

STATEMENT FOR THE PRESS

Released for publication
Saturday morning, July 6;
not earlier.

Board of Governors
of the Federal Reserve System
July 5, 1940

CONDITION OF THE FEDERAL RESERVE BANKS

During the week ended July 3 member bank reserve balances increased \$14,000,000. Additions to member bank reserves arose from increases of \$192,000,000 in gold stock and \$2,000,000 in Treasury currency and a decrease of \$80,000,000 in Treasury deposits with Federal Reserve banks offset in part by increases of \$144,000,000 in money in circulation, \$4,000,000 in Treasury cash and \$102,000,000 in nonmember deposits and other Federal Reserve accounts and a decrease of \$8,000,000 in Reserve bank credit. Excess reserves of member banks on July 3 were estimated to be approximately \$6,810,000,000, an increase of \$10,000,000 for the week.

The principal change in holdings of bills and securities was a decrease of \$23,000,000 in United States Government securities direct and guaranteed; holdings of bonds decreased \$20,000,000 and of notes \$3,000,000.

Changes in member bank reserve balances and related items during the week and the year ended July 3, 1940, were as follows:

	July 3 1940	June 26, 1940	July 5, 1939
	(In millions of dollars)		
Bills discounted	2	--	- 3
Bills bought	--	--	- 1
U. S. Government securities, direct and guaranteed	2,450	- 23	- 101
Industrial advances (not including 9 million commitments - July 3)	9	--	- 3
Other Reserve bank credit	42	+ 15	+ 41
Total Reserve bank credit	2,503	- 8	- 66
Gold stock	20,063	+ 192	+3,927
Treasury currency	3,014	+ 2	+ 134
Member bank reserve balances	13,737	+ 14	+3,586
Money in circulation	7,924	+ 144	+ 824
Treasury cash	2,190	+ 4	- 387
Treasury deposits with F. R. banks	221	- 80	- 599
Nonmember deposits and other F. R. accounts	1,507	+ 102	+ 572

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

		Increase or decrease since	
	July 3, 1940	June 26, 1940	July 5, 1939
<u>A S S E T S</u>			
Gold certificates on hand and due from U. S. Treasury	17,840,475	+186,999	+4,305,756
Redemption fund - F. R. notes	10,862	--	+ 2,450
Other cash	338,248	- 40,532	+ 20,492
<u>Total reserves</u>	<u>18,189,585</u>	<u>+146,467</u>	<u>+4,328,698</u>
Bills discounted:			
Secured by U. S. Gov't obligations, direct and guaranteed	711	+ 7	- 229
Other bills discounted	1,437	- 120	- 2,261
<u>Total bills discounted</u>	<u>2,148</u>	<u>- 113</u>	<u>- 2,490</u>
Bills bought in open market	--	--	- 556
Industrial advances	9,186	+ 211	- 3,132
U. S. Government securities, direct and guaranteed:			
Bonds	1,323,196	- 19,987	+ 412,106
Notes	1,126,732	- 3,393	- 49,377
Bills	--	--	- 463,438
<u>Total U. S. Government securities, direct and guaranteed</u>	<u>2,449,928</u>	<u>- 23,380</u>	<u>- 100,709</u>
<u>Total bills and securities</u>	<u>2,461,262</u>	<u>- 23,282</u>	<u>- 106,887</u>
Due from foreign banks	47	--	- 120
F. R. notes of other banks	20,227	+ 1,738	+ 9
Uncollected items	721,440	+ 65,209	+ 130,641
Bank premises	41,436	- 54	- 920
Other assets	54,450	+ 393	+ 7,073
<u>T O T A L A S S E T S</u>	<u>21,488,447</u>	<u>+190,471</u>	<u>+4,358,494</u>
<u>L I A B I L I T I E S</u>			
F. R. notes in actual circulation	5,247,837	+103,387	+ 704,660
Deposits:			
Member bank - reserve account	13,736,629	+ 13,810	+3,585,576
U.S.Treasurer-General account	221,447	- 79,163	- 598,761
Foreign bank	753,332	+ 94,653	+ 456,067
Other deposits	492,022	+ 11,125	+ 111,723
<u>Total deposits</u>	<u>15,203,430</u>	<u>+ 40,425</u>	<u>+3,554,605</u>
Deferred availability items	679,476	+ 49,907	+ 89,064
Other liabilities including accrued dividends	1,373	- 4,413	- 808
<u>T O T A L L I A B I L I T I E S</u>	<u>21,132,116</u>	<u>+189,306</u>	<u>+ 4,347,521</u>
<u>C A P I T A L A C C O U N T S</u>			
Capital paid in	137,194	+ 91	+ 2,141
Surplus (Section 7)	151,720	--	+ 2,568
Surplus (Section 13 b)	26,839	--	- 425
Other capital accounts	40,578	+ 1,074	+ 6,689
<u>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</u>	<u>21,488,447</u>	<u>+190,471</u>	<u>+4,358,494</u>
Ratio of total reserves to deposit and F. R. note liabilities combined	88.9%	+ .1%	+ 3.3%
Commitments to make industrial advances	8,700	- 62	- 2,258

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON JULY 3, 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	17,840,475	1,031,394	8,883,425	922,862	1,144,380	452,417	338,504	2,754,863	429,027	263,109	362,730	244,753	1,013,011
Redemption fund - F.R. notes	10,862	2,055	1,311	414	698	1,605	291	1,250	477	531	194	695	1,341
Other cash	338,248	28,906	93,401	28,145	29,218	21,892	17,161	44,339	16,083	4,197	17,259	13,080	24,567
<u>Total reserves</u>	<u>18,189,585</u>	<u>1,062,355</u>	<u>8,978,137</u>	<u>951,421</u>	<u>1,174,296</u>	<u>475,914</u>	<u>355,956</u>	<u>2,800,452</u>	<u>445,587</u>	<u>267,837</u>	<u>380,183</u>	<u>258,528</u>	<u>1,038,919</u>
Bills discounted:													
Secured by U. S. Gov't obligations, direct and guaranteed	711	127	180	66	78	40	15	81	--	70	15	39	--
Other bills discounted	1,437	22	222	17	53	70	149	10	100	58	361	297	78
<u>Total bills discounted</u>	<u>2,148</u>	<u>149</u>	<u>402</u>	<u>83</u>	<u>131</u>	<u>110</u>	<u>164</u>	<u>91</u>	<u>100</u>	<u>128</u>	<u>376</u>	<u>336</u>	<u>78</u>
Industrial advances	9,186	1,141	1,998	2,710	350	894	239	298	10	225	195	466	660
U. S. Government securities, direct and guaranteed:													
Bonds	1,323,196	96,517	405,667	105,011	135,697	66,228	48,524	140,390	61,227	38,930	62,501	51,559	110,937
Notes	1,126,732	82,186	345,434	89,421	115,549	56,395	41,320	119,550	52,136	33,150	53,221	43,905	94,465
<u>Total U.S. Gov't securities, direct and guaranteed</u>	<u>2,449,928</u>	<u>178,703</u>	<u>751,101</u>	<u>194,432</u>	<u>251,246</u>	<u>122,623</u>	<u>89,844</u>	<u>259,940</u>	<u>113,363</u>	<u>72,080</u>	<u>115,722</u>	<u>95,464</u>	<u>205,402</u>
<u>Total bills and securities</u>	<u>2,461,262</u>	<u>179,993</u>	<u>753,501</u>	<u>197,225</u>	<u>251,727</u>	<u>123,627</u>	<u>90,247</u>	<u>260,337</u>	<u>113,473</u>	<u>72,433</u>	<u>116,293</u>	<u>96,266</u>	<u>206,140</u>
Due from foreign banks	47	3	18	5	4	2	2	6	1	*	1	1	4
F. R. notes of other banks	20,227	552	1,722	945	1,732	2,537	1,431	2,485	1,952	1,647	1,684	526	3,014
Uncollected items	721,440	75,324	192,140	51,588	83,230	59,663	25,389	94,276	30,829	17,500	31,465	22,312	37,724
Bank premises	41,436	2,861	9,802	4,509	5,473	2,507	2,012	3,356	2,344	1,381	3,149	1,140	2,902
Other assets	54,450	3,681	15,857	4,274	6,175	3,154	1,950	5,483	2,360	1,639	2,479	2,479	4,919
<u>T O T A L A S S E T S</u>	<u>21,468,447</u>	<u>1,324,769</u>	<u>9,951,177</u>	<u>1,209,967</u>	<u>1,522,637</u>	<u>667,404</u>	<u>476,987</u>	<u>3,166,395</u>	<u>596,546</u>	<u>362,437</u>	<u>535,254</u>	<u>381,252</u>	<u>1,293,622</u>

*Less than \$500.

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON JULY 3, 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	5,247,837	430,139	1,406,195	362,144	471,925	229,791	168,247	1,138,333	197,079	144,586	190,528	81,892	426,978
Deposits:													
Member bank-reserve acct.	13,736,629	729,677	7,526,568	662,809	843,310	317,568	227,109	1,757,650	313,999	155,004	266,937	225,870	710,128
U.S.Treasurer-General acct.	221,447	7,879	50,814	11,506	14,631	13,014	11,654	34,788	15,060	15,089	13,425	15,677	17,910
Foreign bank	753,332	53,668	270,890	73,319	69,579	32,171	26,185	89,779	22,445	16,459	21,697	22,445	54,695
Other deposits	492,022	5,909	407,929	14,548	9,938	2,392	5,187	4,860	5,953	6,367	1,674	3,184	24,081
<u>Total deposits</u>	<u>15,203,430</u>	<u>797,133</u>	<u>8,256,201</u>	<u>762,182</u>	<u>937,458</u>	<u>365,145</u>	<u>270,135</u>	<u>1,887,077</u>	<u>357,457</u>	<u>192,919</u>	<u>303,733</u>	<u>267,176</u>	<u>806,814</u>
Deferred availability items	679,476	72,645	165,619	52,473	79,632	57,010	25,581	95,573	30,905	15,596	30,326	20,762	33,354
Other liabilities including accrued dividends	1,373	257	144	153	172	29	79	177	34	89	137	73	29

TOTAL LIABILITIES 21,132,116 1,300,174 9,828,159 1,176,952 1,489,187 651,975 464,042 3,121,160 585,475 353,190 524,724 369,903 1,267,175

CAPITAL ACCOUNTS

Capital paid in	137,194	9,337	51,076	11,898	14,027	5,287	4,642	13,691	4,139	2,961	4,398	4,123	11,615
Surplus (Section 7)	151,720	10,405	53,326	14,190	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	40,578	1,979	11,507	2,526	4,093	1,649	1,865	7,291	1,685	2,133	1,377	1,986	2,487

TOTAL LIABILITIES AND CAPITAL ACCOUNTS 21,488,447 1,324,769 9,951,177 1,209,967 1,522,637 667,404 476,987 3,166,375 595,546 362,437 535,254 381,252 1,293,622

Commitments to make industrial advances	8,700	267	811	1,137	1,154	678	511	17	351	55	159	--	3,560
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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	2,148	1,069	145	162	304	463	5	--	--	--
Industrial advances	9,186	1,910	367	78	369	862	1,032	1,580	2,988	--
U. S. Government securities, direct and guaranteed	2,449,928	--	--	--	--	155,974	177,220	186,967	732,267	1,247,500

FEDERAL RESERVE NOTE STATEMENT ON JULY 3, 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	5,533,705	451,696	1,493,034	382,933	495,965	245,470	181,815	1,171,251	206,004	148,277	197,454	88,599	471,207
Held by Federal Reserve bank	285,868	21,557	86,839	20,789	24,040	15,679	13,568	32,918	8,925	3,691	6,926	6,707	44,229
<u>In actual circulation</u>	5,247,837	430,139	1,406,195	362,144	471,925	229,791	168,247	1,138,333	197,079	144,586	190,528	81,892	426,978
Collateral held by agent as se- curity for notes issued to bank:													
Gold certificates on hand and due from U. S. Treasury	5,604,500	460,000	1,515,000	385,000	497,000	250,000	185,000	1,180,000	209,000	148,500	200,000	91,000	484,000
Eligible paper	1,334	149	402	83	--	110	--	--	-100	128	362	--	--
<u>Total collateral</u>	5,605,834	460,149	1,515,402	385,083	497,000	250,110	185,000	1,180,000	209,100	148,628	200,362	91,000	484,000