

STATEMENT FOR THE PRESS

Released for publication
Friday morning, May 24;
not earlier.

Board of Governors
of the Federal Reserve System
May 23, 1940

CONDITION OF THE FEDERAL RESERVE BANKS

During the week ended May 22 member bank reserve balances increased \$129,000,000. Additions to member bank reserves arose from increases of \$122,000,000 in gold stock, \$3,000,000 in Treasury currency, and \$2,000,000 in Reserve bank credit, and decreases of \$55,000,000 in Treasury deposits with Federal Reserve banks and \$19,000,000 in Treasury cash, offset in part by increases of \$15,000,000 in money in circulation and \$57,000,000 in nonmember deposits and other Federal Reserve accounts. Excess reserves of member banks on May 22 were estimated to be approximately \$6,370,000,000, an increase of \$70,000,000 for the week.

The principal change in holdings of bills and securities was an increase of \$3,000,000 in United States Government securities, direct and guaranteed: holdings of bonds increased \$2,000,000 and of notes \$1,000,000.

Changes in member bank reserve balances and related items during the week and the year ended May 22, 1940, were as follows:

	Increase or decrease since		
	May 22, 1940	May 15, 1940	May 24, 1939
	(In millions of dollars)		
Bills discounted	2	- 1	- 2
Bills bought	- -	- -	- 1
U.S. Gov't securities, direct and guaranteed	2,477	+ 3	- 87
Industrial advances (not including 9 million commitments - May 22)	9	- -	- 4
Other Reserve bank credit	32	- -	+ 37
Total Reserve bank credit	2,520	+ 2	- 56
Gold stock	19,071	+122	+3,144
Treasury currency	3,007	+ 3	+ 148
Member bank reserve balances	13,223	+129	+3,126
Money in circulation	7,613	+ 15	+ 720
Treasury cash	2,204	- 19	- 442
Treasury deposits with F.R. banks	370	- 55	- 545
Nonmember deposits and other F.R. accounts	1,189	+ 57	+ 377

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

		Increase or decrease since		
	May 22, 1940	May 15, 1940	May 24, 1939	
<u>A S S E T S</u>				
Gold certificates on hand and due from U. S. Treasury	16,841,976	+150,001	+3,559,258	
Redemption fund - F. R. notes	7,737	- 1,352	- 1,635	
Other cash	<u>374,374</u>	<u>- 4,237</u>	<u>- 7,704</u>	
<u>Total reserves</u>	<u>17,224,087</u>	<u>+144,412</u>	<u>+3,549,919</u>	
Bills discounted:				
Secured by U. S. Gov't obligations, direct and guaranteed	1,093	+ 413	- 1,114	
Other bills discounted	<u>1,234</u>	<u>- 908</u>	<u>- 614</u>	
<u>Total bills discounted</u>	<u>2,327</u>	<u>- 495</u>	<u>- 1,728</u>	
Bills bought in open market	- -	- -	- 561	
Industrial advances	9,232	- 60	- 3,593	
U. S. Government securities, direct and guaranteed:				
Bonds	1,346,995	+ 2,150	+ 435,905	
Notes	1,130,125	+ 900	- 45,984	
Bills	<u>- -</u>	<u>- -</u>	<u>- 476,816</u>	
<u>Total U. S. Government securities, direct and guaranteed</u>	<u>2,477,120</u>	<u>+ 3,050</u>	<u>- 86,895</u>	
<u>Total bills and securities</u>	<u>2,488,679</u>	<u>+ 2,495</u>	<u>- 92,777</u>	
Due from foreign banks	47	- -	- 114	
F. R. notes of other banks	21,377	+ 122	+ 1,570	
Uncollected items	664,147	-123,977	+ 70,261	
Bank premises	41,595	+ 42	- 928	
Other assets	<u>62,465</u>	<u>+ 705</u>	<u>+ 9,373</u>	
<u>T O T A L A S S E T S</u>	<u>20,502,397</u>	<u>+ 23,799</u>	<u>+3,537,304</u>	
<u>L I A B I L I T I E S</u>				
F. R. notes in actual circulation	4,984,611	+ 15,876	+ 538,232	
Deposits:				
Member bank - reserve account	13,222,502	+128,828	+3,125,880	
U. S. Treasurer - General account	370,008	- 54,626	- 545,377	
Foreign bank	449,854	+ 48,924	+ 168,313	
Other deposits	<u>484,761</u>	<u>+ 7,875</u>	<u>+ 208,534</u>	
<u>Total deposits</u>	<u>14,527,125</u>	<u>+131,001</u>	<u>+2,957,350</u>	
Deferred availability items	632,653	-123,552	+ 33,409	
Other liabilities including accrued dividends	<u>4,728</u>	<u>+ 228</u>	<u>- 233</u>	
<u>T O T A L L I A B I L I T I E S</u>	<u>20,149,117</u>	<u>+ 23,553</u>	<u>+3,528,758</u>	
<u>C A P I T A L A C C O U N T S</u>				
Capital paid in	136,127	+ 19	+ 1,179	
Surplus (Section 7)	151,720	- -	+ 2,568	
Surplus (Section 13b)	26,839	- -	- 425	
Other capital accounts	<u>38,594</u>	<u>+ 227</u>	<u>+ 5,224</u>	
<u>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</u>	<u>20,502,397</u>	<u>+ 23,799</u>	<u>+3,537,304</u>	
Ratio of total reserves to deposit and F. R. note liabilities combined	88.3%	+ .1%	+ 2.9%	
Commitments to make industrial advances	8,883	- 50	- 2,752	

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON MAY 22, 1940
(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	16,841,976	911,717	8,411,417	929,668	1,056,283	414,313	325,725	2,634,384	369,379	250,672	352,790	229,991	955,637
Redemption fund - F.R.notes	7,737	301	944	756	413	806	480	514	522	594	245	736	1,426
Other cash	374,374	32,523	111,986	27,362	24,659	21,104	18,411	49,546	18,146	7,928	18,138	15,026	29,545
<u>Total reserves</u>	<u>17,224,087</u>	<u>944,541</u>	<u>8,524,347</u>	<u>957,786</u>	<u>1,081,355</u>	<u>436,223</u>	<u>344,616</u>	<u>2,684,444</u>	<u>388,047</u>	<u>259,194</u>	<u>371,173</u>	<u>245,753</u>	<u>986,608</u>
Bills discounted:													
Secured by U. S. Gov't obligations, direct and guaranteed	1,093	37	235	61	23	30	20	35	500	80	15	34	23
Other bills discounted	1,234	16	204	29	37	70	67	- -	120	65	250	305	71
<u>Total bills discounted</u>	<u>2,327</u>	<u>53</u>	<u>439</u>	<u>90</u>	<u>60</u>	<u>100</u>	<u>87</u>	<u>35</u>	<u>620</u>	<u>145</u>	<u>265</u>	<u>339</u>	<u>94</u>
Industrial advances	9,232	1,168	2,028	2,657	363	912	279	338	60	174	104	476	673
U. S. Government securities, direct and guaranteed:													
Bonds	1,346,995	98,199	404,247	107,604	137,752	68,663	56,851	147,369	61,672	40,510	62,096	51,835	110,197
Notes	1,130,125	82,387	339,160	90,279	115,574	57,610	47,699	123,644	51,742	33,987	52,098	43,490	92,455
<u>Total U. S. Gov't securities, direct and guaranteed</u>	<u>2,477,120</u>	<u>180,586</u>	<u>743,407</u>	<u>197,883</u>	<u>253,326</u>	<u>126,273</u>	<u>104,550</u>	<u>271,013</u>	<u>113,414</u>	<u>74,497</u>	<u>114,194</u>	<u>95,325</u>	<u>202,652</u>
<u>Total bills and securities</u>	<u>2,488,679</u>	<u>181,807</u>	<u>745,874</u>	<u>200,630</u>	<u>253,749</u>	<u>127,285</u>	<u>104,916</u>	<u>271,386</u>	<u>114,094</u>	<u>74,816</u>	<u>114,563</u>	<u>96,140</u>	<u>203,419</u>
Due from foreign banks	47	3	18	5	4	2	2	6	1	*	1	1	4
F. R. notes of other banks	21,377	852	1,612	884	1,546	3,082	2,209	2,741	1,975	1,282	2,405	585	2,204
Uncollected items	664,147	63,313	161,663	52,973	76,799	55,438	26,480	92,949	30,086	17,483	27,658	22,832	36,473
Bank premises	41,595	2,871	9,839	4,530	5,485	2,519	2,019	3,367	2,325	1,386	3,181	1,153	2,920
Other assets	62,465	4,241	18,036	4,951	6,955	3,613	2,576	6,524	2,731	1,929	2,769	2,647	5,493
T O T A L A S S E T S	20,502,397	1,197,628	9,461,389	1,221,759	1,425,893	628,162	482,818	3,061,417	539,259	356,090	521,750	369,111	1,237,121

*Less than \$500.

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON MAY 22, 1940
(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	4,984,611	407,516	1,313,809	347,693	455,052	216,032	160,936	1,095,845	192,162	142,357	182,373	78,576	392,260
Deposits:													
Member bank-reserve acct.	13,222,502	647,487	7,213,805	700,067	792,972	302,378	231,565	1,726,653	266,689	156,254	264,638	214,657	705,337
U.S.Treasurer-General acct.	370,008	16,929	117,858	25,481	21,894	16,369	25,632	36,588	19,421	17,921	23,912	24,334	23,669
Foreign bank	449,854	32,519	156,592	44,580	42,305	19,560	15,921	54,587	13,647	10,008	13,192	13,647	33,296
Other deposits	484,761	7,201	389,749	18,378	8,151	4,605	10,718	7,897	5,905	5,232	434	3,340	23,151
<u>Total deposits</u>	<u>14,527,125</u>	<u>704,136</u>	<u>7,878,004</u>	<u>788,506</u>	<u>865,322</u>	<u>342,912</u>	<u>283,836</u>	<u>1,825,725</u>	<u>305,662</u>	<u>139,415</u>	<u>302,176</u>	<u>255,978</u>	<u>785,453</u>
Deferred availability items	632,653	61,060	145,871	52,238	71,812	53,713	25,010	94,317	30,342	14,944	26,503	23,111	33,732
Other liabilities including accrued dividends	4,728	440	1,403	462	485	160	190	542	133	186	253	175	299
<u>TOTAL LIABILITIES</u>	<u>20,149,117</u>	<u>1,173,152</u>	<u>9,339,087</u>	<u>1,188,899</u>	<u>1,392,671</u>	<u>612,817</u>	<u>469,972</u>	<u>3,016,429</u>	<u>528,299</u>	<u>346,902</u>	<u>511,305</u>	<u>357,840</u>	<u>1,211,744</u>
<u>C A P I T A L A C C O U N T S</u>													
Capital paid in	136,127	9,332	51,045	11,918	13,997	5,276	4,632	13,629	4,131	2,956	4,378	4,119	10,714
Surplus (Section 7)	151,720	10,405	53,326	14,198	14,323	5,247	5,725	22,824	4,709	3,152	3,613	3,974	10,224
Surplus (Section 13b)	26,839	2,874	7,109	4,393	1,007	3,246	713	1,429	538	1,001	1,142	1,266	2,121
Other capital accounts	38,594	1,865	10,822	2,351	3,895	1,576	1,776	7,106	1,582	2,079	1,312	1,912	2,318
<u>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</u>	<u>20,502,397</u>	<u>1,197,628</u>	<u>9,461,389</u>	<u>1,221,759</u>	<u>1,425,893</u>	<u>628,162</u>	<u>482,818</u>	<u>3,061,417</u>	<u>539,259</u>	<u>356,090</u>	<u>521,750</u>	<u>369,111</u>	<u>1,237,121</u>
Commitments to make industrial advances	8,883	322	839	1,145	1,173	696	516	18	175	57	167	- -	3,775

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	2,327	1,386	167	196	171	407	- -	- -	- -	- -
Industrial advances	9,232	1,609	142	622	897	796	1,146	1,908	2,112	- -
U. S. Government securities, direct and guaranteed	2,477,120	- -	- -	- -	- -	- -	224,796	248,417	732,608	1,271,299

FEDERAL RESERVE NOTE STATEMENT ON MAY 22, 1940
(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	5,318,607	424,228	1,421,516	364,662	482,048	233,222	174,313	1,138,343	204,098	147,499	194,935	86,207	447,536
Held by Federal Reserve bank	333,996	16,712	107,707	16,969	26,996	17,190	13,377	42,498	11,936	5,142	12,562	7,631	55,276
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<u>In actual circulation</u>	4,984,611	407,516	1,313,809	347,693	455,052	216,032	160,936	1,095,845	192,162	142,357	182,373	78,576	392,260
Collateral held by agent as security for notes issued to bank:													
Gold certificates on hand and due from U. S. Treasury	5,435,500	440,000	1,445,000	375,000	484,000	250,000	180,000	1,150,000	209,000	148,500	200,000	90,000	464,000
Eligible paper	1,657	53	439	90	- -	100	- -	- -	565	145	265	- -	- -
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<u>Total collateral</u>	5,437,157	440,053	1,445,439	375,090	484,000	250,100	180,000	1,150,000	209,565	148,645	200,265	90,000	464,000