

STATEMENT FOR THE PRESS

Released for publication
Friday morning, Sept. 8;
not earlier.

Board of Governors
of the Federal Reserve System
September 7, 1939

CONDITION OF FEDERAL RESERVE BANKS

During the week ended September 6 member bank reserve balances increased \$190,000,000. Additions to member bank reserves arose from increases of \$195,000,000 in Reserve bank credit, \$88,000,000 in gold stock and \$3,000,000 in Treasury currency, and decreases of \$63,000,000 in Treasury cash and \$33,000,000 in Treasury deposits with Federal Reserve banks, offset in part by increases of \$120,000,000 in money in circulation and \$72,000,000 in nonmember deposits and other Federal Reserve accounts. Excess reserves of member banks on September 6 were estimated to be approximately \$4,970,000,000, an increase of \$170,000,000 for the week.

The principal change in holdings of bills and securities was an increase of \$168,000,000 in United States Government securities, direct and guaranteed, of which \$109,000,000 was in bonds and \$59,000,000 in notes.

Changes in member bank reserve balances and related items during the week and the year ended September 6, 1939, were as follows:

| | Increase or decrease since | | |
|---|-------------------------------|------------------|------------------|
| | Sept. 6, 1939 | Aug. 30, 1939 | Sept. 7, 1938 |
| | (In millions of dollars) | | |
| Bills discounted | 6 | — | — 1 |
| Bills bought | 1 | — | — |
| U. S. Gov't securities, direct and guaranteed | 2,594 | +168 | + 30 |
| Industrial advances (not including 11 million commitments - September 6) | 12 | — | — 4 |
| Other Reserve bank credit | 30 | + 27 | + 25 |
| Total Reserve bank credit | 2,643 | +195 | + 51 |
| Gold stock | 16,726 | + 88 | +3,489 |
| Treasury currency | 2,908 | + 3 | + 179 |
| Member bank reserve balances | 11,141 | +190 | +2,872 |
| Money in circulation | 7,261 | +120 | + 682 |
| Treasury cash | 2,264 | - 63 | - 315 |
| Treasury deposits with F. R. banks | 676 | - 33 | + 115 |
| Nonmember deposits and other F. R. accounts | 935 | + 72 | + 364 |

Released for publication Friday morning, Sept. 8, 1939; not earlier.

STATEMENT OF CONDITION
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED
(In thousands of dollars)

| | Sept. 6, <u>1939</u> | Aug. 30, <u>1939</u> | Sept. 7, <u>1938</u> | Increase or decrease since |
|---|-------------------------|-------------------------|-------------------------|-------------------------------|
| <u>A S S E T S</u> | | | | |
| Gold certificates on hand and due from U. S. Treasury | 14,452,221 | +140,001 | +3,821,302 | |
| Redemption fund - F. R. notes | 8,644 | -- | - 277 | |
| Other cash | <u>307,781</u> | <u>- 31,967</u> | <u>- 48,089</u> | |
| <u>Total reserves</u> | 14,768,646 | +108,034 | +3,772,936 | |
| Bills discounted: | | | | |
| Secured by U. S. Gov't obligations, direct and guaranteed | 1,546 | - 563 | - 2,094 | |
| Other bills discounted | <u>4,452</u> | <u>+ 371</u> | <u>+ 1,024</u> | |
| <u>Total bills discounted</u> | 5,998 | - 192 | - 1,070 | |
| Bills bought in open market | 546 | -- | + 9 | |
| Industrial advances | 11,627 | - 40 | - 4,197 | |
| U. S. Government securities, direct and guaranteed: | | | | |
| Bonds | 1,021,219 | +108,759 | + 277,114 | |
| Notes | 1,238,573 | + 59,464 | + 42,385 | |
| Bills | <u>334,620</u> | <u>--</u> | <u>- 289,102</u> | |
| <u>Total U. S. Government securities, direct and guaranteed</u> | 2,594,412 | +168,223 | + 30,397 | |
| <u>Total bills and securities</u> | 2,612,583 | +167,991 | + 25,139 | |
| Due from foreign banks | 177 | -- | - 7 | |
| F. R. notes of other banks | 23,300 | - 364 | - 2,401 | |
| Uncollected items | 586,943 | - 1,761 | + 52,886 | |
| Bank premises | 42,162 | - 49 | - 2,242 | |
| Other assets | <u>61,232</u> | <u>+ 9,110</u> | <u>+ 7,941</u> | |
| T O T A L A S S E T S | 18,095,043 | +282,961 | +3,854,252 | |
| <u>L I A B I L I T I E S</u> | | | | |
| F. R. notes in actual circulation | 4,683,716 | + 74,434 | + 471,368 | |
| Deposits: | | | | |
| Member bank - reserve account | 11,140,608 | +189,604 | +2,871,484 | |
| U. S. Treasurer - General account | 675,555 | - 33,056 | + 114,191 | |
| Foreign bank | 397,183 | + 47,051 | + 260,446 | |
| Other deposits | <u>291,243</u> | <u>+ 33,480</u> | <u>+ 111,445</u> | |
| <u>Total deposits</u> | 12,504,594 | +237,079 | +3,357,566 | |
| Deferred availability items | 556,831 | - 28,709 | + 27,486 | |
| Other liabilities including accrued dividends | <u>3,557</u> | <u>- 391</u> | <u>+ 78</u> | |
| T O T A L L I A B I L I T I E S | 17,748,698 | +282,413 | +3,856,498 | |
| <u>C A P I T A L A C C O U N T S</u> | | | | |
| Capital paid in | 135,496 | + 9 | + 1,498 | |
| Surplus (Section 7) | 149,152 | -- | + 1,413 | |
| Surplus (Section 13b) | 27,264 | -- | - 419 | |
| Other capital accounts | <u>34,433</u> | <u>+ 539</u> | <u>- 4,738</u> | |
| TOTAL LIABILITIES AND CAPITAL ACCOUNTS | 18,095,043 | +282,961 | +3,854,252 | |
| Ratio of total reserves to deposit and F. R. note liabilities combined | 85.9% | - 1.0% | + 3.6% | |
| Contingent liability on bills purchased for foreign correspondents | 101 | -- | - 284 | |
| Commitments to make industrial advances | 10,931 | - 78 | - 2,608 | |

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON SEPTEMBER 6, 1939
(In thousands of dollars)

A S S E T S

| | Total | Boston | New York | Phila. | Cleve. | Rich. | Atlanta | Chicago | St.Louis | Minn. | Kans.Cy. | Dallas | San Fran. |
|---|------------|-----------|-----------|-----------|-----------|---------|---------|-----------|----------|---------|----------|---------|-----------|
| Gold certificates on hand and due from U.S. Treasury | 14,452,221 | 802,740 | 7,069,535 | 724,949 | 849,973 | 386,136 | 301,503 | 2,267,115 | 368,694 | 256,106 | 359,405 | 232,597 | 833,468 |
| Redemption fund - F.R. notes | 8,644 | 334 | 1,287 | 742 | 888 | 871 | 641 | 891 | 435 | 375 | 635 | 463 | 1,082 |
| Other cash | 307,781 | 20,246 | 82,844 | 26,058 | 21,243 | 20,216 | 17,883 | 37,443 | 15,581 | 8,334 | 17,848 | 12,903 | 27,182 |
| <u>Total reserves</u> | 14,768,646 | 823,320 | 7,153,666 | 751,749 | 872,104 | 407,223 | 320,027 | 2,305,449 | 384,710 | 264,815 | 377,838 | 245,963 | 861,732 |
| Bills discounted: | | | | | | | | | | | | | |
| Secured by U.S. Gov't obligations, direct and guaranteed | 1,546 | 35 | 909 | 141 | 113 | 98 | 30 | 62 | 44 | 10 | — | 34 | 70 |
| Other bills discounted | 4,452 | — | 1,745 | 196 | 235 | 287 | 143 | 245 | 93 | 68 | 352 | 376 | 712 |
| <u>Total bills discounted</u> | 5,998 | 35 | 2,654 | 337 | 348 | 385 | 173 | 307 | 137 | 78 | 352 | 410 | 782 |
| Bills bought in open market | 546 | 41 | 212 | 55 | 51 | 24 | 19 | 69 | 2 | 2 | 16 | 16 | 39 |
| Industrial advances | 11,627 | 1,745 | 2,040 | 2,681 | 365 | 1,054 | 752 | 371 | 3 | 819 | 204 | 551 | 1,042 |
| U. S. Government securities, direct and guaranteed: | | | | | | | | | | | | | |
| Bonds | 1,021,219 | 74,839 | 302,960 | 86,806 | 102,341 | 56,191 | 42,863 | 110,107 | 46,254 | 28,612 | 49,641 | 38,489 | 82,116 |
| Notes | 1,238,573 | 90,769 | 367,441 | 105,282 | 124,124 | 68,148 | 51,986 | 133,541 | 56,099 | 34,702 | 60,208 | 46,680 | 99,593 |
| Bills | 334,620 | 24,522 | 99,270 | 28,443 | 33,534 | 18,412 | 14,045 | 36,078 | 15,156 | 9,375 | 16,266 | 12,612 | 26,907 |
| <u>Total U.S. Gov't securities, direct and guaranteed</u> | 2,594,412 | 190,130 | 769,671 | 220,531 | 259,999 | 142,751 | 108,894 | 279,726 | 117,509 | 72,689 | 126,115 | 97,781 | 208,616 |
| <u>Total bills and securities</u> | 2,612,583 | 191,951 | 774,577 | 223,604 | 260,763 | 144,214 | 109,838 | 280,473 | 117,651 | 73,588 | 126,687 | 98,758 | 210,479 |
| Due from foreign banks | 177 | 13 | 66 | 18 | 16 | 8 | 6 | 22 | 3 | 2 | 5 | 5 | 13 |
| F. R. notes of other banks | 23,300 | 683 | 3,877 | 673 | 1,223 | 1,853 | 1,223 | 2,917 | 1,941 | 1,897 | 1,747 | 421 | 4,845 |
| Uncollected items | 586,943 | 53,266 | 132,310 | 39,101 | 65,222 | 54,390 | 24,224 | 81,898 | 29,597 | 17,679 | 32,677 | 25,513 | 31,066 |
| Bank premises | 42,162 | 2,908 | 8,909 | 4,615 | 5,918 | 2,570 | 2,047 | 3,890 | 2,260 | 1,505 | 3,144 | 1,222 | 3,174 |
| Other assets | 61,232 | 3,978 | 18,370 | 5,478 | 6,607 | 3,901 | 2,669 | 5,952 | 2,526 | 1,738 | 2,741 | 2,251 | 5,021 |
| TOTAL ASSETS | 18,095,043 | 1,076,119 | 8,091,775 | 1,025,238 | 1,211,853 | 614,159 | 460,034 | 2,680,601 | 538,688 | 361,224 | 544,889 | 374,133 | 1,116,330 |

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON SEPTEMBER 6, 1939
(In thousands of dollars)

LIABILITIES

| | Total | Boston | New York | Phila. | Cleve. | Rich. | Atlanta | Chicago | St.Louis | Minn. | Kans.Cy. | Dallas | San Fran. |
|---|-------------------|----------------|------------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------|
| F. R. notes in actual circulation | 4,683,716 | 397,750 | 1,190,893 | 325,727 | 432,830 | 208,290 | 154,919 | 1,027,063 | 131,921 | 135,940 | 175,830 | 80,986 | 371,567 |
| Deposits: | | | | | | | | | | | | | |
| Member bank-reserve account | 11,140,608 | 516,352 | 6,182,855 | 519,850 | 572,820 | 278,759 | 210,741 | 1,405,388 | 253,130 | 144,199 | 261,526 | 202,228 | 592,760 |
| U.S.Treasurer-General account | 675,555 | 50,768 | 148,983 | 51,901 | 59,915 | 41,158 | 40,463 | 56,409 | 46,463 | 40,333 | 50,716 | 42,601 | 45,815 |
| Foreign bank | 397,183 | 28,865 | 139,356 | 38,889 | 37,286 | 17,240 | 14,032 | 48,511 | 11,627 | 9,221 | 11,627 | 11,627 | 28,902 |
| Other deposits | 291,248 | 5,827 | 195,546 | 16,713 | 12,532 | 1,893 | 5,879 | 14,457 | 5,359 | 5,629 | 2,946 | 1,284 | 23,183 |
| <u>Total deposits</u> | <u>12,504,594</u> | <u>601,812</u> | <u>6,666,740</u> | <u>627,353</u> | <u>682,553</u> | <u>339,050</u> | <u>271,115</u> | <u>1,524,765</u> | <u>316,579</u> | <u>199,382</u> | <u>326,845</u> | <u>257,740</u> | <u>690,660</u> |
| Deferred availability items | 556,831 | 52,257 | 113,571 | 39,269 | 63,537 | 51,861 | 21,182 | 83,717 | 29,493 | 16,655 | 31,976 | 24,246 | 29,067 |
| Other liabilities including accrued dividends | 3,557 | 384 | 1,212 | 526 | 273 | 81 | 148 | 267 | 125 | 126 | 163 | 98 | 154 |

TOTAL LIABILITIES 17,748,698 1,052,203 7,972,416 992,875 1,179,193 599,282 447,364 2,635,812 528,118 352,103 534,814 363,070 1,091,448

CAPITAL ACCOUNTS

| | | | | | | | | | | | | | |
|------------------------|---------|--------|--------|--------|--------|-------|-------|--------|-------|-------|-------|-------|--------|
| Capital paid in | 135,496 | 9,405 | 50,873 | 12,116 | 13,755 | 5,116 | 4,559 | 13,804 | 3,993 | 2,917 | 4,296 | 4,046 | 10,616 |
| Surplus (Section 7) | 149,152 | 10,083 | 52,463 | 13,696 | 14,323 | 4,983 | 5,630 | 22,666 | 4,685 | 3,153 | 3,613 | 3,892 | 9,965 |
| Surplus (Section 13b) | 27,264 | 2,874 | 7,457 | 4,416 | 1,007 | 3,293 | 713 | 1,429 | 545 | 1,001 | 1,142 | 1,266 | 2,121 |
| Other capital accounts | 34,433 | 1,554 | 8,566 | 2,135 | 3,575 | 1,485 | 1,768 | 6,890 | 1,347 | 2,050 | 1,024 | 1,859 | 2,180 |

TOTAL LIABILITIES ANDCAPITAL ACCOUNTS

18,095,043 1,076,119 8,091,775 1,025,238 1,211,853 614,159 460,034 2,630,601 538,688 361,224 544,889 374,133 1,116,330

| | | | | | | | | | | | | | |
|--|--------|-----|-------|-------|-------|-----|-----|----|-----|----|-----|---|-------|
| Contingent liability on bills purchased for foreign correspondents | 101 | 7 | 36 | 10 | 10 | 4 | 4 | 12 | 3 | 2 | 3 | 3 | 7 |
| Commitments to make industrial advances | 10,931 | 598 | 1,944 | 1,338 | 1,471 | 916 | 139 | 30 | 424 | 64 | 596 | — | 3,411 |

MATURITY DISTRIBUTION OF BILLS AND SECURITIES

| | Total | Within 15 days | 16 to 30 days | 31 to 60 days | 61 to 90 days | 91 days to 6 months | 6 months to 1 Year | 1 Year to 2 Years | 2 Years to 5 Years | Over 5 Years |
|--|-----------|-------------------|------------------|------------------|------------------|------------------------|-----------------------|----------------------|-----------------------|-----------------|
| Bills discounted | 5,998 | 4,184 | 365 | 669 | 597 | 182 | 1 | — | — | — |
| Bills bought | 546 | 135 | — | 209 | 202 | — | — | — | — | — |
| Industrial advances | 11,627 | 1,318 | 230 | 392 | 471 | 1,874 | 2,316 | 2,526 | 2,500 | — |
| U.S. Government securities, direct and guaranteed | 2,594,412 | 62,250 | 48,913 | 64,077 | 123,955 | 141,174 | 300,488 | 347,162 | 578,588 | 927,805 |

FEDERAL RESERVE NOTE STATEMENT ON SEPTEMBER 6, 1939
(In thousands of dollars)

Total Boston New York Phila. Cleve. Rich. Atlanta Chicago St.Louis Minn. Kans.Cy. Dallas San Fran.

Federal Reserve notes:

Issued to F.R.bank by F.R.agent

Held by Federal Reserve bank

| | | | | | | | | | | | | |
|-----------|---------|-----------|---------|---------|---------|---------|-----------|---------|---------|---------|--------|---------|
| 4,945,513 | 413,463 | 1,277,199 | 343,368 | 452,522 | 219,479 | 165,994 | 1,052,615 | 192,342 | 139,740 | 183,152 | 88,938 | 416,701 |
| 261,797 | 15,713 | 86,306 | 17,641 | 19,692 | 11,189 | 11,075 | 25,552 | 10,421 | 3,800 | 7,322 | 7,952 | 45,134 |

In actual circulation

| | | | | | | | | | | | | |
|-----------|---------|-----------|---------|---------|---------|---------|-----------|---------|---------|---------|--------|---------|
| 4,683,716 | 397,750 | 1,190,893 | 325,727 | 432,830 | 208,290 | 154,919 | 1,027,063 | 181,921 | 135,940 | 175,830 | 80,986 | 371,567 |
|-----------|---------|-----------|---------|---------|---------|---------|-----------|---------|---------|---------|--------|---------|

Collateral held by agent as security for notes issued to bank:

Gold certificates on hand and

due from U. S. Treasury

Eligible paper

| | | | | | | | | | | | | |
|-----------|---------|-----------|---------|---------|---------|---------|-----------|---------|---------|---------|--------|---------|
| 5,025,500 | 420,000 | 1,303,000 | 345,000 | 454,500 | 220,000 | 169,000 | 1,065,000 | 196,000 | 141,500 | 185,000 | 92,500 | 434,000 |
| 3,258 | 35 | 1,786 | 141 | — | 298 | — | — | 52 | 16 | 294 | — | 636 |

Total collateral

| | | | | | | | | | | | | |
|-----------|---------|-----------|---------|---------|---------|---------|-----------|---------|---------|---------|--------|---------|
| 5,028,758 | 420,035 | 1,304,786 | 345,141 | 454,500 | 220,298 | 169,000 | 1,065,000 | 196,052 | 141,516 | 185,294 | 92,500 | 434,636 |
|-----------|---------|-----------|---------|---------|---------|---------|-----------|---------|---------|---------|--------|---------|