

## STATEMENT FOR THE PRESS

Released for publication  
Friday morning, Sept. 27;  
not earlier.

Board of Governors  
of the Federal Reserve System  
September 26, 1940

## CONDITION OF THE FEDERAL RESERVE BANKS

During the week ended September 25 member bank reserve balances increased \$79,000,000. Additions to member bank reserves arose from an increase of \$73,000,000 in gold stock, and decreases of \$13,000,000 in Treasury cash and \$24,000,000 in nonmember deposits and other Federal Reserve accounts, offset in part by a decrease of \$23,000,000 in Reserve Bank credit, and increases of \$6,000,000 in money in circulation and \$3,000,000 in Treasury deposits with Federal Reserve Banks. Excess reserves of member banks on September 25 were estimated to be approximately \$6,650,000,000, an increase of \$120,000,000 for the week.

Changes in member bank reserve balances and related items during the week and the year ended September 25, 1940, were as follows:

|   | Sept. 25,<br><u>1940</u> | Sept. 18,<br><u>1940</u> | Sept. 27,<br><u>1939</u> |
|---|--------------------------|--------------------------|--------------------------|
|   | (In millions of dollars) |                          |                          |
| Bills discounted  | 5                        | + 1                      | - 1                      |
| Bills bought  | - -                      | - -                      | - 1                      |
| U. S. Gov't securities, direct and guaranteed                               | 2,434                    | - -                      | - 370                    |
| Industrial advances (not including 8 million<br>commitments - September 25) | 9                        | - -                      | - 3                      |
| Other Reserve Bank credit   | 25                       | - 23                     | + 1                      |
| <br>Total Reserve Bank credit   | <br>2,472                | <br>- 23                 | <br>- 374                |
| Gold stock  | 21,166                   | + 73                     | +4,241                   |
| Treasury currency   | 3,041                    | + 1                      | + 127                    |
| <br>Member bank reserve balances  | <br>13,703               | <br>+ 79                 | <br>+2,082               |
| Money in circulation  | 8,090                    | + 6                      | + 852                    |
| Treasury cash   | 2,298                    | - 13                     | + 38                     |
| Treasury deposits with F.R. Banks   | 793                      | + 3                      | + 241                    |
| Nonmember deposits and other F. R. accounts                                 | 1,795                    | - 24                     | + 782                    |

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

|   |                   | Increase or decrease<br>since |                   |
|---|-------------------|-------------------------------|-------------------|
|   | Sept. 25,<br>1940 | Sept. 18,<br>1940             | Sept. 27,<br>1939 |
| <u>A S S E T S</u>  |                   |                               |                   |
| Gold certificates on hand and<br>due from U. S. Treasury                  | 18,843,300        | + 87,002                      | +4,186,583        |
| Redemption fund - F. R. notes   | 11,790            | + 392                         | + 4,446           |
| Other cash  | <u>347,534</u>    | <u>+ 3,147</u>                | <u>+ 8,488</u>    |
| <u>Total reserves</u>   | 19,202,624        | + 90,541                      | +4,199,517        |
| Bills discounted:   |                   |                               |                   |
| Secured by U. S. Gov't obligations,<br>direct and guaranteed              | 860               | - 1                           | - 712             |
| Other bills discounted  | <u>3,722</u>      | <u>+ 492</u>                  | <u>- 1,062</u>    |
| <u>Total bills discounted</u>   | 4,582             | + 491                         | - 1,774           |
| Bills bought in open market   | - -               | - -                           | - 548             |
| Industrial advances   | 8,664             | + 52                          | - 2,980           |
| U. S. Government securities,<br>direct and guaranteed:                    |                   |                               |                   |
| Bonds   | 1,318,600         | - -                           | + 2,658           |
| Notes   | 1,115,000         | - -                           | - 130,497         |
| Bills   | <u>- -</u>        | <u>- -</u>                    | <u>- 242,370</u>  |
| <u>Total U. S. Government securities,<br/>direct and guaranteed</u>       | 2,433,600         | - -                           | - 370,209         |
| <u>Total bills and securities</u>   | 2,446,846         | + 543                         | - 375,511         |
| Due from foreign banks  | 47                | - -                           | - 129             |
| F. R. notes of other banks  | 22,875            | + 463                         | + 2,076           |
| Uncollected items   | 694,970           | -156,740                      | + 48,332          |
| Bank premises   | 41,294            | - 16                          | - 846             |
| Other assets  | <u>53,547</u>     | <u>+ 834</u>                  | <u>- 14,342</u>   |
| <b>T O T A L A S S E T S</b>  | 22,462,203        | - 64,375                      | +3,859,097        |
| <u>L I A B I L I T I E S</u>  |                   |                               |                   |
| F. R. notes in actual circulation   | 5,406,985         | + 11,061                      | + 723,259         |
| Deposits:   |                   |                               |                   |
| Member bank - reserve account   | 13,703,112        | + 78,693                      | +2,081,774        |
| U. S. Treasurer - General account   | 792,532           | + 2,171                       | + 240,642         |
| Foreign   | 1,011,324         | - 24,135                      | + 543,744         |
| Other deposits  | <u>513,645</u>    | <u>+ 336</u>                  | <u>+ 209,732</u>  |
| <u>Total deposits</u>   | 16,020,613        | + 57,065                      | +3,075,892        |
| Deferred availability items   | 670,157           | -133,139                      | + 47,398          |
| Other liabilities including accrued<br>dividends                          | <u>3,653</u>      | <u>+ 516</u>                  | <u>- 1,317</u>    |
| <b>T O T A L L I A B I L I T I E S</b>                                    | 22,101,408        | - 64,497                      | +3,845,232        |
| <u>C A P I T A L A C C O U N T S</u>                                      |                   |                               |                   |
| Capital paid in   | 137,630           | - 7                           | + 2,119           |
| Surplus (Section 7)   | 151,720           | - -                           | + 2,568           |
| Surplus (Section 13b)   | 26,839            | - -                           | - 425             |
| Other capital accounts  | <u>44,606</u>     | <u>+ 129</u>                  | <u>+ 9,603</u>    |
| <b>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</b>                             | 22,462,203        | - 64,375                      | +3,859,097        |
| Ratio of total reserves to deposit and<br>F. R. note liabilities combined | 89.6%             | + .1%                         | + 4.5%            |
| Contingent liability on bills purchased<br>for foreign correspondents     | - -               | - -                           | - 101             |
| Commitments to make industrial advances                                   | 8,078             | + 71                          | - 2,439           |

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON SEPTEMBER 25, 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<br>due from U.S.Treasury         | 18,843,300 | 1,151,977 | 9,165,787  | 960,771   | 1,255,785 | 503,617 | 349,637 | 2,983,843 | 457,723  | 284,155 | 399,547  | 261,129 | 1,069,329 |
| Redemption fund - F.R.notes                                    | 11,790     | 1,672     | 1,788      | 812       | 775       | 1,285   | 936     | 1,454     | 317      | 456     | 556      | 607     | 1,132     |
| Other cash   | 347,534    | 35,541    | 95,390     | 28,053    | 21,718    | 20,969  | 16,457  | 40,846    | 15,696   | 7,182   | 18,396   | 12,354  | 34,932    |
| <u>Total reserves</u>  | 19,202,624 | 1,189,190 | 9,262,965  | 989,636   | 1,278,278 | 525,871 | 367,030 | 3,026,143 | 473,736  | 291,793 | 418,499  | 274,090 | 1,105,393 |
| Bills discounted:  |            |           |            |           |           |         |         |           |          |         |          |         |           |
| Secured by U. S. Gov't obligations,<br>direct and guaranteed   | 860        | --        | 236        | 129       | 133       | 50      | 2       | 5         | --       | 30      | 65       | 150     | 70        |
| Other bills discounted   | 3,722      | --        | 2,310      | 162       | 72        | 18      | 167     | 62        | 92       | 97      | 210      | 471     | 61        |
| <u>Total bills discounted</u>                                  | 4,582      | --        | 2,536      | 291       | 205       | 68      | 169     | 67        | 92       | 127     | 275      | 621     | 131       |
| Industrial advances  | 8,664      | 1,145     | 1,783      | 2,393     | 373       | 838     | 266     | 271       | 5        | 280     | 214      | 460     | 636       |
| U. S. Government securities,<br>direct and guaranteed:         |            |           |            |           |           |         |         |           |          |         |          |         |           |
| Bonds  | 1,318,600  | 96,222    | 403,661    | 104,577   | 135,227   | 66,100  | 48,360  | 139,966   | 61,156   | 38,864  | 62,418   | 51,459  | 110,570   |
| Notes  | 1,115,000  | 81,366    | 341,335    | 88,430    | 114,345   | 55,894  | 40,910  | 118,353   | 51,714   | 32,863  | 52,780   | 43,513  | 93,497    |
| <u>Total U. S. Gov't securities,<br/>direct and guaranteed</u> | 2,433,600  | 177,588   | 744,996    | 193,007   | 249,572   | 121,994 | 89,290  | 258,319   | 112,870  | 71,727  | 115,198  | 94,972  | 204,067   |
| <u>Total bills and securities</u>                              | 2,446,846  | 178,733   | 749,315    | 195,691   | 250,150   | 122,900 | 89,725  | 258,657   | 112,967  | 72,134  | 115,687  | 96,053  | 204,834   |
| Due from foreign banks   | 47         | 3         | 18         | 5         | 4         | 2       | 2       | 6         | 1        | *       | 1        | 1       | 4         |
| F. R. notes of other banks                                     | 22,875     | 643       | 2,379      | 941       | 1,748     | 2,795   | 1,767   | 2,391     | 2,711    | 1,309   | 1,951    | 415     | 3,825     |
| Uncollected items  | 694,970    | 62,321    | 161,373    | 50,798    | 80,602    | 72,285  | 25,587  | 91,763    | 36,333   | 22,354  | 28,245   | 25,483  | 37,826    |
| Bank premises  | 41,294     | 2,852     | 9,768      | 4,498     | 5,436     | 2,494   | 2,002   | 3,345     | 2,374    | 1,377   | 3,117    | 1,127   | 2,884     |
| Other assets   | 53,547     | 3,704     | 15,651     | 4,300     | 5,967     | 3,049   | 1,876   | 5,363     | 2,293    | 1,604   | 2,395    | 2,557   | 4,768     |
| <b>T O T A L A S S E T S</b>                                   | 22,462,203 | 1,437,446 | 10,201,469 | 1,245,869 | 1,622,185 | 729,396 | 487,989 | 3,387,688 | 630,435  | 390,571 | 569,895  | 399,726 | 1,359,534 |

\*Less than \$500.

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS ON SEPTEMBER 25, 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 cir-<br>culation           | 5,406,985  | 440,800 | 1,443,235 | 373,972 | 497,576   | 246,013 | 173,012 | 1,162,404 | 200,390  | 149,090 | 193,878  | 86,421  | 440,194   |
| Deposits:  |            |         |           |         |           |         |         |           |          |         |          |         |           |
| Member bank-reserve acct.                        | 13,703,112 | 789,276 | 7,225,194 | 651,750 | 867,498   | 329,636 | 219,338 | 1,911,425 | 313,757  | 159,333 | 272,406  | 214,985 | 748,514   |
| U.S.Treasurer-General acct.                      | 792,532    | 62,996  | 277,478   | 45,169  | 72,315    | 34,813  | 29,358  | 83,904    | 40,097   | 33,449  | 34,770   | 38,294  | 39,889    |
| Foreign  | 1,011,324  | 47,582  | 574,626   | 66,544  | 63,149    | 29,198  | 23,766  | 81,482    | 20,370   | 14,938  | 19,691   | 20,371  | 49,607    |
| Other deposits                                   | 513,645    | 10,554  | 407,453   | 25,368  | 8,646     | 3,178   | 4,622   | 7,860     | 7,553    | 4,096   | 11,853   | 3,052   | 19,410    |
| <u>Total deposits</u>                            | 16,020,613 | 910,408 | 8,484,751 | 788,831 | 1,011,608 | 396,825 | 277,084 | 2,084,671 | 381,777  | 211,816 | 338,720  | 276,702 | 857,420   |
| Deferred availability items                      | 670,157    | 60,928  | 147,959   | 49,365  | 78,745    | 70,816  | 24,645  | 94,342    | 36,873   | 20,180  | 26,465   | 24,952  | 34,887    |
| Other liabilities including<br>accrued dividends | 3,653      | 399     | 1,012     | 366     | 368       | 120     | 156     | 405       | 112      | 159     | 152      | 153     | 251       |

**TOTAL LIABILITIES** 22,101,408 1,412,535 10,076,957 1,212,534 1,588,297 713,774 474,897 3,341,822 619,152 381,245 559,215 388,228 1,332,752

CAPITAL ACCOUNTS

|                        |         |        |        |        |        |       |       |        |       |       |       |       |        |
|------------------------|---------|--------|--------|--------|--------|-------|-------|--------|-------|-------|-------|-------|--------|
| Capital paid in        | 137,630 | 9,333  | 51,046 | 11,889 | 14,068 | 5,339 | 4,680 | 13,927 | 4,164 | 2,952 | 4,423 | 4,156 | 11,653 |
| 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 | 44,606  | 2,299  | 13,031 | 2,855  | 4,490  | 1,790 | 1,974 | 7,686  | 1,872 | 2,221 | 1,502 | 2,102 | 2,784  |

**TOTAL LIABILITIES AND  
CAPITAL ACCOUNTS** 22,462,203 1,437,446 10,201,469 1,245,869 1,622,185 729,396 487,989 3,387,688 630,435 390,571 569,895 399,726 1,359,534

|  |       |     |     |       |       |     |     |    |     |    |     |   |       |
|--|-------|-----|-----|-------|-------|-----|-----|----|-----|----|-----|---|-------|
| Commitments to make industrial<br>advances | 8,078 | 356 | 733 | 1,029 | 1,082 | 651 | 510 | 14 | 368 | 51 | 136 | 4 | 3,144 |
|--|-------|-----|-----|-------|-------|-----|-----|----|-----|----|-----|---|-------|

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                                      | 4,582     | 2,929             | 263              | 474              | 741              | 174                    | 1                     | --                   | --                    | --              |
| Industrial advances                                   | 8,664     | 1,661             | 115              | 305              | 304              | 769                    | 1,414                 | 1,518                | 2,578                 | --              |
| U. S. Government securities,<br>direct and guaranteed | 2,433,600 | --                | --               | --               | 92,500           | 116,800                | 117,300               | 196,000              | 668,000               | 1,243,000       |

FEDERAL RESERVE NOTE STATEMENT ON SEPTEMBER 25, 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                                   | 5,703,707 | 460,974 | 1,525,517 | 388,095 | 519,685 | 260,058 | 187,755 | 1,191,992 | 211,650  | 154,159 | 204,810  | 95,345 | 503,667   |
| Held by Federal Reserve Bank                                      | 296,722   | 20,174  | 82,282    | 14,123  | 22,109  | 14,045  | 14,743  | 29,588    | 11,260   | 5,069   | 10,932   | 8,924  | 63,473    |
| <hr/>   |           |         |           |         |         |         |         |           |          |         |          |        |           |
| <u>In actual circulation</u>                                      | 5,406,985 | 440,800 | 1,443,235 | 373,972 | 497,576 | 246,013 | 173,012 | 1,162,404 | 200,390  | 149,090 | 193,878  | 86,421 | 440,194   |
| <br>  |           |         |           |         |         |         |         |           |          |         |          |        |           |
| Collateral held by agent as<br>security for notes issued to bank: |           |         |           |         |         |         |         |           |          |         |          |        |           |
| Gold certificates on hand and<br>due from U. S. Treasury          | 5,806,500 | 470,000 | 1,545,000 | 400,000 | 521,500 | 275,000 | 190,000 | 1,210,000 | 219,000  | 154,500 | 205,000  | 97,500 | 519,000   |
| Eligible paper  | 3,079     | - -     | 2,361     | 251     | - -     | 50      | - -     | - -       | 80       | 83      | 254      | - -    | - -       |
| <hr/>   |           |         |           |         |         |         |         |           |          |         |          |        |           |
| <u>Total collateral</u>   | 5,809,579 | 470,000 | 1,547,361 | 400,251 | 521,500 | 275,050 | 190,000 | 1,210,000 | 219,080  | 154,583 | 205,254  | 97,500 | 519,000   |