

Released for publication  
Friday morning, July 19;  
not earlier.

Board of Governors  
of the Federal Reserve System  
July 18, 1940

## CONDITION OF THE FEDERAL RESERVE BANKS

During the week ended July 17 member bank reserve balances increased \$99,000,000. Additions to member bank reserves arose from increases of \$90,000,000 in gold stock and \$10,000,000 in Reserve bank credit and decreases of \$19,000,000 in Treasury deposits with Federal Reserve banks and \$12,000,000 in money in circulation, offset in part by increases of \$25,000,000 in non-member deposits and other Federal Reserve accounts and \$8,000,000 in Treasury cash. Excess reserves of member banks on July 17 were estimated to be approximately \$6,880,000,000, an increase of \$50,000,000 for the week.

Changes in member bank reserve balances and related items during the week and the year ended July 17, 1940 were as follows:

|                                                                        | Increase or decrease<br>since |                  |                  |
|------------------------------------------------------------------------|-------------------------------|------------------|------------------|
|                                                                        | July 17,<br>1940              | July 10,<br>1940 | July 19,<br>1939 |
|                                                                        | (In millions of dollars)      |                  |                  |
| Bills discounted                                                       | 2                             | --               | - 3              |
| Bills bought                                                           | --                            | --               | - 1              |
| U. S. Government securities                                            | 2,450                         | --               | - 65             |
| Industrial advances (not including 9 million<br>commitments - July 17) | 9                             | --               | - 4              |
| Other Reserve bank credit                                              | 40                            | + 10             | + 36             |
| <br>Total Reserve bank credit                                          | <br>2,501                     | <br>+ 10         | <br>- 36         |
| Gold stock                                                             | 20,256                        | + 90             | + 4,065          |
| Treasury currency                                                      | 3,016                         | + 1              | + 126            |
| <br>Member bank reserve balances                                       | <br>13,863                    | <br>+ 99         | <br>+ 3,451      |
| Money in circulation                                                   | 7,872                         | - 12             | + 850            |
| Treasury cash                                                          | 2,199                         | + 8              | - 331            |
| Treasury deposits with F. R. banks                                     | 278                           | - 19             | - 486            |
| Nonmember deposits and other F. R. accounts                            | 1,560                         | + 25             | + 669            |

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

|                                                                           | July 17,<br>1940  | July 10,<br>1940 | Increase or decrease<br>since<br>July 19,<br>1939 |
|---------------------------------------------------------------------------|-------------------|------------------|---------------------------------------------------|
| <u>A S S E T S</u>                                                        |                   |                  |                                                   |
| Gold certificates on hand and<br>due from U. S. Treasury                  | 18,028,478        | + 84,002         | +4,377,260                                        |
| Redemption fund - F. R. notes                                             | 10,353            | - 509            | + 2,631                                           |
| Other cash                                                                | 367,639           | + 7,406          | + 11,563                                          |
| <u>Total reserves</u>                                                     | <u>18,406,470</u> | <u>+ 90,899</u>  | <u>+4,391,454</u>                                 |
| Bills discounted:                                                         |                   |                  |                                                   |
| Secured by U. S. Gov't obligations,<br>direct and guaranteed              | 768               | + 114            | - 230                                             |
| Other bills discounted                                                    | 1,439             | + 89             | - 2,160                                           |
| <u>Total bills discounted</u>                                             | <u>2,207</u>      | <u>+ 203</u>     | <u>- 2,390</u>                                    |
| Bills bought in open market                                               | --                | --               | - 556                                             |
| Industrial advances                                                       | 9,118             | - 35             | - 3,439                                           |
| U. S. Government securities,<br>direct and guaranteed:                    |                   |                  |                                                   |
| Bonds                                                                     | 1,323,196         | --               | + 412,106                                         |
| Notes                                                                     | 1,126,732         | --               | - 49,377                                          |
| Bills                                                                     | --                | --               | - 427,938                                         |
| <u>Total U. S. Government securities,<br/>direct and guaranteed</u>       | <u>2,449,928</u>  | <u>--</u>        | <u>- 65,209</u>                                   |
| <u>Total bills and securities</u>                                         | <u>2,461,253</u>  | <u>+ 168</u>     | <u>- 71,594</u>                                   |
| Due from foreign banks                                                    | 47                | --               | - 120                                             |
| F. R. notes of other banks                                                | 23,608            | + 627            | - 343                                             |
| Uncollected items                                                         | 790,313           | +130,840         | + 82,843                                          |
| Bank premises                                                             | 41,440            | + 1              | - 905                                             |
| Other assets                                                              | 56,114            | + 733            | + 7,475                                           |
| <u>T O T A L A S S E T S</u>                                              | <u>21,779,245</u> | <u>+223,268</u>  | <u>+4,408,810</u>                                 |
| <u>L I A B I L I T I E S</u>                                              |                   |                  |                                                   |
| F. R. notes in actual circulation                                         | 5,230,359         | - 2,104          | + 721,397                                         |
| Deposits:                                                                 |                   |                  |                                                   |
| Member bank - reserve account                                             | 13,863,019        | + 98,676         | +3,450,972                                        |
| U. S. Treasurer - General account                                         | 278,395           | - 19,033         | - 485,821                                         |
| Foreign bank                                                              | 733,601           | - 31,481         | + 454,563                                         |
| Other deposits                                                            | 564,920           | + 56,172         | + 209,904                                         |
| <u>Total deposits</u>                                                     | <u>15,439,935</u> | <u>+104,334</u>  | <u>+3,629,618</u>                                 |
| Deferred availability items                                               | 750,395           | +120,923         | + 46,954                                          |
| Other liabilities including accrued<br>dividends                          | 1,690             | - 191            | - 482                                             |
| <u>T O T A L L I A B I L I T I E S</u>                                    | <u>21,422,379</u> | <u>+222,962</u>  | <u>+4,397,487</u>                                 |
| <u>C A P I T A L A C C O U N T S</u>                                      |                   |                  |                                                   |
| Capital paid in                                                           | 137,449           | + 211            | + 2,167                                           |
| Surplus (Section 7)                                                       | 151,720           | --               | + 2,568                                           |
| Surplus (Section 13b)                                                     | 26,839            | --               | - 424                                             |
| Other capital accounts                                                    | 40,858            | + 95             | + 7,012                                           |
| <u>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</u>                             | <u>21,779,245</u> | <u>+223,268</u>  | <u>+4,408,810</u>                                 |
| Ratio of total reserves to deposit and<br>F. R. note liabilities combined | 89.0%             | --               | + 3.1%                                            |
| Commitments to make industrial advances                                   | 8,611             | - 71             | - 2,681                                           |

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON JULY 17, 1940  
(In thousands of dollars)

| <u>A S S E T S</u>                                       | 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      | 18,028,478        | 1,060,762        | 8,934,442         | 929,143          | 1,162,580        | 449,288        | 335,673        | 2,825,110        | 435,257        | 260,227        | 378,078        | 234,303        | 1,023,615        |
| Redemption fund - F.R.notes                              | 10,353            | 1,988            | 1,035             | 1,302            | 606              | 935            | 247            | 1,109            | 451            | 518            | 175            | 678            | 1,309            |
| Other cash                                               | 367,639           | 32,769           | 104,958           | 31,003           | 25,991           | 21,736         | 18,578         | 47,526           | 17,361         | 6,377          | 18,077         | 14,601         | 28,662           |
| <u>Total reserves</u>                                    | <u>18,406,470</u> | <u>1,095,519</u> | <u>9,040,435</u>  | <u>961,448</u>   | <u>1,189,177</u> | <u>471,959</u> | <u>354,498</u> | <u>2,873,745</u> | <u>453,069</u> | <u>267,122</u> | <u>396,330</u> | <u>249,582</u> | <u>1,053,586</u> |
| Bills discounted:                                        |                   |                  |                   |                  |                  |                |                |                  |                |                |                |                |                  |
| Secured by U.S.Gov't obligations, direct and guaranteed  | 768               | 50               | 55                | 111              | 173              | 53             | 15             | 71               | 100            | 60             | 31             | 49             | --               |
| Other bills discounted                                   | 1,439             | --               | 192               | 114              | 41               | 105            | 169            | 19               | 100            | 50             | 288            | 284            | 77               |
| <u>Total bills discounted</u>                            | <u>2,207</u>      | <u>50</u>        | <u>247</u>        | <u>225</u>       | <u>214</u>       | <u>158</u>     | <u>184</u>     | <u>90</u>        | <u>200</u>     | <u>110</u>     | <u>319</u>     | <u>333</u>     | <u>77</u>        |
| Industrial advances                                      | 9,118             | 1,145            | 1,996             | 2,689            | 349              | 871            | 230            | 297              | 5              | 217            | 194            | 465            | 660              |
| U. S. Government securities, direct and guaranteed:      |                   |                  |                   |                  |                  |                |                |                  |                |                |                |                |                  |
| Bonds                                                    | 1,323,196         | 96,517           | 405,667           | 105,011          | 135,697          | 66,228         | 48,524         | 140,398          | 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>259,948</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>2,461,253</u>  | <u>179,898</u>   | <u>753,344</u>    | <u>197,346</u>   | <u>251,809</u>   | <u>123,652</u> | <u>90,258</u>  | <u>260,335</u>   | <u>113,568</u> | <u>72,407</u>  | <u>116,235</u> | <u>96,262</u>  | <u>206,139</u>   |
| Due from foreign banks                                   | 47                | 3                | 18                | 5                | 4                | 2              | 2              | 6                | 1              | *              | 1              | 1              | 4                |
| F. R. notes of other banks                               | 23,608            | 1,108            | 2,043             | 1,130            | 1,461            | 3,069          | 1,976          | 3,434            | 2,281          | 795            | 1,848          | 539            | 3,924            |
| Uncollected items                                        | 790,313           | 77,397           | 213,249           | 55,893           | 92,686           | 62,750         | 26,667         | 107,357          | 33,153         | 19,174         | 34,352         | 27,383         | 40,252           |
| Bank premises                                            | 41,440            | 2,861            | 9,802             | 4,509            | 5,476            | 2,507          | 2,012          | 3,356            | 2,344          | 1,381          | 3,149          | 1,140          | 2,903            |
| Other assets                                             | 56,114            | 3,791            | 16,320            | 4,406            | 6,330            | 3,253          | 2,016          | 5,678            | 2,438          | 1,687          | 2,546          | 2,589          | 5,060            |
| <u>TOTAL ASSETS</u>                                      | <u>21,779,245</u> | <u>1,360,577</u> | <u>10,035,211</u> | <u>1,224,737</u> | <u>1,546,943</u> | <u>667,192</u> | <u>477,429</u> | <u>3,253,911</u> | <u>606,854</u> | <u>362,566</u> | <u>554,461</u> | <u>377,496</u> | <u>1,311,868</u> |

\*Less than \$500.

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON JULY 17, 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              | 5,230,359         | 427,832        | 1,396,725        | 361,528        | 474,540        | 229,762        | 167,496        | 1,137,523        | 197,462        | 143,318        | 191,247        | 81,779         | 421,147        |
| Deposits:                                     |                   |                |                  |                |                |                |                |                  |                |                |                |                |                |
| Member bank-reserve acct.                     | 13,863,019        | 763,393        | 7,471,718        | 681,988        | 858,124        | 318,808        | 226,636        | 1,833,018        | 323,030        | 154,758        | 282,620        | 218,219        | 730,707        |
| U.S.Treasurer-General acct.                   | 278,395           | 8,242          | 113,737          | 11,658         | 9,099          | 8,711          | 13,479         | 35,852           | 13,945         | 14,406         | 14,425         | 15,897         | 18,944         |
| Foreign bank                                  | 733,601           | 52,012         | 264,392          | 71,343         | 67,703         | 31,303         | 25,480         | 87,359           | 21,840         | 16,016         | 21,112         | 21,840         | 53,201         |
| Other deposits                                | 564,920           | 9,220          | 471,421          | 10,732         | 15,091         | 2,176          | 5,107          | 7,973            | 5,879          | 7,685          | 1,865          | 2,534          | 25,237         |
| <u>Total deposits</u>                         | <u>15,439,935</u> | <u>832,867</u> | <u>8,321,268</u> | <u>775,721</u> | <u>950,017</u> | <u>360,998</u> | <u>270,702</u> | <u>1,964,202</u> | <u>364,694</u> | <u>192,865</u> | <u>320,022</u> | <u>258,490</u> | <u>828,089</u> |
| Deferred availability items                   | 750,395           | 74,977         | 193,823          | 54,265         | 88,672         | 60,932         | 26,183         | 106,534          | 33,565         | 17,043         | 32,518         | 25,779         | 36,104         |
| Other liabilities including accrued dividends | 1,690             | 280            | 268              | 188            | 226            | 24             | 92             | 209              | 44             | 91             | 133            | 79             | 56             |

TOTAL LIABILITIES 21,422,379 1,335,956 9,912,084 1,191,702 1,513,455 651,716 464,473 3,208,468 595,765 353,317 543,920 366,127 1,285,396

CAPITAL ACCOUNTS

|                        |         |        |        |        |        |       |       |        |       |       |       |       |        |
|------------------------|---------|--------|--------|--------|--------|-------|-------|--------|-------|-------|-------|-------|--------|
| Capital paid in        | 137,449 | 9,335  | 51,076 | 11,897 | 14,040 | 5,317 | 4,648 | 13,873 | 4,143 | 2,958 | 4,407 | 4,135 | 11,620 |
| 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 | 40,858  | 2,007  | 11,616 | 2,547  | 4,118  | 1,666 | 1,870 | 7,317  | 1,699 | 2,138 | 1,379 | 1,994 | 2,507  |

TOTAL LIABILITIES AND CAPITAL ACCOUNTS 21,779,245 1,360,577 10,035,211 1,224,737 1,546,943 667,192 477,429 3,253,911 606,854 362,566 554,461 377,496 1,311,868

Commitments to make industrial advances 8,611 265 758 1,137 1,138 676 511 17 350 56 159 -- 3,544

MATURITY DISTRIBUTION OF BILLS AND SECURITIES

|                                                       | Total     | Within<br>15 days | 16 to<br>30 days | 31 to<br>60 days | 61 to<br>90 days | 91 days to<br>6 months | 6 months<br>to 1 Year | 1 Year<br>to 2 Years | 2 Years to<br>5 Years | Over<br>5 Years |
|-------------------------------------------------------|-----------|-------------------|------------------|------------------|------------------|------------------------|-----------------------|----------------------|-----------------------|-----------------|
| Bills discounted                                      | 2,207     | 1,198             | 115              | 224              | 296              | 368                    | 6                     | --                   | --                    | --              |
| Industrial advances                                   | 9,118     | 2,151             | 95               | 184              | 287              | 960                    | 1,103                 | 1,411                | 2,927                 | --              |
| U. S. Government securities,<br>direct and guaranteed | 2,449,928 | --                | --               | --               | --               | 105,974                | 177,220               | 186,967              | 732,267               | 1,247,500       |

FEDERAL RESERVE NOTE STATEMENT ON JULY 17, 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                               | 5,565,621 | 448,127 | 1,497,496 | 383,603 | 499,668 | 246,325 | 182,007 | 1,185,761 | 208,349  | 148,725 | 199,070  | 88,865 | 477,625   |
| Held by Federal Reserve bank                                   | 335,262   | 20,295  | 100,771   | 22,075  | 25,128  | 16,563  | 14,511  | 48,238    | 10,887   | 5,407   | 7,823    | 7,086  | 56,478    |
| <u>In actual circulation</u>                                   | 5,230,359 | 427,832 | 1,396,725 | 361,528 | 474,540 | 229,762 | 167,496 | 1,137,523 | 197,462  | 143,318 | 191,247  | 81,779 | 421,147   |
| Collateral held by agent as security for notes issued to bank: |           |         |           |         |         |         |         |           |          |         |          |        |           |
| Gold certificates on hand and due from U. S. Treasury          | 5,669,500 | 460,000 | 1,525,000 | 390,000 | 500,000 | 260,000 | 185,000 | 1,200,000 | 219,000  | 150,500 | 200,000  | 91,000 | 489,000   |
| Eligible paper                                                 | 1,265     | 50      | 247       | 195     | --      | 158     | --      | --        | 200      | 110     | 305      | --     | --        |
| <u>Total collateral</u>                                        | 5,670,765 | 460,050 | 1,525,247 | 390,195 | 500,000 | 260,158 | 185,000 | 1,200,000 | 219,200  | 150,610 | 200,305  | 91,000 | 489,000   |