treasurer, Cheraw Cotton Mills, Inc., Cheraw, S. C.....	1941
Charles C. Reed.....	Vice President and General Manager, Williams & Reed, Inc., Richmond, Va.....	1942
<i>Class C:</i>		
Robert Lassiter.....	Chairman, Mooresville Cotton Mills, Mooresville, N. C.....	1940
Charles P. McCormick.....	President, McCormick & Co., Inc., Baltimore, Md.....	1941
William G. Wysor.....	General Manager, Southern States Cooperative, Inc., Richmond, Va.....	1942

Baltimore Branch

<i>Appointed by Federal Reserve Bank:</i>		
W. Robert Millford.....	Managing Director, Baltimore, Md.....	1940
James Dixon.....	President, Easton National Bank, Easton, Md.....	1940
George W. Reed.....	President, National Marine Bank, Baltimore, Md.....	1941
James C. Fenhagen.....	Chairman, Executive Committee, Baltimore National Bank, Baltimore, Md.....	1942
<i>Appointed by Board of Governors:</i>		
W. Frank Roberts.....	President, Standard Gas Equipment Corp., Baltimore, Md..	1940
W. Frank Thomas.....	Construction Engineer and Real Estate Management, West- minster, Md.....	1941
Joseph D. Baker, Jr.....	Secretary and Treasurer, The Standard Lime and Stone Company, Baltimore, Md.....	1942

Charlotte Branch

<i>Appointed by Federal Reserve Bank:</i>		
William T. Clements.....	Managing Director, Charlotte, N. C.....	1940
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
Byron M. Edwards.....	Executive Vice President, South Carolina National Bank, Columbia, S. C.....	1942
<i>Appointed by Board of Governors:</i>		
George M. Wright.....	President, Republic Cotton Mills, Great Falls, S. C.....	1940
Vacancy.....		1941
David W. Watkins.....	Director of Extension, Clemson College, Clemson, S. C.....	1942

District No. 6—Atlanta

<i>Class A:</i>		
William D. Cook.....	Executive Vice President, First National Bank, Meridian, Miss.....	1940
George J. White.....	President, First National Bank, Mount Dora, Fla.....	1941
Thomas K. Glenn.....	Chairman, Trust Co. of Georgia, Atlanta, Ga.....	1942
<i>Class B:</i>		
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
John A. McCrary.....	Vice President and Treasurer, J. B. McCrary Co., Inc., Atlanta, Ga.....	1942
<i>Class C:</i>		
Rufus C. Harris.....	President, Tulane University, New Orleans, La.....	1940
Frank H. Neely.....	Executive Vice President and Secretary, Rich's, Inc., Atlanta, Ga.....	1941
Joe Frank Porter.....	President, Tenn. Farm Bureau Fed., Columbia, Tenn.....	1942

Birmingham Branch

<i>Appointed by Federal Reserve Bank:</i>		
Paul L. T. Beavers.....	Managing Director, Birmingham, Ala.....	1940
John S. Coleman.....	President, Birmingham Trust & Sav. Co., Birmingham, Ala.....	1940
Gordon D. Palmer.....	Executive Vice President, First National Bank, Tuscaloosa, Ala.....	1941
John C. Persons.....	President, First National Bank, Birmingham, Ala.....	1942
<i>Appointed by Board of Governors:</i>		
Edward L. Norton.....	Vice President, The Munger Estate, Birmingham, Ala.....	1940
Donald Comer.....	Chairman, Avondale Mills, Birmingham, Ala.....	1941
Howard Gray.....	Farmer, New Market, Ala.....	1942

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

George S. Vardeman, Jr.	Managing Director, Jacksonville, Fla.	1940
Junius C. McCrooklin	Executive Vice President, First National Bank, Tarpon Springs, Fla.	1940
William R. McQuaid	President, Barnett National Bank, Jacksonville, Fla.	1941
Bert C. Teed	First Vice President, First National Bank, Palm Beach, Fla.	1942

Appointed by Board of Governors:

Bayless W. Haynes	President, Wilson & Toomer Fertilizer Co., Jacksonville, Fla.	1940
Robert H. Gamble	President, Florida Brick & Tile Corp., Jacksonville, Fla.	1941
Howard Phillips	Executive Vice President, Dr. P. Phillips Co., Inc., Orlando, Fla.	1942

Nashville Branch*Appointed by Federal Reserve Bank:*

Joel B. Fort, Jr.	Managing Director, Nashville, Tenn.	1940
George N. Bass	Cashier, First National Bank of Franklin Co., Decherd, Tenn.	1940
Edward B. Maupin	Cashier, Peoples National Bank, Shelbyville, Tenn.	1941
Frank M. Farris	President, Third National Bank, Nashville, Tenn.	1942

Appointed by Board of Governors:

Elbridge W. Palmer	President, Kingsport Press, Inc., Kingsport, Tenn.	1940
Clyde B. Austin	President, The Austin Co., Inc., Greeneville, Tenn.	1941
William E. McEwen	Farmer and Stock Raiser, Williamsport, Tenn.	1942

New Orleans Branch*Appointed by Federal Reserve Bank:*

Lewis M. Clark	Managing Director, New Orleans, La.	1940
Oliver G. Lucas	President, National Bank of Commerce, New Orleans, La.	1940
Herbert Holmes	President, Delta Nat. Bank, Yazoo City, Miss.	1941
Emile E. Soulier	Executive Vice President, First Nat. Bank, Lafayette, La.	1942

Appointed by Board of Governors:

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
Henry G. Chalkley, Jr.	General Manager, Sweet Lake Land & Oil Co., Inc., Lake Charles, La.	1942

District No. 7—Chicago*Class A:*

Edward R. Estberg	Chairman, Waukesha Nat. Bank, Waukesha, Wis.	1940
Frank D. Williams	Executive Vice President and Cashier, First Capital National Bank, Iowa City, Iowa.	1941
Walter J. Cummings	Chairman, Cont'l. Ill. Nat. Bank and Trust Co., Chicago, Ill.	1942

Class B:

Charles B. Van Dusen	Director, S. S. Kresge Co., Detroit, Mich.	1940
Nicholas H. Noyes	Vice President and Secretary, Eli Lilly and Company, Indianapolis, Ind.	1941
Max W. Babb	President, Allis-Chalmers Mfg. Co., Milwaukee, Wis.	1942

Class C:

Frank J. Lewis	Chairman, F. J. Lewis Mfg. Co., Chicago, Ill.	1940
Robert E. Wood	Chairman, Sears, Roebuck & Co., Chicago, Ill.	1941
Clifford V. Gregory	Associate Publisher, Wallaces' Farmer and Iowa Homestead, Des Moines, Iowa.	1942

Detroit Branch*Appointed by Federal Reserve Bank:*

Vacancy	Managing Director, Detroit, Mich.	1940
Walter S. McLucas	Chairman, The National Bank of Detroit, Detroit, Mich.	1940
Joseph M. Dodge	President, The Detroit Bank, Detroit, Mich.	1941
James E. Davidson	President, Peoples Com. & Sav. Bank, Bay City, Mich.	1942

Appointed by Board of Governors:

Alfred C. Marshall	President, Detroit Edison Co., Detroit, Mich.	1940
L. Whitney Watkins	Farmer, Manchester, Mich.	1941
Harry L. Pierson	President, Detroit Harvester Co., Detroit, Mich.	1942

District No. 8—St. Louis*Class A:*

George R. Corlis	Cashier, Anna National Bank, Anna, Ill.	1940
Sidney Maestre	President, Mississippi Valley Trust Co., St. Louis, Mo.	1941
Max B. Nahm	Vice President, Citizens National Bank, Bowling Green, Ky.	1942

Class B:

Harvey C. Couch	President, Ark. Power & Light Co., Pine Bluff, Ark.	1940
John R. Stanley	Secretary, Treasurer, Stanley Clothing Co., Evansville, Ind.	1941
James W. Harris	Chairman, Harris-Langenberg Hat Co., St. Louis, Mo.	1942

Class C:

Oscar G. Johnston	President, Delta and Pine Land Co., Scott, Miss.	1940
Douglas W. Brooks	President, Union Compress & Warehouse Co., Memphis, Tenn.	1941
William T. Nardin	Vice President and General Manager, Pet Milk Company, St. Louis, Mo.	1942

Little Rock Branch

		<i>Term Expires Dec. 31</i>
<i>Appointed by Federal Reserve Bank:</i>		
Arthur F. Bailey.....	Managing Director, Little Rock, Ark.....	1940
Arthur E. McLean.....	President, Commercial Nat. Bank, Little Rock, Ark.....	1940
Paul R. McCoy.....	Chairman, Peoples Nat. Bank, Stuttgart, Ark.....	1941
James H. Penick.....	Vice President, W. B. Worthen Co., Little Rock, Ark.....	1942
<i>Appointed by Board of Governors:</i>		
Ira N. Barnett, Jr.....	Manager, Barnett Bros. Mercantile Co., Batesville, Ark.....	1940
Henry H. Tucker.....	President, Fones Bros. Hardware Co., Little Rock, Ark.....	1941
Romeo E. Short.....	Farmer, Brinkley, Ark.....	1942

Louisville Branch

<i>Appointed by Federal Reserve Bank:</i>		
Charles A. Schacht.....	Managing Director, Louisville, Ky.....	1940
Phil E. Chappell.....	Cashier, Planters Bk. & Tr. Co., Hopkinsville, Ky.....	1940
Ralph C. Gifford.....	President, First National Bank, Louisville, Ky.....	1941
James O. Sanders.....	President, First National Bank, Huntingburg, Ind.....	1942
<i>Appointed by Board of Governors:</i>		
Perry B. Gaines.....	Farmer and Stock Raiser, Carrollton, Ky.....	1940
James B. Hill.....	President, Louisville & Nashville R. R., Louisville, Ky.....	1941
George O. Boomer.....	Vice President, The Girdler Corporation, Louisville, Ky.....	1942

Memphis Branch

<i>Appointed by Federal Reserve Bank:</i>		
William H. Glasgow.....	Managing Director, Memphis, Tenn.....	1940
Bert A. Lynch.....	President, Farmers Bank & Trust Co., Blytheville, Ark.....	1940
Oliver Benton.....	President, National Bank of Commerce, Jackson, Tenn.....	1941
Vance J. Alexander.....	President, Union Planters Nat. Bank & Tr. Co., Memphis, Tenn.....	1942
<i>Appointed by Board of Governors:</i>		
Rufus C. Branch.....	Cotton Farmer and Ginner, Pecan Point, Ark.....	1940
J. Holmes Sherard.....	J. Holmes Sherard & Co., Sherard, Miss.....	1941
Jesse P. Norfleet.....	President, Sledge & Norfleet, Memphis, Tenn.....	1942

District No. 9—Minneapolis

<i>Class A:</i>		
Melvin O. Grangaard.....	Vice President, First Nat. Bk. & Tr. Co., Minneapolis, Minn.....	1940
James R. McKnight.....	President, Pierre National Bank, Pierre, S. D.....	1941
Fred D. McCartney.....	Executive Vice President, First National Bank, Oakes, N. D.....	1942
<i>Class B:</i>		
William O. Washburn.....	President, W. O. Washburn & Sons, St. Paul, Minn.....	1940
James E. O'Connell.....	President, Eddy's Bakeries, Inc., Helena, Mont.....	1941
Albert P. Funk.....	President and Treasurer, LaCrosse Rubber Mills Co., La-Crosse, Wis.....	1942
<i>Class C:</i>		
William D. Cochran.....	President, W. D. Cochran Freight Lines, Iron Mountain, Mich.....	1940
Roger B. Shepard.....	President, Finch, Van Slyck & McConville, St. Paul, Minn.....	1941
Walter C. Coffey.....	Dean, College of Agriculture, University of Minnesota, St. Paul, Minn.....	1942

Helena Branch

<i>Appointed by Federal Reserve Bank:</i>		
Robert E. Towle.....	Managing Director, Helena, Mont.....	1940
Arthur R. McDermott.....	Vice President, Montana National Bank, Billings, Mont.....	1940
Peter Pauly.....	President, Deer Lodge Bank & Tr. Co., Deer Lodge, Mont.....	1941
<i>Appointed by Board of Governors:</i>		
Alex Cunningham.....	Vice President and Treasurer, Western Life Ins. Co., Helena, Mont.....	1940
Hobart D. Myrick.....	Farmer, Square Butte, Mont.....	1941

District No. 10—Kansas City

<i>Class A:</i>		
Myron A. Limbocker.....	President, Citizens National Bank, Emporia, Kans.....	1940
Edward E. Mullaney.....	President, Farmers & Merchants Bank, Hill City, Kans.....	1941
Thomas A. Dines.....	President, U. S. National Bank, Denver, Colo.....	1942
<i>Class B:</i>		
Joseph M. Bernardin.....	Vice President, Burk Lumber Company, Dawson, N. M.....	1940
Lee E. Phillips.....	Phillips Petroleum Co., Bartlesville, Okla.....	1941
Willard D. Hosford.....	Vice President, John Deere Plow Co., Omaha, Neb.....	1942
<i>Class C:</i>		
Robert B. Caldwell.....	McCune, Caldwell & Downing, Kansas City, Mo.....	1940
John J. Thomas.....	Attorney-at-Law, Seward, Neb.....	1941
Clarence Roberts.....	Editor, The Farmer-Stockman, Oklahoma City, Okla.....	1942

Denver Branch

<i>Appointed by Federal Reserve Bank:</i>		
Joseph E. Olson.....	Managing Director, Denver, Colo.....	1940
William C. Kurtz.....	President and General Manager, Independent Lumber Co., Grand Junction, Colo.....	1940
Harold Kountze.....	President, Colorado National Bank, Denver, Colo.....	1941
Roblin H. Davis.....	President, Denver National Bank, Denver, Colo.....	1942
<i>Appointed by Board of Governors:</i>		
Albert K. Mitchell.....	President and General Manager, T. E. Mitchell & Son, Albert, N. M.....	1940
James B. Grant.....	Lewis and Grant, Denver, Colo.....	1941
Wilson McCarthy.....	President, Denver & Salt Lake R. R. Co., Denver, Colo.....	1942

Oklahoma City Branch

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

George H. Pipkin.....	Managing Director, Oklahoma City, Okla.....	1940
Samuel W. Hayes.....	Hayes, Richardson, Shartel, Gilliland & Jordan, Oklahoma City, Okla.....	1940
Leroy D. Edgington.....	President, First National Bank, Ponca City, Okla.....	1941
Arthur E. Stephenson.....	President, Central National Bank, Enid, Okla.....	1942

Appointed by Board of Governors:

Lee Clinton.....	Realtor, Tulsa, Okla.....	1940
Neil R. Johnson.....	Rancher and Farmer, Norman, Okla.....	1941
Thomas S. Hanna.....	President, Baker, Hanna & Blake Co., Oklahoma City, Okla.....	1942

Omaha Branch

Appointed by Federal Reserve Bank:

Lloyd H. Earhart.....	Managing Director, Omaha, Neb.....	1940
George A. Bible.....	President, First National Bank, Rawlins, Wyo.....	1940
George W. Holmes.....	President, First National Bank, Lincoln, Neb.....	1941
Thomas L. Davis.....	President, First National Bank, Omaha, Neb.....	1942

Appointed by Board of Governors:

William H. Schellberg.....	President, Union Stock Yards Co., Omaha, Neb.....	1940
Robert E. Campbell.....	Chairman, Miller & Paine, Lincoln, Neb.....	1941
Harry L. Dempster.....	President, Dempster Mill Mfg. Co., Beatrice, Neb.....	1942

District No. 11—Dallas

Class A:

Pat E. Hooks.....	President, First National Bank, Itasca, Tex.....	1940
Ford Seale.....	President, Citizens National Bank, Denison, Tex.....	1941
Ed H. Winton.....	Executive Vice President, Continental National Bank, Fort Worth, Tex.....	1942

Class B:

James M. West.....	Chairman, West Production Co., Houston, Tex.....	1940
Ernest L. Kurth.....	Vice President and General Manager, Angelina County Lumber Co., Keltys, Tex.....	1941
Jesse R. Milan.....	President, Cooper Company, Inc., Waco, Tex.....	1942

Class C:

Joseph B. Cozzo.....	Womack & Cozzo, Dallas, Tex.....	1940
James H. Merritt.....	Retired, McKinney, Tex.....	1941
Jay Taylor.....	Rafter O Cattle Company, Amarillo, Tex.....	1942

El Paso Branch

Appointed by Federal Reserve Bank:

Joseph L. Hermann.....	Managing Director, El Paso, Tex.....	1940
Charles N. Bassett.....	President, State National Bank, El Paso, Tex.....	1940
Frank R. Coon.....	President, Mimbres Valley Bank, Deming, N. M.....	1941
Homer A. Jacobs.....	Vice President, El Paso National Bank, El Paso, Tex.....	1942

Appointed by Board of Governors:

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
Ray E. Sherman.....	President, Leavell and Sherman, Ind., El Paso, Tex.....	1942

Houston Branch

Appointed by Federal Reserve Bank:

William D. Gentry.....	Managing Director, Houston, Tex.....	1940
Vacancy.....		1940
Sam R. Lawder.....	Vice President, First National Bank, Houston, Tex.....	1941
Preston B. Doty.....	President, First National Bank, Beaumont, Tex.....	1942

Appointed by Board of Governors:

George G. Chance.....	Farmer, Bryan, Tex.....	1940
Henry Renfert.....	Renfert-Helmbrecht Co., Galveston, Tex.....	1941
Sam Taub.....	J. N. Taub & Sons, Houston, Tex.....	1942

San Antonio Branch

Appointed by Federal Reserve Bank:

Miers Crump.....	Managing Director, San Antonio, Tex.....	1940
Vacancy.....		1940
John K. Beretta.....	President, National Bank of Commerce, San Antonio, Tex.....	1941
Ernest J. Miller.....	President, South Texas Nat. Bank, San Antonio, Tex.....	1942

Appointed by Board of Governors:

Dolph Briscoe.....	Stock Raiser, Uvalde, Tex.....	1940
Jamie M. Odom.....	General Contractor, Austin, Tex.....	1941
Edwin F. Flato.....	President, Corpus Christi Hardware Co., Corpus Christi, Tex.....	1942

District No. 12—San Francisco

Class A:

Charles K. McIntosh.....	Chairman, Bank of California, N. A., San Francisco, Calif.....	1940
Reno Odlin.....	President, Puget Sound National Bank, Tacoma, Wash.....	1941
Carroll F. Byrd.....	Executive Vice President and Chairman, First Nat. Bank, Willows, Calif.....	1942

Class B:

Elmer H. Cox.....	President, Madera Sugar Pine Co., San Francisco, Calif.....	1940
William G. Volkmann.....	Vice President, A. Schilling and Co., San Francisco, Calif.....	1941
Reese H. Taylor.....	President, Union Oil Company, Los Angeles, Calif.....	1942

*Class C:**Term
Expires
Dec. 31*

St. George Holden.....	President, St. George Holden Realty Co., San Francisco, Calif.....	1940
Raymond C. Force.....	Chairman, Executive Committee, Caterpillar Tractor Co., San Leandro, Calif.....	1941
Carlyle Thorpe.....	General Manager, California Walnut Growers Association, Los Angeles, Calif.....	1942

Los Angeles Branch*Appointed by Federal Reserve Bank:*

W. Norman Ambrose.....	Managing Director, Los Angeles, Calif.....	1940
Victor H. Rossetti.....	President, Farmers & Merchants Nat. Bank, Los Angeles, Calif.....	1940
Charles E. Brouse.....	President, Citizens Nat. Trust & Sav. Bank, Riverside, Calif.....	1941

Appointed by Board of Governors:

William S. Rosecrans.....	Land Management & Investments, Los Angeles, Calif.....	1940
Carl V. Newman.....	President, Calavo Growers of California, Los Angeles, Calif.....	1941

Portland Branch*Appointed by Federal Reserve Bank:*

David L. Davis.....	Managing Director, Portland, Ore.....	1940
Nona A. Davis.....	Vice President, Baker-Boyer National Bank, Walla Walla, Wash.....	1940
Ernest B. MacNaughton.....	President, First National Bank, Portland, Ore.....	1941

Appointed by Board of Governors:

Albert E. Engbretsen.....	President, Engbretsen Seed Co., Astoria, Ore.....	1940
George T. Gerlinger.....	President, Willamette Valley Lumber Co., Portland, Ore.....	1941

Salt Lake City Branch*Appointed by Federal Reserve Bank:*

Winnie L. Partner.....	Managing Director, Salt Lake City, Utah.....	1940
Orval W. Adams.....	Executive Vice President, Utah State Nat. Bank, Salt Lake City, Utah.....	1940
Frederick P. Champ.....	President, Utah Mortgage Loan Corp., Logan, Utah.....	1941

Appointed by Board of Governors:

Roscoe C. Rich.....	President, R. C. Rich Sheep'Co., Burley, Idaho.....	1940
Herbert S. Auerbach.....	President, Auerbach Company, Salt Lake City, Utah.....	1941

Seattle Branch*Appointed by Federal Reserve Bank:*

Clarence R. Shaw.....	Managing Director, Seattle, Wash.....	1940
Ned A. Telyea.....	President, Old Nat. Bank & Union Trust Co., Spokane, Wash.....	1940
Andrew Price.....	President, National Bank of Commerce, Seattle, Wash.....	1941

Appointed by Board of Governors:

Fred Nelsen.....	Dairy Farmer, Seattle, Wash.....	1940
Charles F. Larrabee.....	Vice President, Pacific American Fisheries, Inc., Bellingham, Wash.....	1941

STATE BANK AND TRUST COMPANY MEMBERS

Following is a list of the 1,342 State bank and trust company members of the Federal Reserve System on December 31, 1940.

DISTRICT NO. 1 (42 banks)

CONNECTICUT¹ (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.
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RHODE ISLAND (2 banks)

Providence.....	Industrial Trust Co.
	Union Trust Co.

DISTRICT NO. 2 (178 banks)

CONNECTICUT¹ (1 bank)

Springdale.....	Springdale Bank & Trust Co.
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NEW JERSEY¹ (48 banks)

Bayonne.....	Bayonne Trust Co.
Blomfield.....	Blomfield Bank & Trust Co.
	Community Trust Co.
Bogota.....	Bank of Bogota
Boonton.....	Boonton Trust Co.
Bound Brook.....	Bound Brook Trust Co.
Carteret.....	Carteret Bank & Trust Co.
Cranford.....	Cranford Trust Co.
Dover.....	Dover Trust Co.
Dunellen.....	Peoples Trust Co.

DISTRICT NO. 2—Continued

NEW JERSEY—continued

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
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.
Ridgewood.....	North Jersey 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 (129 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
Babylon.....	Bank of Babylon
Baldwin.....	Peoples State Bank
Batavia.....	Genesee Trust Co.
Bayshore.....	South Side Bank
Belmont.....	State Bank of Belmont
Binghamton.....	Marine Midland Trust Co.
Blasdel.....	Bank of Blasdel
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.

¹ Exclusive of part of State located in another district.

DISTRICT NO. 2—Continued**NEW YORK—continued**

Endicott.....	Endicott Trust Co.
	Union Trust Co.
Evans Mills.....	Peoples Bank
Farmingdale.....	Bank of Farmingdale
Floral Park.....	Floral Park Bank & Trust Co.
Forrest Hills (See New York)	
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.
Katonah.....	Northern Westchester Bank
Kingston.....	Kingston Trust Co.
Lackawanna.....	American Bank
Lindenhurst.....	Lindenhurst Bank
Little Falls.....	Herkimer County Trust Co.
Locke.....	Citizens Bank
Locust Valley.....	Matinecock 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 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
Nyack.....	Nyack Bank & Trust Co.
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
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

DISTRICT NO. 2—Continued**NEW YORK—continued**

Salamanca.....	Salamanca Trust Co.
Saratoga Springs.....	Adirondack Trust Co.
Sayville.....	Oystermen's Bank & Trust Co.
Schenectady.....	Schenectady Trust Co.
Sea Cliff.....	State Bank of Sea Cliff
Smithtown Branch.....	Bank of Smithtown
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 Bank & Trust Co.
Warsaw.....	Wyoming County Bank & Trust Co.
Watertown.....	Northern New York Trust Co.
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 (69 banks)**DELAWARE (4 banks)**

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

NEW JERSEY¹ (7 banks)

Burlington.....	Burlington City Loan & Trust Co.
Camden.....	Camden Trust Co.
Egg Harbor City.....	Egg Harbor City Trust Co.
Hightstown.....	Hightstown Trust Co.
Princeton.....	Princeton Bank & Trust Co.
Riverside.....	Riverside Trust Co.
Swedesboro.....	Swedesboro Trust Co.

PENNSYLVANIA¹ (58 banks)

Allentown.....	Liberty Bank & Trust Co.
Bloomsburg.....	Bloomsburg Bank-Columbia Trust Co.
Carlisle.....	Carlisle Trust Co.
Chester.....	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.
Huntingdon.....	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.....	Myerstown Trust Co.
Nanticoke.....	Peoples Bank
New Oxford.....	Farmers & Merchants Bank
Newtown.....	Newtown Title & Trust Co.
Norristown.....	Montgomery Trust Co.
	Norristown-Penn Trust Co.
Orrstown.....	Orrstown Bank
Paoli.....	Paoli Bank
Paradise.....	State Bank of Paradise

DISTRICT NO. 3—Continued

PENNSYLVANIA—continued

Philadelphia.....	Fidelity-Philadelphia Trust Co. First Trust Co. Gimbel Bros. Bank & Trust Co. Girard Trust Co. Ninth Bank & Trust Co. Pennsylvania Co. for Insurances on Lives and Granting Annuities Provident Trust Co. Interboro Bank & Trust Co.
Prospect Park.....	Quakertown Trust Co.
Quakertown.....	Reading Trust Co.
Reading.....	Schnecksville State Bank
Schnecksville.....	Schuylkill Haven Trust Co.
Schuylkill Haven.....	Steelton Bank & Trust Co.
Steelton.....	Peoples Trust Co.
Tamaqua.....	Temple State Bank
Temple.....	Wilkes-Barre Deposit & Savings Bank
Wilkes-Barre.....	West Branch Bank & Trust Co.
Williamsport.....	Peoples Trust Co.
Wyomissing.....	Guardian Trust Co.
York.....	York Trust Co.

DISTRICT NO. 4 (158 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 (121 banks)

Akron.....	Firestone Park Trust & Savings Bank First-Central Trust Co. Mount Union Bank
Alliance.....	Antwerp Exchange Bank
Antwerp.....	Apple Creek Banking Co.
Apple Creek.....	Peoples State Bank Co.
Archbold.....	Farmers & Merchants Bank Co.
Arlington.....	Ashland Bank & Savings Co.
Ashland.....	Union Bank & Savings Co.
Bellevue.....	Farmers Bank
Bellville.....	Bank of Wood County Co.
Bowling Green.....	Brecksville Bank Co.
Brecksville.....	Peoples Bank Co.
Canal Winchester.....	First Trust & Savings Bank
Canton.....	Geo. D. Harter Bank Peoples 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.
Crestline.....	Farmers & Citizens State Bank
Croton.....	Croton Bank Co.
Danville.....	Commercial & Savings Bank Co.
Delphos.....	Commercial Bank Peoples Bank

DISTRICT NO. 4—Continued

OHIO—continued

Delta.....	Peoples Savings Bank 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.
Freeport.....	Freeport State Bank
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.
Lodi.....	Lodi State Bank
Lorain.....	Central Bank Co. City Bank Co. Lorain Banking Co.
Lyons.....	Farmers State Bank
Madison.....	Citizens Bank
Mansfield.....	Farmers Savings & Trust Co. Richland Trust Co.
Marblehead.....	Marblehead Bank Co.
Marengo.....	Marengo Banking Co.
Martins Ferry.....	Peoples Savings Bank Co.
Mason.....	First-Mason Bank
Massillon.....	Ohio-Merchants Trust Co.
Maumee.....	State Savings Bank Co.
Middlepoint.....	Middlepoint Banking Co.
Middletown.....	First American Bank & Trust Co.
Minerva.....	Minerva Banking Co. Minerva Savings & Bank Co.
Minster.....	Minster State Bank
Monroeville.....	Farmers & Citizens Banking Co.
Mount Blanchard.....	Citizens Bank
Mount Gilead.....	Peoples Savings Bank Co.
Mount Sterling.....	Sterling State Bank
Mount Vernon.....	Knox County Savings Bank
Napoleon.....	Community Bank
Newark.....	Licking County Bank Newark Trust Co.
New Knoxville.....	Peoples Savings Bank
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.
Ravenna.....	First Savings Bank
Reading.....	Reading Bank
Richwood.....	Richwood Banking Co.
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.
Shreve.....	Farmers Bank
Silverton.....	Silverton Bank
Strasburg.....	Citizens-State Bank
Sylvania.....	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
Wakeman.....	Wakeman Bank Co.
Waterville.....	Waterville State Savings Bank
Wellington.....	First Wellington Bank
West Carrollton.....	West Carrollton Bank
Woodville.....	State Savings Bank
Wooster.....	Commercial Banking & Trust Co.
Yellow Springs.....	Miami Deposit Bank Co.

DISTRICT NO. 4—Continued**OHIO—continued**

Youngstown..... City Trust & Savings Bank
Dollar Savings & Trust Co.

PENNSYLVANIA¹ (27 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.
Linesville..... Farmers & Merchants Bank
McKeesport..... Peoples City Bank
Meadville..... Crawford County Trust Co.
New Brighton..... Beaver County Trust Co.
New Castle..... Lawrence Savings & Trust Co.
Pittsburgh..... Allegheny Trust Co.
Allegheny Valley Bank
Bank of Ohio Valley
Colonial Trust Co.
Commonwealth Trust Co.
Homewood Bank
Iron & Glass Dollar Savings
Bank of Birmingham
Peoples-Pittsburgh Trust Co.
Potter Title & Trust Co.
St. Clair Deposit Bank
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.

DISTRICT NO. 5 (95 banks)**DISTRICT OF COLUMBIA (6 banks)**

Washington..... American Security & Trust Co.
City Bank
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 (10 banks)

Charlotte..... American Trust Co.
Concord..... Citizens Bank & Trust Co.
Edenton..... Bank of Edenton
Marshall..... Citizens Bank
Tryon..... Tryon Bank & Trust Co.
Wadesboro..... Bank of Wadesboro
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

DISTRICT NO. 5—Continued**SOUTH CAROLINA—continued**

Charleston..... Carolina Savings Bank
Chester..... Commercial Bank
Hartsville..... Bank of Hartsville

VIRGINIA (46 banks)

Abingdon..... Farmers Exchange Bank
Alberta..... Bank of Alberta
Amelia..... Union Bank & Trust Co.
Amherst..... Farmers & Bank of Amherst
Blacksburg..... Farmers & Merchants Bank
Blackstone..... Citizens Bank & Trust Co.
Bridgewater..... Planters Bank
Chase City..... Peoples Bank & Trust Co.
Christiansburg..... Bank of Christiansburg
Edinburg..... Farmers Bank
Farmville..... Planters Bank & Trust Co.
Front Royal..... Bank of Warren
Glade Spring..... Bank of Glade Spring
Halifax..... Bank of Halifax
Kenbridge..... Bank of Lunenburg
Lacrosse..... Bank of Lacrosse
Lawrenceville..... Farmers & Merchants Bank
Lynchburg..... Lynchburg Trust & Savings
Bank
Mathews..... Farmers Bank
Montross..... Peoples Bank
Mount Jackson..... Peoples Bank
Odd..... Citizens Bank of Poquoson
Petersburg..... Petersburg Savings & American
Trust Co.
Phoebe..... Bank of Phoebe
Portsmouth..... Merchants & Farmers Bank
Powhatan..... Bank of Powhatan
Remington..... State Bank of Remington
Rich Creek..... Farmers & Merchants Bank
Richmond..... Bank of Commerce & Trusts
Mechanics & Merchants Bank
Southern Bank & Trust Co.
State-Planters Bank & Trust
Co.
Rural Retreat..... Peoples Bank
Shawsville..... Bank of Shawsville
Smithfield..... Bank of Smithfield
Merchants & Farmers Bank
South Boston..... South Boston Bank & Trust Co.
South Hill..... Citizens Bank
Stanardsville..... Bank of Greene
Suffolk..... American Bank & Trust Co.
Farmers Bank of Nansemond
Tazewell..... Farmers Bank of Clinch Valley
Waynesboro..... Citizens-Waynesboro Bank &
Trust Co.
Williamsburg..... Peninsula Bank & Trust Co.
Winchester..... Union Bank
Woodstock..... Shenandoah County Bank &
Trust Co.

WEST VIRGINIA¹ (18 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
Martinsburg..... Peoples Trust Co.
Parsons..... Tucker County Bank
Petersburg..... Potomac Valley Bank
Quinwood..... Bank of Quinwood
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
Union..... Bank of Monroe

DISTRICT NO. 6 (54 banks)**ALABAMA (17 banks)**

Aliceville..... Aliceville Bank & Trust Co.
Birmingham..... Birmingham Trust & Savings
Co.

DISTRICT NO. 6—Continued**ALABAMA—continued**

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
Montgomery.....	Union Bank & Trust Co.
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 (5 banks)

Bradenton.....	Manatee River Bank & Trust Co.
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
Commerce.....	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 (6 banks)

Alexandria.....	Rapides Bank & Trust Co.
Arabi.....	St. Bernard 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.
Greenville.....	Greene County Bank
Hartsville.....	Bank of Hartsville
Knoxville.....	Commercial Bank & Trust Co.
Nashville.....	Commerce Union Bank

DISTRICT NO. 7 (320 banks)**ILLINOIS¹ (63 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
Camp Grove.....	Camp Grove State Bank
Chadwick.....	Farmers State Bank

DISTRICT NO. 7—Continued**ILLINOIS—continued**

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. Sears-Community State Bank State Bank of Clearing State Bank of Cowden Cowden.....
Elburn.....	State Bank of Elburn
Eureka.....	Kane County Bank & Trust Co. State Bank of Eureka
Evanston.....	Evanston Trust & Savings Bank State Bank & Trust Co. Freeport.....
Freeport.....	State Bank of Freeport
Fulton.....	Fulton State Bank
Galesburg.....	Farmers & Mechanics Bank
Geneva.....	State Bank of Geneva
Hillsdale.....	Old Farmers & Merchants State Bank Joy.....
Joy.....	Joy State Bank
Lanark.....	Exchange State Bank
LaSalle.....	LaSalle 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
Mt. Pulaski.....	Farmers Bank
Niantic.....	State Bank of Niantic
Oak Park.....	Oak Park Trust & Savings Bank
Petersburg.....	Schirding State Bank
Piper City.....	State Bank of Piper City
Plymouth.....	Plymouth State Bank
Riverdale.....	First Trust & Savings Bank
Rochester.....	Rochester State Bank
Rock Island.....	State Bank of Rock Island
Rushville.....	Rushville State Bank
Shannon.....	First State Bank
Shelbyville.....	Shelby County State Bank Shelby Loan & Trust Co.
Skokie.....	Niles Center State Bank
Springfield.....	Springfield Marine Bank
Thomson.....	Thomson State Bank
Tolono.....	Citizens 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

INDIANA¹ (53 banks)

Angola.....	Steuben County State Bank
Auburn.....	Auburn State Bank
Avilla.....	Community State Bank
Battle Ground.....	Battle Ground State Bank
Berne.....	First Bank of Berne
Boswell.....	Farmers & Merchants Bank
Brazil.....	Brazil Trust Co.
Brookville.....	Peoples Trust Co.
Cambridge City.....	Wayne Trust Co.
Carthage.....	State Bank of Carthage
Columbia City.....	Citizens State Bank Farmers Loan & Trust Co.
Connersville.....	Fayette Bank & Trust Co.
Crawfordsville.....	Elston Bank & Trust Co.
Darlington.....	Farmers & Merchants State Bank Decatur.....
Decatur.....	First State Bank
Delphi.....	Union Bank & Trust Co.
Elkhart.....	First Old State Bank St. Joseph Valley Bank
Etna Green.....	Etna Bank
Fairmount.....	Fairmount State Bank

DISTRICT NO. 7—Continued

INDIANA—continued

Franklin	Farmers Trust Co.
Gary	Gary State Bank
	Gary Trust & Savings Bank
Greencastle	First-Citizens Bank & Trust Co.
Greenfield	Greenfield Banking Co.
Greensburg	Union Trust Co.
Hartford City	Citizens State Bank
Hebron	Citizens Bank
Indianapolis	Fletcher Trust Co.
Jamestown	Citizens State Bank
Kokomo	Union Bank & Trust Co.
Linden	Linden State Bank
Logansport	Farmers & Merchants State Bank
	Bank
Marshall	Citizens State Bank
Mohawk	Mohawk State Bank
Monticello	State & Savings Bank
Montpelier	Bank of Montpelier
Muncie	Merchants Trust Co.
Nappanee	State Bank of Nappanee
Oldenburg	Farmers & Merchants State Bank
	Bank
Pendleton	Pendleton Banking Co.
Poland	Poland-State Bank
Porter	First State Bank
Roachdale	Roachdale Bank & Trust Co.
South Bend	First Bank & Trust Co.
Sweetser	Farmers State Bank
Tipton	Farmers Loan & Trust Co.
Valparaiso	First State Bank
Van Buren	Farmers Trust Co.
Warren	Exchange Bank
Warsaw	Lake City Bank
West College Corner	
(College Corner,	
Ohio, P. O.)	Farmers State Bank

IOWA (5 banks)

Algona	Iowa State Bank
	Security State Bank
Aurelia	First Trust & Savings Bank
Avoca	Avoca State Bank
Blencoe	Blencoe State Bank
Cherokee	Cherokee State Bank
Churdan	First State Bank
Clear Lake	Clear Lake Bank & Trust Co.
Corydon	Corydon State Bank
Davenport	Davenport Bank & Trust Co.
Des Moines	Bankers Trust Co.
Dubuque	American Trust & Savings Bank
Early	Early Savings Bank
Fairfield	Iowa State Bank & Trust Co.
Fontanelle	State Savings Bank
Forest City	Forest City Bank & Trust Co.
Fort Dodge	The State Bank
Fort Madison	Fort Madison Savings Bank
Gladbrook	State Bank
Glenwood	Glenwood State Bank
Holstein	Holstein State Bank
Ida Grove	Ida County State Bank
Jesup	Farmers 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
Muscatine	Central State Bank
	Muscatine Bank & Trust Co.
New Hampton	Security State Bank
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
Sheldon	Security State Bank
Shenandoah	Security Trust & Savings Bank
Storm Lake	Commercial Trust & Savings Bank
	Bank
	Security Trust & Savings Bank
Strawberry Point	Union Bank & Trust Co.
Templeton	Templeton Savings Bank
Washington	Washington State Bank
Williams	Williams Savings Bank

DISTRICT NO. 7—Continued

MICHIGAN¹ (130 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
Blanchard	Blanchard State Bank
Blissfield	Blissfield State Bank
Bronson	Peoples State Bank
Brown City	Brown City Savings Bank
Byron Center	Byron Center State Bank
Caledonia	State Bank of Caledonia
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
Clare	Citizens State Bank
Clarkston	Clarkston State Bank
Coloma	State Bank of Coloma
Coopersville	Coopersville State Bank
Corunna	Old Corunna State Bank
Croswell	State Bank of Croswell
Davison	Davison State Bank
Detroit	Detroit Bank
	Industrial Morris Plan Bank
	United Savings Bank
Dexter	Dexter 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
	Bank
	Genesee County Savings Bank
	Merchants & Mechanics Bank
Fountain	Fountain State Bank
Frankenmuth	Frankenmuth State Bank
Frankfort	State Savings Bank
Fremont	Fremont State Bank
	Old State Bank
Gagetown	State Savings Bank
Gaylord	Gaylord State Savings Bank
Grand Haven	Grand Haven State Bank
	Peoples Savings Bank
Grand Rapids	Old Kent Bank
Grandville	Community State Bank
Grant	Grant State Bank
Greenville	Commercial State Savings Bank
	First State Bank
Grosse Pointe	Grosse Pointe Bank
Harbor Beach	State 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
Imlay City	Imlay City State Bank
Jackson	Jackson City Bank & Trust Co.
Jonesville	Grosvenor Savings Bank
Kingston	Kingston State Bank
Lakeview	Bank of Lakeview
Lansing	American State Savings Bank
	Bank of Lansing
Lapeer	Lapeer Savings Bank
Lawrence	Home State Bank
Lowell	State Savings Bank

¹ Exclusive of part of State located in another district.

DISTRICT NO. 7—Continued

MICHIGAN—continued

Ludington.....	Ludington State Bank
Manchester.....	Peoples Bank
	Union Savings Bank
Manistee.....	Manistee County Savings Bank
Marcellus.....	G. W. Jones Exchange Bank
Mason.....	Farmers Bank
Merrill.....	Farmers & Merchants State Bank
Midland.....	Chemical State Savings Bank
Milan.....	Peoples State Bank
Milford.....	Oakland County State Bank
Montague.....	Farmers State Bank
Morrice.....	Morrice 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
Plymouth.....	Plymouth United Savings Bank
Richmond.....	Macomb County Savings Bank
River Rouge.....	River Rouge Savings Bank
Romeo.....	Romeo Savings 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
South Haven.....	Citizens State Bank
	First State Bank
Sparta.....	Sparta State Bank
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
West Branch.....	State Savings Bank
Whitehall.....	State Bank of Whitehall
Williamston.....	Peoples State Bank
Wyandotte.....	Wyandotte Savings Bank
Yale.....	Yale State Bank
Zeeland.....	Zeeland State Bank

WISCONSIN¹ (29 banks)

Antigo.....	Fidelity Savings Bank
Beloit.....	Beloit State Bank
Burlington.....	Bank of Burlington
Chilton.....	Commercial Bank
Edgerton.....	Tobacco Exchange Bank
Evansville.....	Union Bank & Trust Co.
Green Bay.....	Peoples Trust & Savings Bank
Green Lake.....	Green Lake State Bank
Kaukauna.....	Bank of Kaukauna
Kewaunee.....	State Bank of Kewaunee
Manitowoc.....	Manitowoc Savings Bank
Markesan.....	Markesan State Bank
Mayville.....	State Bank of Mayville
Milwaukee.....	American State Bank
	Marshall & Isley Bank
	Northern 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
West Allis.....	Milwaukee County Bank
Whitewater.....	First Citizens State Bank

DISTRICT NO. 8 (97 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 (19 banks)

Breese.....	State Bank of Breese
Cairo.....	First Bank & Trust Co.
Dupo.....	Dupo State Savings Bank
East St. Louis.....	Union Trust Co.
Edwardsville.....	Bank of Edwardsville
Effingham.....	Effingham State Bank
Eldorado.....	C. P. Burnett & Sons, Bankers
Hillsboro.....	Montgomery County Bank
Hoyleton.....	Hoyleton State & Savings Bank
Jacksonville.....	Elliott State Bank
Johnston City.....	Johnston City State Bank
Keosauqua.....	State Bank of Keosauqua
Litchfield.....	Litchfield Bank & Trust Co.
Mounds.....	First State Bank
Olmsted.....	First State Bank
Red Bud.....	First State Bank
Richview.....	Richview State Bank
Ridgway.....	Gallatin County Bank
St. Peter.....	First State Bank

INDIANA¹ (7 banks)

Bloomfield.....	Bloomfield State Bank
Charlestown.....	First Bank of Charlestown
Oakton.....	Oakton Bank
Orleans.....	Bank of Orleans
Richland.....	Lake State Bank
Sandborn.....	Sandborn Banking Co.
Scottsburg.....	Scott County State Bank

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.

MISSOURI¹ (54 banks)

Arnold.....	Bank of Maxville
California.....	Farmers & Traders Bank
Camdenton.....	Camden County Bank
Carrollton.....	Carroll County Trust Co.
Clayton.....	St. Louis County Bank
Clinton.....	Union State Bank
Crane.....	Bank of Crane
Cuba.....	Peoples Bank
Farmington.....	United Bank
Fenton.....	Farmers & Merchants Bank
Fulton.....	Callaway Bank
Glasgow.....	Glasgow Savings Bank
Hannibal.....	Farmers & Merchants Bank & Trust Co.
Keytesville.....	Bank of Keytesville
Lancaster.....	Schuyler County State Bank
Lebanon.....	State Bank of Lebanon
	State Savings Bank
Luxemburg.....	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.

¹ Exclusive of part of State located in another district.

DISTRICT NO. 8—Continued**MISSOURI—continued**

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
Springfield.....	Southern Missouri Trust Co.
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 (88 banks)**MICHIGAN¹ (14 banks)**

Bark River.....	Bark River State Bank
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
Manistique.....	State Savings Bank
Menominee.....	Commercial Bank
Newberry.....	Newberry State Bank
Ontonagon.....	Citizens State Bank
Sault Ste. Marie.....	Central Savings Bank
	Sault Savings Bank
South Range.....	South Range State Bank

MINNESOTA (21 banks)

Caledonia.....	Sprague State Bank
Cannon Falls.....	Security State Bank
Chatfield.....	Root River State Bank
Clinton.....	Clinton State Bank
Hawley.....	State Bank of Hawley
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
Sleepy Eye.....	State Bank of Sleepy Eye
Springfield.....	Farmers & Merchants State Bank
	State Bank of Springfield
Wadena.....	Wadena County State Bank
Welcome.....	Welcome State Bank
West Concord.....	Farmers State Bank
Winona.....	Merchants 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 County Bank
Butte.....	Metals Bank & Trust Co.
Cascade.....	Stockmens Bank

DISTRICT NO. 9—Continued**MONTANA—continued**

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
Custer.....	Custer County 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.
Miller.....	Hand County State Bank
Mitchell.....	Commercial Trust & Savings Bank
	Bank
Mobridge.....	Citizens Bank
Presho.....	Farmers & Merchants State Bank
	Bank
Sioux Falls.....	Union Savings Bank
Sturgis.....	Bear Butte Valley Bank
Toronto.....	Bank of Toronto
Vermillion.....	Citizens Bank
Webster.....	Security Bank
Woonsocket.....	Sanborn County Bank

WISCONSIN¹ (5 banks)

Boyceville.....	Bank of Boyceville
Glenwood City.....	First State Bank
Menomonie.....	Kraft State Bank
Rhineland.....	Merchants State Bank
Tomahawk.....	Bradley Bank

DISTRICT NO. 10 (86 banks)**COLORADO (15 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
Grand Junction.....	United States Bank
Gunnison.....	Gunnison Bank & Trust Co.
Hartun.....	Hartun State Bank
La Junta.....	Colorado Savings & Trust Co.
Sterling.....	Commercial Savings Bank
	Security State Bank
Yuma.....	Farmers State Bank

KANSAS (25 banks)

Abilene.....	Citizens Bank
Augusta.....	Prairie State Bank
Caldwell.....	Stock Exchange Bank
Eldorado.....	Citizens State Bank
Goodland.....	Goodland State Bank
Great Bend.....	American State Bank
Hiawatha.....	Morrill & Jones Bank
Hoxie.....	Hoxie State Bank
Hutchinson.....	Hutchinson State Bank
Kansas City.....	Riverview State Bank

DISTRICT NO. 10—Continued**KANSAS—continued**

Kinsley	Kinsley 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
Rossville	Peoples State 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 (11 banks)

Albany	Gentry County Bank
Carthage	Bank of Carthage
Craig	Bank of Craig
Kansas City	Commerce Trust Co. Mercantile Home Bank & Trust Co.
King City	Merchants Bank 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 (14 banks)

Alma	Harlan County Bank
Bancroft	Citizens Bank
Blair	Washington County Bank
Bluehill	Commercial Bank
Chappell	Duel 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 MEXICO¹ (2 banks)

Aztec	Citizens Bank
Taos	First State Bank

OKLAHOMA¹ (10 banks)

Ada	Oklahoma State Bank
Canton	Bank of Canton
Eldorado	First State Bank
Fairview	Fairview State Bank
Garber	Bank of Garber
Medford	Grant County Bank
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 (86 banks)**ARIZONA¹ (1 bank)**

Tucson	Southern Arizona Bank & Trust Co.
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DISTRICT NO. 11—Continued**LOUISIANA¹ (2 banks)**

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

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 (79 banks)

Bandera	First State Bank
Bangs	First State Bank
Bay City	Bay City Bank & Trust Co.
Beaumont	Security State Bank & Trust Co.
Beeville	State Bank & Trust Co.
Bremond	First State Bank
Brenham	Washington County State Bank
Brownfield	Brownfield State Bank
Bryan	First State Bank & Trust Co.
Celina	First State Bank
Clarendon	Farmers State Bank
Cleveland	Farmers State Bank
Clifton	Farmers State Bank
Crosby	Crosby State Bank
Crowell	Crowell State Bank
Cuero	Farmers State Bank & Trust Co.
Dalhart	Citizens State Bank
Dallas	Liberty State Bank
De Kalb	State Bank of De Kalb
Del Rio	Del Rio Bank & Trust Co.
Dodson	First State Bank
Dumas	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.
Gladewater	First State Bank
Gonzales	Gonzales State Bank
Granger	First State Bank
Hamilton	Hamilton Bank & Trust Co.
Houston	Citizens State Bank Guardian Trust Co.
Iola	Iola State Bank
Kerrville	First State Bank
Knox City	Citizens State Bank
Kosse	First State Bank
Ladonia	Farmers & Merchants State Bank
Llano	Moore State Bank
Loraine	First State Bank
Lorenzo	Lorenzo State Bank
Madisonville	Farmers State Bank
Marlin	First State Bank
Matador	First State Bank
Mathis	First State Bank
Maypearl	First State Bank
McAllen	City State Bank & Trust Co.
Monahans	First State Bank
Mount Pleasant	Guaranty Bond State Bank
Muleshoe	Muleshoe State Bank
Pearsall	Security State Bank
Ralls	Security State Bank & Trust Co.
Rankin	First State Bank
Richardson	Citizens State Bank
Robert Lee	Robert Lee State Bank
Roby	Citizens 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

DISTRICT NO. 11—Continued**TEXAS—continued**

Shiro.....	Farmers State Bank
Silsbee.....	Silsbee State Bank
Sinton.....	Commercial State Bank
Spearman.....	First State Bank
Spur.....	Spur Security Bank
Sulphur Springs.....	Sulphur Springs State Bank
Taft.....	First State Bank
Talpa.....	First State Bank
Thorndale.....	Thorndale State Bank
Tomball.....	Guaranty Bond State Bank
Trent.....	Home State Bank
Wellington.....	Wellington State Bank
West Columbia.....	First Capitol State Bank
Wharton.....	Security Bank & Trust Co.
Winters.....	Wharton Bank & Trust Co.
Yorktown.....	Winters State Bank
	First State Bank

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

Buckeye.....	Buckeye Valley Bank
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CALIFORNIA (17 banks)

Auburn.....	Placer County Bank
Carmel.....	Bank of Carmel
Fairfield.....	Solano County Bank
Lodi.....	Farmers & Merchants Bank
Long Beach.....	Farmers & Merchants Bank
Los Angeles.....	California Bank
	California Trust Co.
	Union Bank & Trust Co.
Newman.....	Bank of Newman
Oakland.....	Bank of Commerce
Pasadena.....	Citizens Commercial Trust & Savings Bank
	First 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 (9 banks)

Aberdeen.....	Bank of Aberdeen
Arco.....	Butte County Bank
Boise.....	First Security Bank of Idaho
Hazelton.....	Hazelton State Bank
Malad City.....	J. N. Ireland & Co., Bankers
Orofino.....	Bank of Orofino
Richfield.....	First State Bank

DISTRICT NO. 12—Continued**IDAHO—continued**

Soda Springs.....	Largilliere Co., Bankers
Twin Falls.....	Twin Falls Bank & Trust Co.

NEVADA (2 banks)

Elko.....	Nevada Bank of Commerce
Pioche.....	Bank of Pioche

OREGON (6 banks)

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

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
	Utah State Bank

WASHINGTON (14 banks)

Almira.....	Almira State Bank
Cashmere.....	Cashmere Valley Bank
Coulee City.....	Security State Bank
Kelso.....	Cowlitz Valley Bank
Lacrosse.....	First State Bank
Puyallup.....	Citizens State Bank
Ridgefield.....	Ridgefield 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

¹ Exclusive of part of State located in another district.

DESCRIPTION OF FEDERAL RESERVE DISTRICTS

Federal Reserve district	Land area ¹ (square miles)	Population April 1, 1940
No. 1—Boston	62,573	8,018,906
No. 2—New York	52,153	17,129,265
No. 3—Philadelphia	37,023	7,777,910
No. 4—Cleveland	74,027	11,809,528
No. 5—Richmond	152,471	12,330,219
No. 6—Atlanta	247,778	12,597,347
No. 7—Chicago	190,446	19,406,389
No. 8—St. Louis	195,902	10,187,405
No. 9—Minneapolis	412,304	5,542,966
No. 10—Kansas City	480,537	7,855,397
No. 11—Dallas	386,447	7,733,748
No. 12—San Francisco	685,438	11,280,195
Total	2,977,099	131,669,275

FEDERAL RESERVE DISTRICTS

DISTRICT NO. 1—BOSTON.....	62,573	8,018,906
Connecticut (excluding Fairfield County).....	4,266	1,290,858
Maine.....	31,040	847,226
Massachusetts.....	7,907	4,316,721
New Hampshire.....	9,024	491,524
Rhode Island.....	1,058	713,346
Vermont.....	9,278	359,231
DISTRICT NO. 2—NEW YORK.....	52,153	17,129,265
Connecticut (Fairfield County).....	633	418,384
New Jersey.....	3,591	3,231,739
Counties of—		
Bergen Hunterdon Morris Sussex		
Essex Middlesex Passaic Union		
Hudson Monmouth Somerset Warren		
New York.....	47,929	13,479,142
DISTRICT NO. 3—PHILADELPHIA.....	37,023	7,777,910
Delaware.....	1,978	266,505
New Jersey.....	2,931	928,426
Counties of—		
Atlantic Cape May Gloucester Ocean		
Burlington Cumberland Mercer Salem		
Camden.....		
Pennsylvania (eastern part).....	31,114	6,582,979
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		
Cambridge Franklin Monroe Susquehanna		
Carbon Fulton Montgomery Tioga		
Center Huntingdon Montour Union		
Chester Juniata Northampton Wayne		
Clearfield Lackawanna Northumberland Wyoming		
Lancaster Perry York		
DISTRICT NO. 4—CLEVELAND.....	74,027	11,809,528
Kentucky (eastern part).....	17,772	1,379,425
Counties of—		
Bath Elliott Jessamine Lincoln		
Bell Estill Johnson McCreary		
Boone Fayette Kenton Madison		
Bourbon Fleming Knott Magoffin		
Boyd Floyd Knox Martin		
Bracken Garrard Laurel Mason		
Breathitt Grant Lawrence Menifee		
Campbell Greenup Lee Montgomery		
Carter Harlan Leslie Morgan		
Clark Harrison Letcher Nicholas		
Clay Jackson Lewis Owsley		

¹ Data for land areas of States were recomputed in preparation for the 1940 Census and, therefore, differ somewhat from those shown in previous issues.

DESCRIPTION OF FEDERAL RESERVE DISTRICTS—Continued

Federal Reserve district				Land area (square miles)	Population April 1, 1940
DISTRICT NO. 4.—CLEVELAND—Continued					
Kentucky (eastern part)					
Counties of—Continued					
Pendleton	Powell	Rockcastle	Whitley		
Perry	Pulaski	Rowan	Wolfe		
Pike	Robertson	Scott	Woodford		
Ohio.....				41,122	6,907,612
Pennsylvania (western part).....				13,931	3,317,201
Counties of—					
Allegheny	Crawford	Indiana	Venango		
Armstrong	Erie	Jefferson	Warren		
Beaver	Fayette	Lawrence	Washington		
Butler	Forest	Mercer	Westmoreland		
Clarion	Greene	Somerset			
West Virginia (northern part).....				1,202	205,290
Counties of—					
Brooke	Marshall	Tyler			
Hancock	Ohio	Wetzel			
DISTRICT NO. 5.—RICHMOND.....				152,471	12,330,219
District of Columbia.....				61	663,091
Maryland.....				9,837	1,821,244
North Carolina.....				49,142	3,571,623
South Carolina.....				30,594	1,899,804
Virginia.....				39,899	2,677,773
West Virginia (southern part).....				22,888	1,096,684
Counties of—					
Barbour	Hardy	Mingo	Roane		
Berkeley	Harrison	Monongalia	Summers		
Boone	Jackson	Monroe	Taylor		
Braxton	Jefferson	Morgan	Tucker		
Cabell	Kanawha	Nicholas	Upshur		
Calhoun	Lewis	Pendleton	Wayne		
Clay	Lincoln	Pleasants	Webster		
Doddridge	Logan	Pocahontas	Wirt		
Fayette	McDowell	Preston	Wood		
Gilmer	Marion	Putnam	Wyoming		
Grant	Mason	Raleigh			
Greenbrier	Mercer	Randolph			
Hampshire	Mineral	Ritchie			
DISTRICT NO. 6.—ATLANTA.....				247,778	12,597,347
Alabama.....				51,078	2,832,961
Florida.....				54,262	1,897,414
Georgia.....				58,518	3,123,723
Louisiana (southern part).....				26,630	1,611,595
Parishes of—					
Acadia	Evangeline	Rapides	Tangipahoa		
Allen	Iberia	St. Bernard	Terrebonne		
Ascension	Iberville	St. Charles	Vermilion		
Assumption	Jefferson	St. Helena	Vernon		
Avoyelles	Jefferson Davis	St. James	Washington		
Beauregard	Lafayette	St. John the	West Baton		
Calcasieu	La Fourche	Baptist	Rouge		
Cameron	Livingston	St. Landry	West Feliciana		
East Baton	Orleans	St. Martin			
Rouge	Plaquemines	St. Mary			
East Feliciana	Pointe Coupee	St. Tammany			
Mississippi (southern part).....				26,092	1,073,748
Counties of—					
Adams	Harrison	Lawrence	Scott		
Amite	Hinds	Leake	Sharkey		
Claiborne	Issaquena	Lincoln	Simpson		
Clarke	Jackson	Madison	Smith		
Copiah	Jasper	Marion	Stone		
Covington	Jefferson	Neshoba	Walthall		
Forrest	Jefferson Davis	Newton	Warren		
Franklin	Jones	Pearl River	Wayne		
George	Kemper	Perry	Wilkinson		
Greene	Lamar	Pike	Yazoo		
Hancock	Lauderdale	Rankin			
Tennessee (eastern part).....				31,198	2,057,906
Counties of—					
Anderson	Clay	Grainger	Jackson		
Bedford	Coeke	Greene	Jefferson		
Bledsoe	Coffee	Grundy	Johnson		
Blount	Cumberland	Hamblen	Knox		
Bradley	Davidson	Hamilton	Lawrence		
Campbell	De Kalb	Hancock	Lewis		
Cannon	Dickson	Hawkins	Lincoln		
Carter	Fentress	Hickman	Loudon		
Cheatham	Franklin	Houston	McMinn		
Claiborne	Giles	Humphreys	Macon		

DESCRIPTION OF FEDERAL RESERVE DISTRICTS—Continued

Federal Reserve district				Land area (square miles)	Population April 1, 1940
DISTRICT NO. 6.—ATLANTA—Continued					
Tennessee (eastern part)					
Counties of—Continued					
Marion	Perry	Sequatchie	Van Buren		
Marshall	Pickett	Sevier	Warren		
Mauzy	Polk	Smith	Washington		
Meigs	Putnam	Stewart	Wayne		
Monroe	Rhea	Sullivan	White		
Montgomery	Roane	Sumner	Williamson		
Moore	Robertson	Trousdale	Wilson		
Morgan	Rutherford	Unicoi			
Overton	Scott	Union			
DISTRICT NO. 7.—CHICAGO				190,446	19,406,389
Illinois (northern part)				35,333	6,591,832
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)				26,779	2,788,910
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				55,986	2,538,268
Michigan (southern part)				40,484	4,932,562
Counties of—					
Alcona	Eaton	Lapeer	Ogemaw		
Allegan	Emmet	Leelanau	Osceola		
Alpena	Genesee	Lenawee	Oscoda		
Antrim	Gladwin	Livingston	Otsego		
Arenac	Grand Traverse	Macomb	Ottawa		
Barry	Gratiot	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)				31,864	2,554,817
Counties of—					
Adams	Door	Juneau	Marquette		
Brown	Fond du Lac	Kenosha	Milwaukee		
Calumet	Grant	Kewaunee	Monroe		
Clark	Green	Lafayette	Oconto		
Columbia	Green Lake	Langlade	Outagamie		
Crawford	Iowa	Manitowoc	Ozaukee		
Dane	Jackson	Marathon	Portage		
Dodge	Jefferson	Marinette	Racine		

DESCRIPTION OF FEDERAL RESERVE DISTRICTS—Continued

Federal Reserve district				Land area (square miles)	Population April 1, 1940
DISTRICT NO. 7.—CHICAGO—Continued					
Wisconsin (southern part)					
Counties of—Continued					
Richland	Sheboygan	Waukesha	Wood		
Rock	Vernon	Waupaca			
Sauk	Walworth	Waushara			
Shawano	Washington	Winnebago			
DISTRICT NO. 8.—ST. LOUIS				195,902	10,187,405
Arkansas				52,725	1,949,387
Illinois (southern part)				20,613	1,305,409
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)				9,399	638,886
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)				22,337	1,466,202
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	Metcalf	Warren		
Casey	Henderson	Monroe	Washington		
Christian	Henry	Muhlenberg	Wayne		
Clinton	Hickman	Nelson	Webster		
Mississippi (northern part)				21,328	1,110,048
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)				58,737	2,859,538
Counties of—					
Adair	Clark	Hickory	Maries		
Audrain	Cole	Howard	Marion		
Barry	Cooper	Howell	Mercer		
Benton	Crawford	Iron	Miller		
Bollinger	Dade	Jefferson	Mississippi		
Boone	Dallas	Johnson	Moniteau		
Butler	Daviess	Knox	Monroe		
Caldwell	Dent	Laclede	Montgomery		
Callaway	Douglas	Lafayette	Morgan		
Camden	Dunklin	Lawrence	New Madrid		
Cape Girardeau	Franklin	Lewis	Oregon		
Carroll	Gasconade	Lincoln	Osage		
Carter	Greene	Linn	Ozark		
Cedar	Grundy	Livingston	Pemiscot		
Chariton	Harrison	Macon	Perry		
Christian	Henry	Madison	Pettis		

DESCRIPTION OF FEDERAL RESERVE DISTRICTS—Continued

Federal Reserve district				Land area (square miles)	Population April 1, 1940
DISTRICT NO. 8.—ST. LOUIS—Continued					
Missouri (eastern part)					
Counties of—Continued					
Phelps	Reynolds	Saline	Sullivan		
Pike	Ripley	Schuylcr	Taney		
Polk	St. Charles	Scotland	Texas		
Pulaski	St. Clair	Scott	Warren		
Putnam	St. Francois	Shannon	Washington		
Ralls	St. Louis	Shelby	Wayne		
Randolph	St. Louis City	Stoddard	Webster		
Ray	Ste. Genevieve	Stone	Wright		
Tennessee (western part)				10,763	857,935
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				412,304	5,542,966
Michigan (northern part)				16,538	323,544
Counties of—					
Alger	Dickinson	Keweenaw	Menominee		
Baraga	Gogebic	Luce	Ontonagon		
Chippewa	Houghton	Mackinac	Schoolcraft		
Delta	Iron	Marquette			
Minnesota				80,009	2,792,300
Montana				146,316	559,456
North Dakota				70,054	641,935
South Dakota				76,536	642,961
Wisconsin (northern part)				22,851	582,770
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				480,537	7,855,397
Colorado				103,967	1,123,296
Kansas				82,113	1,801,028
Missouri (western part)				10,533	925,126
Counties of—					
Andrew	Cass	Holt	Nodaway		
Atchison	Clay	Jackson	Platte		
Barton	Clinton	Jasper	Vernon		
Bates	De Kalb	McDonald	Worth		
Buchanan	Gentry	Newton			
Nebraska				76,653	1,315,834
New Mexico (northern part)				48,045	290,074
Counties of—					
Bernalillo	Mora	San Miguel	Valencia		
Colfax	Rio Arriba	Santa Fe			
Harding	Sandoval	Taos			
McKinley	San Juan	Union			
Oklahoma (northwestern part)				61,720	2,149,297
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	Oklfuskee	Wagoner		
Comanche	Jefferson	Oklahoma	Washington		
Cotton	Kay	Oklmulgee	Washita		
Craig	Kingfisher	Osage	Woods		
Creek	Kiowa	Ottawa	Woodward		
Custer	Latimer	Pawnee			
Delaware	Le Flore	Payne			
Dewey	Lincoln	Pittsburg			
Wyoming				97,506	250,742

DESCRIPTION OF FEDERAL RESERVE DISTRICTS—Continued

Federal Reserve district				Land area (square miles)	Popula- tion April 1, 1940
DISTRICT NO. 11.—DALLAS.....				386,447	7,733,748
Arizona (southeastern part).....				23,227	137,758
Counties of—					
Cochise	Greenlee	Pima	Santa Cruz		
Graham					
Louisiana (northern part).....				18,547	752,285
Parishes of—					
Bienville	De Soto	Madison	Tensas		
Bossier	East Carroll	Morehouse	Union		
Caddo	Franklin	Natchitoches	Webster		
Caldwell	Grant	Ouachita	West Carroll		
Catahoula	Jackson	Red River	Winn		
Claiborne	La Salle	Richland			
Concordia	Lincoln	Sabine			
New Mexico (southern part).....				73,466	241,744
Counties of—					
Catron	Eddy	Lincoln	Sierra		
Chaves	Grant	Luna	Socorro		
Curry	Guadalupe	Otero	Torrance		
De Baca	Hidalgo	Quay			
Dona Ana	Lea	Roosevelt			
Oklahoma (southeastern part).....				7,563	187,137
Counties of—					
Atoka	Choctaw	Johnston	Marshall		
Bryan	Coal	McCurtain	Pushmataha		
Texas.....				263,644	6,414,824
DISTRICT NO. 12.—SAN FRANCISCO.....				685,438	11,280,195
Arizona (northwestern part).....				90,353	361,508
Counties of—					
Apache	Maricopa	Navajo	Yavapai		
Cocoonino	Mohave	Pinal	Yuma		
Gila					
California.....				156,803	6,907,387
Idaho.....				82,808	524,873
Nevada.....				109,802	110,247
Oregon.....				96,349	1,089,684
Utah.....				82,346	550,310
Washington.....				66,977	1,736,191

FEDERAL RESERVE BRANCH TERRITORIES

(December 31, 1940)

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 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 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				
Alamance	Catawba	Guilford	Mecklenburg	Stanly
Alexander	Chatham	Haywood	Mitchell	Stokes
Alleghany	Cherokee	Henderson	Montgomery	Surry
Anson	Clay	Iredell	Moore	Swain
Ashe	Cleveland	Jackson	Polk	Transylvania
Avery	Davidson	Lee	Randolph	Union
Buncombe	Davie	Lincoln	Richmond	Watauga
Burke	Forsythe	Macon	Rockingham	Wilkes
Cabarrus	Gaston	Madison	Rowan	Yadkin
Caldwell	Graham	McDowell	Rutherford	Yancey
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:

Baldwin	Covington	Geneva	Houston	Pike
Barbour	Dale	Henry	Mobile	Russell
Coffee				

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 Baldwin and Mobile in Alabama.**SAVANNAH AGENCY** (district No. 6).—Savannah, Ga.**DETROIT BRANCH** (district No. 7).—The following 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	Poinsett	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 counties in the State of Indiana:

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

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 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 counties in the State of Texas:

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

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

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

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 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	Minidoka	Valley
Blaine	Cassia	Gooding	Oneyda	Washington
Boise	Clark	Jefferson	Owyhee	

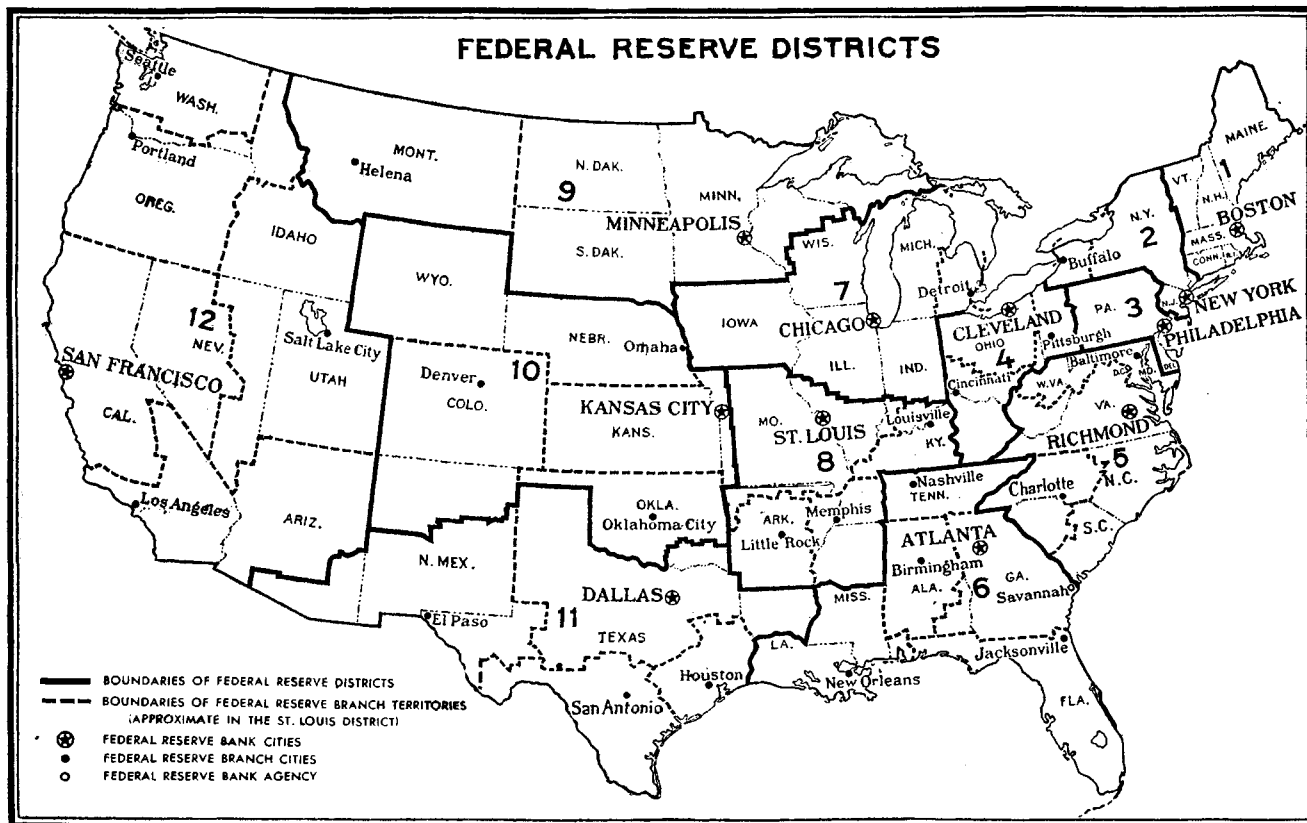
NEVADA			
Clark	Elko	Lincoln	White Pine

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

Asotin	Columbia	Garfield	Skamania	Walla Walla
Clark	Cowlitz	Klickitat	Wahkiakum	

¹ Except the towns of Ferdinand and Holland.

² Except the town of Loogootee.



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