

# FEDERAL RESERVE BULLETIN



**FEBRUARY 1941**

*Review of the Month—Banking and Treasury  
Finance in 1940*

*Gold and Dollar Resources of The United Kingdom*

*Durable Goods Expenditures in 1940*

*From the Board's Correspondence—Federal Reserve  
Bank Lending Power Not Dependent on Member  
Bank Reserve Balances; Money in Circulation*

*Directors of Federal Reserve Banks and Branches*

---

*Economic and Monetary Aspects of the Defense  
Program*

**BOARD OF GOVERNORS  
OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON**

## Contents

	PAGE
Review of the Month—Banking and Treasury Finance in 1940 . . . . .	89-94
Economic and Monetary Aspects of the Defense Program, by John H. Williams . . . . .	95-98
Gold and Dollar Resources of the United Kingdom . . . . .	99-101
British Mobilization of United States Dollar Securities . . . . .	101-102
Durable Goods Expenditures in 1940, by George Terborgh . . . . .	103
From a Legal Standpoint:	
Amendment of Regulation U . . . . .	104-105
Rules of Securities and Exchange Commission Concerning the Hypothecation of Customers' Securities by Brokers or Dealers . . . . .	105-111
From the Board's Correspondence—Federal Reserve Bank Lending Power Not Dependent on Member Bank Reserve Balances . . . . .	112-113
Money in Circulation . . . . .	114
Current Events . . . . .	115
Directors of Federal Reserve Banks and Branches . . . . .	116-123
National Summary of Business Conditions . . . . .	124-125
Financial, Industrial, Commercial Statistics, United States . . . . .	127-167
International Financial Statistics ( <i>see p. 169 for list of tables.</i> ) . . . . .	169-185
Federal Reserve Publications . . . . .	186
Board of Governors and Staff; Open Market Committee and Staff; Federal Advisory Council . . . . .	187
Senior Officers of Federal Reserve Banks; Managing Directors of Branches . . . . .	188

---

---

### Subscription Price of Bulletin

The FEDERAL RESERVE BULLETIN is issued monthly by the Board of Governors of the Federal Reserve System and is sent to member banks without charge. The subscription price in the United States and its insular possessions, Canada, Mexico, the Central American countries, and most South American countries is \$2.00 per annum or 20 cents per single copy; elsewhere, \$2.60 per annum or 25 cents per single copy.



JAY TAYLOR  
Class C Director  
*Deputy Chairman*



JAMES H. MERRITT  
Class C Director  
*Chairman*



JOSEPH B. COZZO  
Class C Director



FORD SEALE  
Class A Director

In January, the Federal Reserve Bank of Dallas completed the remodeling of its building, a seven-story, modern structure located at the corner of Wood and Field Streets in Dallas. A picture of the building appears on the next page.

The increased volume of work in recent years necessitated the addition of two stories and other alterations which have enlarged the floor space by 50,000 square feet. Improvements have been made also in the internal arrangements, including the heating, air conditioning, and lighting systems.

On the occasion of the opening of the enlarged and remodeled building on January 24, the Directors of the Reserve Bank held a joint meeting with the directors of the El Paso, Houston, and San Antonio Branches. That evening a dinner, attended by more than four hundred guests, was given by the Bank. Representatives of all member and non-member banks in the Eleventh Federal Reserve District were invited. Other guests included former directors of the Bank, members of the Industrial Advisory Committee for the District, presidents of other Federal Reserve Banks, officers of the Texas Bankers' Association, and Supervisors. Officials, State and Federal. Members of the Board of Governors of the Federal Reserve System were guests of honor.

Addresses were made by Mr. James H. Merritt, Chairman of the Board of Directors of the Bank, by Lewis A. G. Szmezek and John F. McFee, members of the Board of Governors of the Federal Reserve System, and by Mr. Walter P. Hapner, President of the Texas Bankers' Association. Mr. Gilbert, President of the Bank, acted as toastmaster.



JESSE R. MILAM  
Class B Director



ED H. WINTON  
Class A Director



JAMES M. WEST  
Class B Director



FRANK TURNER  
Class A Director



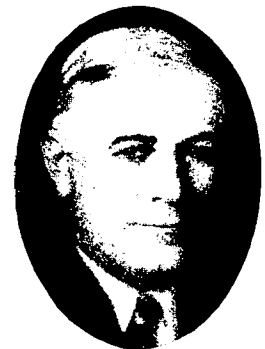
P. E. HARDING  
*Member, Federal Advisory Council  
Eleventh Federal Reserve District*



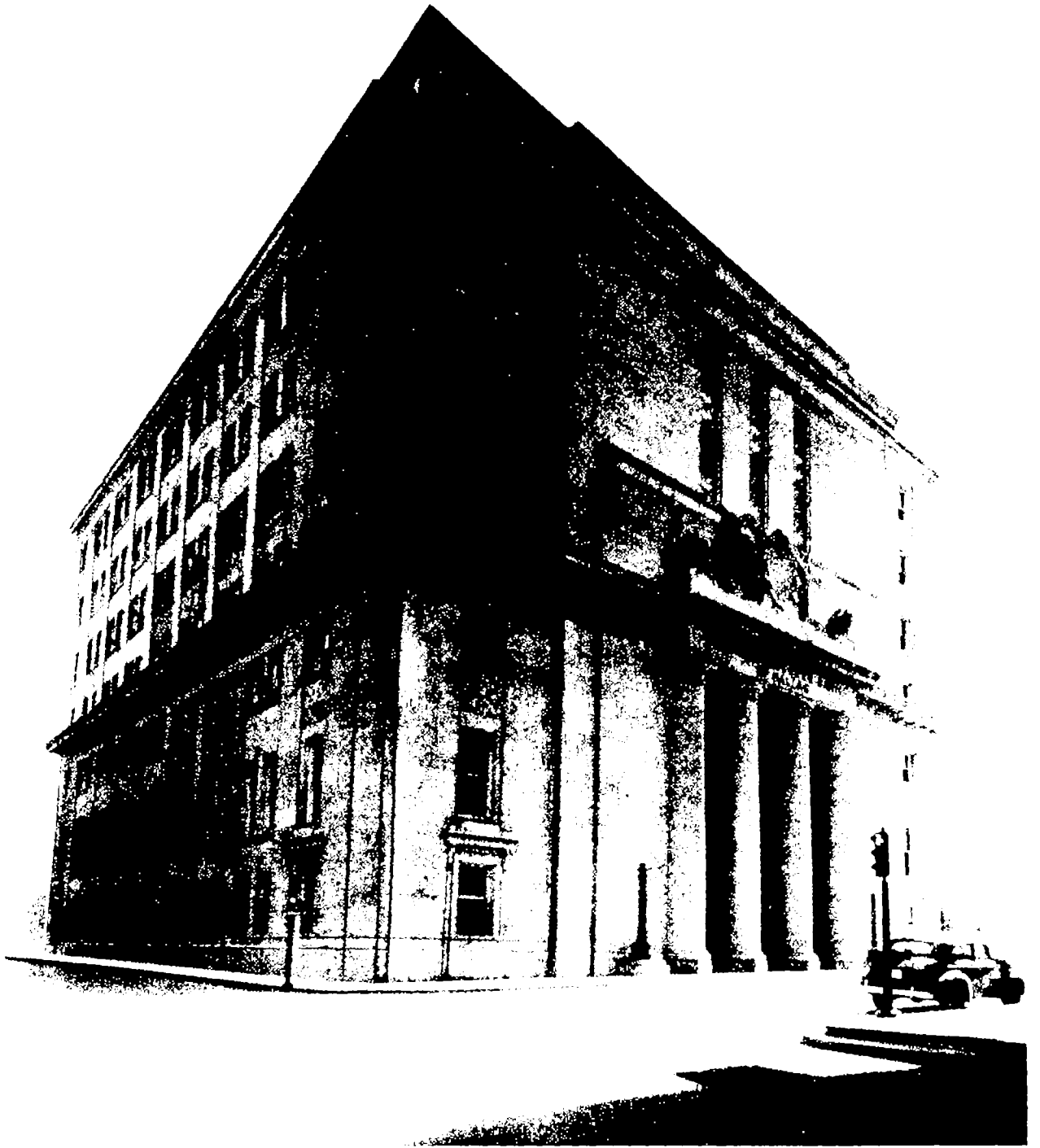
ROBERT R. GILBERT  
*President  
Federal Reserve Bank of Dallas*



ETHAN B. STROUD  
*First Vice President and General Counsel  
Federal Reserve Bank of Dallas*



ERNEST L. KURTH  
Class B Director



*Federal Reserve Bank of Dallas, Wood and Akard Streets, Dallas, Texas*

# FEDERAL RESERVE BULLETIN

Vol. 27

☆

☆

☆

FEBRUARY 1941

☆

☆

☆

No. 2

## *Banking and Treasury Finance In 1940*

Banking resources as a whole showed a further substantial growth in 1940, reflecting additions to bank reserves arising from gold imports and also an increase in bank loans and investments. The gold inflow in the first instance added to the reserves and deposits of New York City banks, but owing to heavy foreign purchases of goods throughout the country, security transactions in New York, and Treasury and business disbursements of funds borrowed from New York banks, the new reserve funds have been widely distributed among other banks. All classes of banks in all sections of the country showed increases in reserves and in deposits.

Member bank loans showed an increase in 1940, reflecting a large rise in commercial loans during the last half of the year, offset in part by a decline in loans on stocks and bonds. Banks continued to add to their holdings of Government securities on a large scale, and combined holdings of direct and guaranteed obligations by member banks increased by about \$1,500,000,000, following a growth of \$1,100,000,000 in 1939. Practically all of the growth in both years took place at member banks in New York City, which added substantially to their holdings of Treasury bonds and of guaranteed obligations. Member banks in other leading cities and country banks also increased their holdings of Treasury bonds during the latter half of 1940, following a decline in the first half.

The growth in holdings of Government securities at banks during 1940 was somewhat greater than the increase in the outstanding amount of publicly-offered direct and guar-

anteed obligations of the United States Government other than United States Savings bonds. The Federal Reserve System sold \$300,000,000 from its open-market account during the year, most of the sales occurring in the latter half of the year, when there was an increase in the demand for United States Government securities and prices advanced sharply.

The direct interest-bearing debt of the Government increased by \$3,000,000,000 during 1940. About \$1,100,000,000 of this increase was accounted for by special issues to various Government funds and \$1,000,000,000 by sales of United States Savings bonds. Outstanding Treasury bonds increased by \$1,100,000,000, while the outstanding amount of notes and bills declined slightly.

As shown in the table on the next page, all of the increase in direct obligations which can be traded in the open market, that is, Treasury bonds, notes, and bills, occurred during the second half of the year, when \$1,200,000,000 of new securities were floated. These consisted of \$700,000,000 of 14-16 year bonds and \$500,000,000 of 5-year taxable National Defense notes; in addition maturing notes were refunded into 13-15 year bonds. In the first half of the year there were no new cash sales of open-market obligations, but a reduction of \$300,000,000 in the total owing to the retirement of \$150,000,000 of Treasury bills in January and to retirements of Treasury notes and bonds maturing during the period and not exchanged for new issues. The bulk of the notes and bonds maturing or called in the first six months of the year were turned in for

conversion into the new issues of notes which the Treasury offered.

UNITED STATES GOVERNMENT INTEREST-BEARING OBLIGATIONS, DIRECT AND GUARANTEED

(In millions of dollars)

	Out-standing December 31, 1940	Increase or decrease		
		Total, calendar year 1940	July-December 1940	January-June 1940
Publicly-offered direct obligations:				
Market issues:				
Treasury and pre-war bonds	28,039	+1,079	+1,405	-326
Treasury notes	6,178	-25	-205	+189
Treasury bills	1,310	-144	+8	-152
Total market issues	35,527	+910	+1,209	-299
U. S. Savings bonds	3,195	+986	+290	+696
Special issues to Gov't agencies and trust funds	5,370	+1,138	+595	+543
Other direct obligations <sup>1</sup>	367	-21	-12	-10
Total direct obligations	44,458	+3,013	+2,082	+931
Guaranteed obligations	5,901	+280	+404	-124

<sup>1</sup> Includes adjusted service bonds of 1945 issued to veterans and Postal Savings bonds formerly issued to depositors in the Postal Savings System.

The interest-bearing guaranteed debt increased by \$280,000,000 during the year as a result of the sale of guaranteed notes of the Commodity Credit Corporation and the United States Housing Authority in August and November. The reduction in this debt during the first half of the year was due to the redemption of bonds of the Home Owners' Loan Corporation maturing last May.

During the calendar year 1940 expenditures in budget accounts exceeded receipts by \$3,800,000,000, an amount somewhat smaller than the deficit in the preceding

year. To meet its requirements the Treasury issued \$1,900,000,000 of publicly-offered direct obligations, of which \$990,000,000 were United States Savings bonds, and reduced its working balance by \$580,000,000 as is shown in the table. The remainder of the requirements were met by receipts in social security trust funds and other Treasury accounts.

Both receipts and expenditures increased substantially during 1940. The increase in receipts, however, was larger than the rise in expenditures and the deficit was \$140,000,-

TREASURY FINANCIAL OPERATIONS, 1937-1940

(In millions of dollars)

Calendar years	Budget deficit <sup>1</sup>	Social security trust funds, net receipts <sup>2</sup>	Other accounts, net receipts <sup>3</sup>	Increase in publicly-offered direct debt	Change in working balance <sup>4</sup>
1937	1,958	1,149	290	1,521	+1,002
1938	2,447	826	331	1,309	+19
1939	3,969	1,021	769	1,498	-681
1940	3,825	1,026	323	1,896	-580

<sup>1</sup> Excluding debt retirements.

<sup>2</sup> Excluding investments in special debt issues.

<sup>3</sup> Including net sales of guaranteed obligations by Government corporations the proceeds from which were used to finance their operations, to repay funds previously borrowed from the Treasury, or to build up their cash balances.

<sup>4</sup> The working balance has been adjusted to include gold held in an inactive account by the Treasury during the period December 1936 to April 1938.

000 below that of the preceding calendar year. As shown in the following table, total expenditures in 1940 aggregated about \$9,-660,000,000, an increase of \$770,000,000 for the year. National defense expenditures were more than \$1,300,000,000 larger than in the preceding year and the rise was particularly marked in the last quarter of the year when outlays reached a total of \$1,140,000,000, about double those of the preceding quarter. Expenditures for the agricultural adjustment program, social security grants, and interest

TREASURY EXPENDITURES, 1939-1940<sup>1</sup>

(In millions of dollars)

	Total	National defense <sup>2</sup>	AAA	Social Security	WPA & NYA	Interest	All other
1939:							
January-March	2,088	285	208	78	546	167	804
April-June	2,320	303	276	82	513	349	797
July-September	2,279	331	169	96	401	185	1,097
October-December	2,201	358	317	84	371	270	801
1940:							
January-March	2,202	403	352	102	396	202	747
April-June	2,316	466	183	82	404	384	797
July-September	2,283	596	205	109	342	188	843
October-December	2,858	1,136	321	107	359	303	1,632
Calendar year totals:							
1939	8,888	1,277	970	339	1,832	971	3,499
1940	9,659	2,601	1,060	400	1,501	1,076	3,021

<sup>1</sup> General and special accounts on basis of daily Treasury statements, excluding debt retirements.

<sup>2</sup> The totals of the quarterly figures for the fiscal year 1940 and the half year, July-December 1940, are slightly lower than the amounts indicated in the recent Budget Message because the current daily Treasury statements do not show separately all expenditures for national defense.

<sup>3</sup> Including Treasury payment of \$120,000,000 to Commodity Credit Corporation for restoration of capital impairment in the year ended on March 31, 1939.

<sup>4</sup> Including repayment of \$203,000,000 of surplus capital funds by farm credit agencies reflected as a credit against expenditures.

on the public debt showed moderate increases. Outlays for the Work Projects Administration decreased by over \$300,000,000. The reduction in "all other" expenditures was due largely to decreased expenditures by the Public Works Administration and to special factors, the largest of which was the repayment of \$200,000,000 surplus capital funds by certain farm credit agencies.

Total receipts in 1940, excluding social security employment taxes appropriated to the old-age insurance account, amounted to \$5,840,000,000, an increase of \$920,000,000 as compared with 1939. The greater part of this increase resulted from larger income tax receipts which were collected mainly on the corporate and individual incomes of the calendar year 1939 when business activity was much higher than in 1938. The increased income taxes imposed by the two Revenue Acts of 1940 will first be reflected in income tax collections during the calendar year 1941. Miscellaneous internal revenue receipts also increased substantially in 1940 as a result of the higher level of national income and, during the period July-December, the increased tax rates imposed by the First Revenue Act of 1940 enacted last June.

TREASURY RECEIPTS BY QUARTERS, 1939-1940<sup>1</sup>

(In millions of dollars)

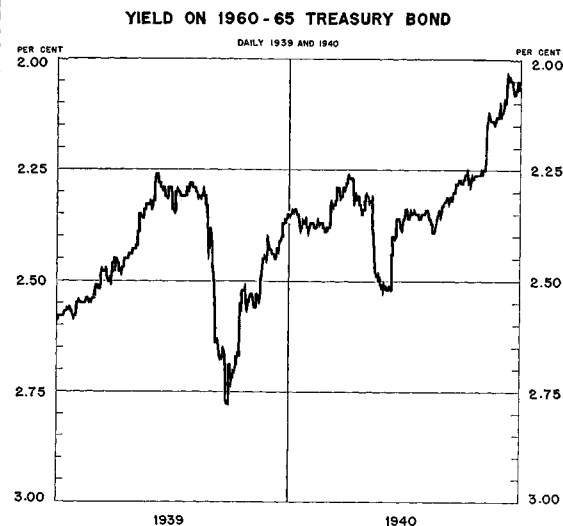
	Total	In- come taxes	Misc. inter- nal revenue	Social se- curity taxes <sup>2</sup>	Cus- toms	All other
1939:						
January-March.....	1,326	611	497	91	76	50
April-June.....	1,116	440	535	19	79	44
July-September.....	1,313	409	715	48	88	52
October-December.....	1,164	391	561	60	89	62
1940:						
January-March.....	1,558	773	514	119	90	62
April-June.....	1,353	552	555	73	81	<sup>3</sup> 92
July-September.....	1,489	519	796	52	71	50
October-December.....	1,436	522	720	55	87	52
Calendar year totals:						
1939.....	4,919	1,851	2,308	218	333	209
1940.....	5,835	2,366	2,585	299	330	<sup>3</sup> 256

<sup>1</sup> General and special accounts on basis of daily Treasury statements.

<sup>2</sup> Excluding social security employment taxes appropriated to Federal old-age and survivors insurance trust fund, which averaged \$142,000,000 a quarter in 1939 and \$145,000,000 in 1940.

<sup>3</sup> Including \$44,000,000 payment to the Treasury by the Commodity Credit Corporation because of appreciation in the Corporation's assets for the year ended March 31, 1940.

Prices of Government securities rose during 1940 to new high levels. Moderate fluctuations in the first four months of the year were followed by a sharp decline in May, reflecting the intensification of the European War. From early June the market continued an almost uninterrupted advance until nearly the end of the year. The largest gains occurred in June and November, and the all-time high record was reached on December 10.



At this time the 1960-65 bonds, the longest issue outstanding and one of the largest, yielded about 2 per cent. This compares with a low yield of 2¼ per cent reached in June 1939 and again in April 1940 and a yield of 2¾ per cent in September 1939. The average yield on all Treasury bonds callable in more than 12 years declined to about 1⅞ per cent, and the yield on 3-to 5-year tax-exempt Treasury notes was between ¼ and ⅓ of 1 per cent. The average rate on new issues of Treasury bills was close to zero during the year, and a number of issues sold at par or at negative yields.

In January 1941 prices of Government securities declined and long bonds lost most of the gains made during November and December. At the end of January the 1960-65 bonds again yielded about 2¼ per cent.

During periods of rise in the Government security market in the first three months of 1940, the Federal Reserve System, in conformity with its policy of seeking to exercise an influence toward the maintenance of orderly market conditions, disposed of \$18,000,000 of securities from its account. In the middle of May, when there was a substantial decline in the market, the System made some purchases of securities. Although the decline in prices at the time was about half that which occurred in the autumn of 1939, conditions in the market were strikingly different from those which existed following the outbreak of war. Offerings were not large, and buyers were present in the market on a scale down at practically all times. In view of this situation, purchases totaled only \$10,000,000 compared with \$473,000,000 of notes and bonds purchased in the autumn of 1939.

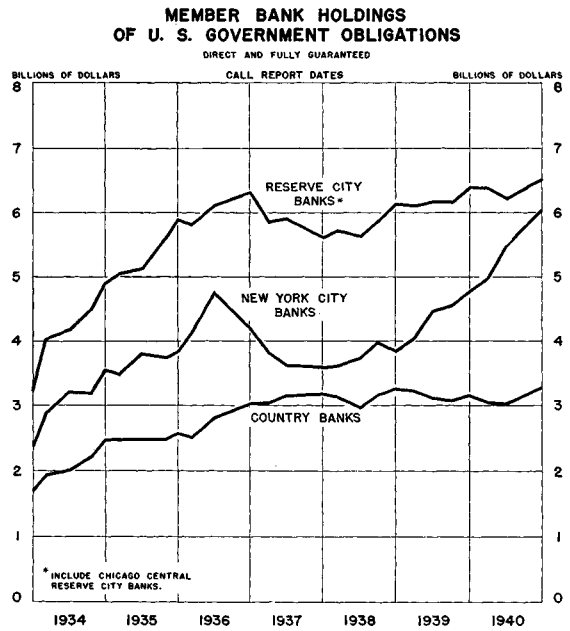
Subsequently, as the market resumed its advance, the System Account disposed of \$44,000,000 through the first of September. During the last three months of the year the System Account pursued a more active policy of selling and disposed of \$250,000,000 of securities. For the year as a whole the amount of holdings in the System Account declined by \$300,000,000, bringing total holdings at the Reserve Banks to the lowest level since the autumn of 1933.

The outstanding amount of Treasury bonds, notes, and bills increased during the year by about \$900,000,000, with an increase of \$1,100,000,000 in bonds and small declines in notes and bills. Guaranteed obligations showed an increase of \$300,000,000. The total amount of Government obligations in the market, therefore, increased by \$1,200,000,000.

The Federal Reserve System disposed of \$300,000,000 of securities during this period, making a total of \$1,500,000,000 available for other investors. Member banks added \$1,500,000,000 to their holdings, and life in-

surance companies purchased about \$500,000,000. Since savings banks probably also added to their holdings during the year, it appears that other investors, principally individuals, reduced their holdings by more than \$500,000,000. On the other hand, they added nearly \$1,000,000,000 to their holdings of United States Savings bonds.

The increase in member bank holdings during 1940 is accounted for principally by New York City banks, which added about \$1,300,000,000 to their holdings during the year. Chicago banks and country banks each increased their holdings by \$100,000,000, while at reserve city banks there was little change. The increase in member bank holdings of Government direct and guaranteed obligations at the several classes of banks in recent years is shown in the chart below. Although most of the increase during the past two years occurred at New York City banks, the holdings of all classes of banks are at record high levels.



At New York City banks, as shown in the table on the next page, there were increases in notes, bonds, and guaranteed obligations, while holdings of Treasury bills



declined. The increased holdings of bonds at these banks were concentrated in issues maturing within 10 years. The increase in holdings at Chicago banks was largely in the form of Treasury bills. At reserve city banks there was a decrease in bonds maturing in 5-10 years and increases in bonds with both shorter and longer maturities; at least part of the apparent shift to the shorter maturities may have reflected holdings of the two issues maturing in 1945 which automatically moved into the shorter classification. At country banks the increase was in holdings of bonds, with changes in maturity distribution showing the same tendencies as at reserve city banks.

**HOLDINGS OF UNITED STATES GOVERNMENT OBLIGATIONS OF ALL MEMBER BANKS, DECEMBER 31, 1940**

[In millions of dollars]

	De- cem- ber 31, 1940	Change since December 31, 1939				
		All mem- ber banks	Central re- serve city banks		Re- serve city banks	Country banks
			New York City	Chi- cago		
United States Govern- ment obligations—total	15,815	+1,487	+1,272	+104	+9	+102
Direct obligations:						
Bills.....	651	+88	-108	+144	+40	+12
Notes.....	2,590	+367	+448	-31	-49	-2
Bonds.....	9,085	+637	+593	+50	-57	+102
Maturing in—						
5 years or less..	1,368	+595	+279	+19	+203	+94
5 to 10 years...	2,885	-133	+312	-5	-389	-50
After 10 years..	4,832	+225	+2	+36	+129	+58
Guaranteed obliga- tions.....	3,489	+345	+340	-60	+76	-11
Maturing in—						
5 years or less..	2,348	+266	+242	-58	+44	+38

Most of the increase during the year in member bank holdings of all United States Government securities was in issues maturing in 5 years or less. As a result, the proportion of the Government portfolio of these banks maturing within 5 years increased from 39 per cent at the end of 1939 to 44 per cent at the end of 1940. At New York City banks 54 per cent of the holdings mature within 5 years, while at country banks the proportion is only 34 per cent.

The President's Budget Message to Congress on January 8, 1941, submitting revised estimates for the current fiscal year and the first estimates for the fiscal year 1942, indicates a large volume of new open-market financing during the next 17 months. The budget deficit, which for the fiscal year ended June 1940 was \$3,600,000,000, is now estimated at \$6,200,000,000 for the fiscal year 1941, and at \$9,200,000,000 for the fiscal year 1942. These estimates do not include outlays for assistance to foreign countries, for the full requirements of the civilian training program for national defense, or for the extension of the social security program which the President recommends.

These budget deficits will necessitate corresponding increases in the gross public debt—\$6,200,000,000 during the current fiscal year and \$9,200,000,000 in the next year. On this basis the gross debt will aggregate \$49,200,000,000 on June 30, 1941, and \$58,400,000,000 on June 30, 1942. Owing to net receipts in social security and other trust funds which are invested in special debt issues and the continued sales of United States Savings bonds, the increase in the direct open-market debt will be considerably less than the increase in the gross debt. In addition, there may be a substantial volume of new guaranteed financing.

The increase in the estimated budget deficits for the fiscal years 1941 and 1942 is due to the large expansion of expenditures resulting from the national defense program. As shown in the following table, national defense outlays, which in the fiscal year 1940 amounted to about \$1,600,000,000, are expected to reach nearly \$6,500,000,000 in 1941 and \$10,800,000,000 in 1942, rising from 18 per cent of total expenditures in 1940 to 62 per cent in 1942. These expenditures, which have increased rapidly in recent months from \$200,000,000 in August 1940 to \$570,000,000 in January 1941, would have to

**Estimated  
budget  
expenditures**

*Review of the Month*

increase further to an average of about \$830,000,000 a month during the five-month period, February-June 1941, in order to reach the total now estimated for the current fiscal year. In the fiscal year 1942 the average monthly rate on the basis of budget estimates would be about \$900,000,000.

**ESTIMATED BUDGET RECEIPTS AND EXPENDITURES  
FISCAL YEARS 1940-41 AND 1941-42**

[In millions of dollars]

	1940-41	1941-42
<b>Expenditures, excluding debt retirements:</b>		
National defense.....	6,464	10,811
Repayments by Gov't corporations (credit).....	-340	-----
All other.....	7,078	6,675
<b>Total.....</b>	<b>13,202</b>	<b>17,486</b>
<b>Receipts:</b>		
Income taxes.....	3,055	4,510
Miscellaneous internal revenue.....	2,871	3,029
Repayments by Gov't corporations.....	360	-----
All other <sup>1</sup> .....	727	736
<b>Total.....</b>	<b>7,013</b>	<b>8,275</b>
<b>Deficit.....</b>	<b>6,189</b>	<b>9,210</b>

<sup>1</sup> Includes customs, miscellaneous receipts, and social security taxes except employment taxes appropriated to the Federal old-age and survivors insurance trust fund.

Expenditures other than for defense are expected to decline in each of the fiscal years 1941 and 1942, reflecting lower expenditures for relief, public works, and the Farm Security Administration whose loan funds are now supplied by the Reconstruction Finance Corporation. Expenditures for the Work Projects Administration, which in recent years have ranged from \$1,420,000,000 to \$2,160,000,000, are estimated at \$990,000,000 in the fiscal year 1942 and may be reduced further if reemployment is greater than now anticipated. Certain expenditures not subject to administrative action, such as those for interest on the public debt and for social security grants, will increase somewhat.

Estimated receipts in the fiscal years 1941 and 1942 will be at record levels owing both to higher national income and to increased taxes under recent revenue legislation. Income tax receipts in the current fiscal year

are expected to exceed those of the previous year by over \$900,000,000. Most of these will be collected in the second half of the year, January-June 1941, when collections will be based upon the higher incomes of the calendar year 1940 and will also include for the first time the increased corporation and individual income taxes levied by the two Revenue Acts of 1940. A further increase of \$1,450,000,000 in income tax receipts is estimated for 1942, reflecting the anticipated higher level of incomes in the calendar year 1941 and also the first full-year collections under the Revenue Acts of 1940. The President stated in his Message that a start should be made this year to meet a larger percentage of defense payments from current tax receipts and that additional tax measures should be based upon the principle of ability to pay.

Miscellaneous internal revenue, which, unlike income taxes, reflects changes in business conditions and revenue laws relatively promptly, will increase substantially in each of the fiscal years 1941 and 1942. An indicated decrease in other sources of revenue in the fiscal year 1941 is due to lower customs, miscellaneous receipts, and social security taxes. The decline in the last group is due to changes under the 1939 amendments to the Social Security Act. The scheduled repayments of \$700,000,000 of capital funds by Government corporations in 1941 represent nonrecurring items and appear in the budget partly as receipts and partly as credits against expenditures.

# *Economic and Monetary Aspects of the Defense Program*

by

JOHN H. WILLIAMS

*Vice President of the Federal Reserve Bank of New York \**

**M**Y purpose today is to discuss some of the economic and monetary aspects of the defense program. Through defense expenditures and British war buying we have already reached a higher level of output than ever before in our history. Federal expenditures for the fiscal year 1941 will be over thirteen billion dollars, of which more than six billions will be for defense, and the budget deficit will exceed six billion dollars. For the fiscal year 1942, the estimated expenditures are over seventeen billion dollars, with almost eleven billions for defense, and a budgetary deficit of over nine billions. It appears certain that under the stimulus of this program, to which will be added some billions of British purchases, our national output of goods and services will rise much higher. Government forecasts indicate that the national income, which in 1940 (calendar year) was about seventy-five billion dollars, may be about eighty billions in 1941 (at 1940 prices); and it may rise over the next few years to as high as ninety billion dollars.

What are the economic considerations which should guide us in carrying out this program? In defense, as in war itself, military considerations must have precedence, but military effectiveness will depend in large measure upon whether the program is carried out in ways which enable us to develop and apply our full economic strength. Our problem is to execute the program as efficiently and rapidly as possible with a minimum of adjustments of our economy, both now and in the post-war period.

To do so, we must keep in mind two sets of considerations. On the one hand, we must avoid premature or undue restrictions

which might prevent or retard our reaching our potential maximum performance. On the other hand, we must prevent serious maladjustments in the process of expansion, whether these disturbances take the form of a general inflation or arise out of special shortages of productive facilities or materials.

Against the background of the past ten years, it ought not to be necessary to stress the importance of avoiding undue or premature restrictive measures. In every great depression of the past there have been predictions that we had reached the limits of our growth under the private enterprise system, but this thesis has never been so forcefully and plausibly developed as during the past ten years. I cannot discuss today the merits of this question beyond saying that the mature economy thesis does not seem a satisfactory explanation of our experience during the thirties if we consider that this country stood virtually alone in its failure to surpass substantially the level of output of the twenties, though many of the countries which did so, notably England, are more mature than we are.

A more plausible explanation of our experience is the unprecedented severity of the depression from 1929 to 1933, following the great expansion and the speculative boom of the twenties. The recovery from 1933 to 1937 was not only one of the longest in our history but compared very favorably in amplitude with any previous recovery. It began, however, from such a low level that the volume of output at its peak only slightly exceeded that of 1929. During the last year of the recovery the expansion consisted to a marked degree of inventory accumulation and forward buying. The ensuing decline, as

\* An address delivered at the Mid-Winter Meeting of the New York State Bankers Association, New York City, January 20, 1941.

*Note.*—Views expressed in signed articles published in the BULLETIN are those of the writers and not necessarily those of the Board of Governors of the Federal Reserve System.

always from an inventory boom, was sharp but not of long duration. I expected that the recovery would soon be resumed and would carry us well above the level of the twenties. There were clear indications that a new recovery was underway before the outbreak of the war and the defense program created a new situation.

Whatever may be the explanation, however, of our unsatisfactory experience of the past decade, it is self-evident that any failure now to reach and maintain a high level of national income would have a profoundly disturbing effect upon our state of mind. It would confirm our worst fears. Yet it cannot be taken for granted that the defense program will assure such a level, regardless of how the program is carried out. One danger is the drawing of false analogies with 1917. Then we were already in the midst of a war boom. Our economy was much smaller in relation to the world economy. Purchases by the belligerents were much larger in relation to our capacity than they have been thus far in the present war. The lesson of 1917 was that we should have shifted much more promptly than we did from peace-time to war production. But to apply this lesson by superficial analogy to our present problem would be the greatest mistake that we could make. When this war began we had large surpluses of many basic products, of man-power and of plant facilities. Broadly speaking, despite specific shortages which may threaten here and there, we are still in a surplus situation.

One of the great developments of modern times has been the advance of technology. This is recognized by economists of every shade of opinion, though they do not all draw the same conclusions from it. Some ascribe the threatened stalling of the economic machine, as in the great depression, to this fact of great technical progress coupled with institutional changes which have impaired the flow of income. I cannot here discuss the tendencies toward over-saving and under-investment of which so much has been heard in recent years, beyond saying that in my own view some of the conclusions drawn rest upon misconceptions as to the nature and meaning of the phenomena observable.\*

But of the fact of great technological progress there can be no doubt. Technological advance in the United States has been

great since 1929, probably as great as that from 1914 to 1929. Whatever may have been true of the past ten years, we cannot plead today a lack of outlets for our technical skill. It is up to this country, under the conditions which now exist, to stage a convincing demonstration that it can produce goods for defense not, in general, at the expense of, but in addition to, our peace-time requirements. This is more important in a preparedness program than in war itself because the former may last much longer and depend more vitally upon ability to maintain unimpaired our economic strength and staying power. It was customary during the thirties, when Germany was building her military machine, to assume that her armament activity was at the expense of living standards and would presently bring on its own destruction through exhaustion and decay of the German economy. I am not suggesting that Germany is not today taxing her economic resources very heavily, but it is wishful thinking not to recognize that she was able to build her military machine not primarily at the expense of her standard of living, but through a highly efficient use of her technological resources.

One especially important aspect of this question is its bearing upon employment. We have been accustomed to think of technological change as a temporary phenomenon, temporarily displacing labor but through falling costs and widening market creating full employment once the state of technology has settled down. But the great question raised by modern experience is whether technology does settle down. The function of the employer is not to employ labor, but to produce goods. At every stage of expansion he faces anew the question whether to use more men or better machines and processes. Even in the present defense program, the purpose will be to get maximum output rather than full employment.

This relation of technology to employment has some important implications for defense policy. During the past ten years the goal of monetary and fiscal policy has been stated repeatedly in terms of "full employment". But with national income already at a new high level and unemployment still amounting to some seven millions, we have to recognize that the objective is more difficult to achieve than had been thought. I am not suggesting that full employment is impossible or may not

\* See my paper on "Deficit Spending," Proceedings of the American Economic Association, 1941.

occur during such a great burst of activity, when we are called upon to tax our economic capacity to the utmost, especially if in our urgency we cannot confine ourselves to the most efficient methods. What I am suggesting is that it will not be a useful or trustworthy guide for the economic and monetary policies of the defense program. Most of the problems which will require our attention will arise considerably before full employment is reached. England, after a year and a half of war and after raising an army larger than ever before in her history, is only now approaching full employment; and whether she even now has "full employment" depends on how one defines this really indefinable term.

One important bearing of the question of "full employment" is upon the prospect of inflation. During the past seven or eight years there has been much false alarmism about inflation in this country. It was largely based upon misconceptions as to the causes of inflation and the circumstances out of which such phenomena arise. While production and employment were so far below capacity, there was no danger of a general inflation. But it was possible to have, as we saw in 1936-7, a spiral rise of prices and wages, accompanying an inventory boom, at a level of output substantially below capacity.

That minor boom soon spent itself. But under the stimulus of the defense expenditures, that experience could easily be repeated on a much larger and less readily controllable scale. This, in fact, looking at our problems from the standpoint of their immediacy, is what we now need most to be watching for and preparing to prevent.

Under modern conditions there is no clean-cut line between what we call bottleneck problems and a general inflation. In a more flexible economy we might speak, as the older economists did, of inflation arising when we had reached the limits of economic capacity, so that if, for example, we did not divert expenditures and productive facilities from peace to war-time goods, further expenditures would go into prices rather than output. But under modern conditions "economic capacity" is a relative term, and there is no clear and simple guide as to when the inflationary process may get underway. Certainly "full employment", for the reasons given earlier, will not serve well as such a guide.

Some special causes of inflation, such as have played a large part in some earlier inflationary episodes, are clearly absent. There seems to be no danger that inflation will arise through some heavy external drain on our economy or through flight from the currency as happened in some European countries after the first world war. There is no danger that inflation will arise through government borrowing resulting in a breakdown of public credit, another familiar cause of inflation in the past. During the past decade we have witnessed a substantial increase in the public debt at declining rates of interest. We need have no concern about the ability of the United States to finance the defense program. Undoubtedly, if necessary, the entire program could be financed by borrowing. If that is not desirable, the reason is not the danger of a breakdown of the public credit, but the fact that as output rises toward capacity, we shall need at some point to curb and control by taxation the community's expenditures, as a counterpart of the transfer of productive facilities to making defense goods.

If inflation should arise in any early stage of the defense program, it would probably be of the "bottleneck" variety, arising out of special shortages of materials or of particular kinds of labor, equipment or plant, or out of particular labor or price policies. The higher the level of production reached, the greater will be the possibility that such disturbances arising out of special situations will spread throughout the economy and produce results essentially similar to those of a general inflation. In proportion as these special problems are solved, the inflation danger will be pushed further off in time and become more and more a problem of pressure upon our general economic capacity and resources. Some economists have endeavored to estimate when and at what level of output this condition will be reached. Such estimates are largely in the nature of abstract speculation, but it does seem probable that by the time we reach a national income of ninety billion dollars, and sooner if the bottlenecks are not well-handled, we shall need to be pursuing a positive policy aimed at preventing a general inflation.

Surveying the defense problem as a whole, the economic policies called for fall into two main categories which may be labeled general and special. The special problems are those

of the National Defense Advisory Commission and of the recently created Office of Production Management. I do not feel competent to discuss them except in the most general terms. As I have said, they are the questions of most immediate importance. Some general principles seem applicable. We should, as I have said, try so far as possible at our present stage to have military production supplement and not supplant peace-time production and consumption. We should proceed cautiously with priorities, acting only after the most careful study and going only as fast and as far as the need is clearly demonstrated, after experimentation with informal, voluntary procedures. The same policy seems desirable with regard to price controls.

The recent statements of Defense Commissioner Henderson and other public officials indicate, I believe, the correct approach to these problems. It is in this area that the dangers of undue or premature restrictive measures, of which I spoke earlier, principally lie. There is danger, also, that any general threat of such controls would lead to inventory accumulations and anticipatory price increases which would bring on the very disturbances feared. Moreover, the more we can avoid such controls, the simpler will be the adjustments to normal activity in the post-war period.

The more general policies called for are fiscal and monetary. The appropriate fiscal policy is one combining borrowing and taxation in such proportions that borrowing will decline and tax revenue increase as the national income rises. One of the dangers of undue or premature restraint lies in taxation. The general principle which should be followed was admirably expressed in the President's recent Budget Message, which recommended a policy "aimed at collecting progressive taxes out of a higher level of national income," rather than "restrictive tax measures applied to the present national income." It is probably not generally recognized how productive our present tax system, including the revenue measures passed in

1940, will be at higher levels of national income. The adoption of a moderate and carefully considered increase in taxes this year, to go into effect next year, seems the wisest course. Restrictive taxes on consumption should in general be delayed until full capacity is reached.

Of monetary measures and policies I need speak only briefly. You are all familiar with the report made to Congress by the Federal Reserve System on December 31, 1940. I am entirely in accord with the general principles of the program there outlined for absorbing excess reserves and removing various sources of potential increases in excess reserves, including some method of insulating gold inflow from the credit system. With our present redundant money supply, it is also desirable to do as much of our defense borrowing as possible through non-bank investors.

The important question about this monetary program is not whether it should not, in some form, be adopted by Congress after due deliberation. Of that there should not be any question. A more difficult and debatable question is when the actions outlined in the program should be taken. Into this question I cannot enter in detail, but speaking only for myself, the same considerations should apply as have previously been stated. To plan measures of monetary preparedness should not be confused with the actual making of policy decisions. Here again there is the need for caution against undue or premature restrictive measures. There is, of course, much more point today in talking about the possibility of inflation than there was four or five years ago when the talk was at its height; and there is a very real possibility that at some point in the development of this defense program, the problem will become a real one. But for the present we should hold fast to the fact that there are still no signs that the inflationary process is upon us or even that it is just around the corner. Meantime, prudence dictates that we should be prepared to put our house in order.

# Gold and Dollar Resources of the United Kingdom

IN a letter dated January 21, the Secretary of the Treasury presented to Mr. Bloom, chairman of the Foreign Affairs Committee of the House of Representatives, official British estimates of the gold and dollar resources of the United Kingdom on August 31, 1939 and December 31, 1940. The estimates showed a decline of \$2,316,000,000 in British gold and dollar resources in the first 16 months of the war. The Secretary's statement contained a balance of payments with a breakdown of the transactions which account for this decline. This statement was prepared by economists of the Treasury, the Department of Commerce, and the Board of Governors of the Federal Reserve System on the basis of data supplied by the British Government. Previously, on January 15, the Secretary had presented to the Committee the British estimates of their main gold and dollar transactions in 1941, excluding payments on new British Government orders during the year.

The following table shows the change in the position of the United Kingdom during the war period on the basis of the British figures.

BRITISH ESTIMATES OF UNITED KINGDOM  
GOLD AND DOLLAR RESOURCES  
(In millions of dollars)

Gold and Dollar Resources	Amount held Aug. 31, 1939	Ex-pended Sept. 1, 1939- Dec. 31, 1940	Amount held December 31, 1940		
			Total	Un-available <sup>1</sup>	Net available
Gold.....	2,038	1,746	292	51	241
Dollar balances.....	595	236	359	305	54
Market securities.....	950	234	616	-----	616
Direct and miscellaneous investments.....	900	-----	900	-----	900
Total.....	4,483	2,316	2,167	356	1,811

<sup>1</sup> The British regard as unavailable \$30 million of gold scattered in different parts of the world, \$21 million of gold held against outstanding forward exchange contracts, and \$305 million representing private dollar balances, which are considered to be at the minimum level necessary for the transaction of current business.

<sup>2</sup> Including direct sales of British-held securities not recorded in the weekly capital movement statistics of the United States Treasury since they were not effected through reporting banks, brokers, and dealers.

Some of the figures now made available by the British authorities for August 31, 1939, differ from those derived from American sources and given on page 9 of the January 1941 issue of the Federal Reserve BULLETIN. The nature of the differences between the estimates was indicated in the Secretary's letter of January 21 to the Foreign Affairs Committee. The British figure of \$2,038 million for United Kingdom gold holdings is exact; the Board's estimate of \$2,000 million was given broadly in round figures. There is no difference regarding balances. The significant differences all lie in the data for securities and investments. The British figure for market securities of \$950 million was derived from their own records of securities registered with the British Government, while the Board's figure of \$1,080 million was based upon the Department of Commerce data, which in turn were largely derived from United States tax returns. There were also differences in the dates of valuation between the two sets of figures, although both adopt the criterion of market value. The difference attributable to statistical method, however, amounting to about \$130 million, is a minor one in relation to the large totals involved and such as might reasonably be expected between two independent estimates of so complex a character—particularly as on holdings of foreign nominees the beneficiary may have a nationality different from that of the nominee. Finally, the British estimate of direct and miscellaneous investments, stated to be "not in excess of \$900 million," is a tentative estimate subject to revision. It differs from the Commerce figure of \$1,185 million, employed by the Board, chiefly because the Commerce figures in this category represent book value and capitalized earnings and do not purport to measure liquidating value.

As shown in the table, gold and dollar resources of the United Kingdom suffered a

**Gold and Dollar Resources of the United Kingdom**

drain of \$2,316,000,000 from September 1, 1939, to December 31, 1940. A summary of the British data accounting for this drain follows:

**SUMMARY STATEMENT OF GOLD AND DOLLAR TRANSACTIONS OF STERLING AREA**

September 1, 1939-December 31, 1940

[In millions of dollars]

1. Goods and services	
Purchased from United States . . . . .	2,045
Sold to United States . . . . .	1,015
	<hr/>
Net purchases from	
United States . . . . .	1,030
Net gold and dollar payments to countries other than the United States (some for capital purposes) . . . . .	725
2. Outflow of capital	
Capital assistance and advance payments to United States . . . . .	720
Capital withdrawals, mainly from United Kingdom . . . . .	735
3. Miscellaneous items and errors of estimation . . . . .	71
	<hr/>
4. Net expenditures to be met in gold and dollars . . . . .	3,281
5. Gold mined or dishoarded during period and sold abroad . . . . .	965
	<hr/>
6. Drain on gold and dollar resources held by United Kingdom at beginning of period . . . . .	2,316

More detailed data covering the drain on British gold and dollar resources during the war, together with the British estimates of the drain anticipated in the calendar year 1941 exclusive of any payments which may be called for on British Government orders placed during 1941, are given in the tables below. All the data incorporated in these tables are drawn from the statements of the Secretary of the Treasury.

It will be noted that the summary statement and the tables show the gold and dollar transactions of the whole Sterling Area (broadly speaking, the British Empire excluding Canada and Newfoundland) rather

than the transactions of the United Kingdom alone. The reason for regarding the net gold and dollar expenditures of the whole Sterling Area as a drain on the gold and dollar resources of the United Kingdom lies in the special nature of the exchange control regime which was established in the Sterling Area at the outbreak of war. Under this regime, the United Kingdom undertakes to make available to the other Sterling Area countries the dollar exchange which they may currently require to settle unfavorable balances in their dollar transactions. On the other hand, any surplus gold or dollar exchange which such countries may currently acquire from international transactions—or, in the case of gold, from domestic production or dishoarding—is customarily made available to the United Kingdom. Canada, however, together with Newfoundland, is on an independent currency basis and is administering its gold and dollar resources in accordance with its own needs in the prosecution of the war.

The table immediately following shows the transactions of the Sterling Area with Canada and Newfoundland and the resultant balance payable in gold that must be carried to the main table showing gold and dollar transactions of the Sterling Area, which appears on the next page.

**STERLING AREA TRANSACTIONS WITH CANADA AND NEWFOUNDLAND**

[In millions of U. S. dollars]

Transactions	Sept. 1, 1939- Dec. 31, 1940 (16 months)	1941 Estimates
Payments on current account:		
By United Kingdom . . . . .	795	*
By Sterling Area excluding United Kingdom . . . . .	135	—
Total . . . . .	<hr/> 930	—
Receipts on current account:		
By United Kingdom . . . . .	275	*
By Sterling Area excluding United Kingdom . . . . .	100	—
Total . . . . .	<hr/> 375	—
Deficit on current account . . . . .	555	880
Deduct: Canadian assistance to United Kingdom (repatriation of British-held Canadian securities and increase in Canadian-held sterling balances) . . . . .	330	260
Balance carried to main table, page 101 . . . . .	225	620

\* Not reported separately.



## Gold and Dollar Resources of the United Kingdom

### ESTIMATED GOLD AND DOLLAR TRANSACTIONS OF STERLING AREA<sup>1</sup>

[In millions of dollars]

Gold and Dollar Expenditures	Sept. 1, 1939- Dec. 31, 1940 (16 months)	1941 Estimates	Gold and Dollar Receipts	Sept. 1, 1939- Dec. 31, 1940 (16 months)	1941 Estimates
<b>Payments to United States by United Kingdom:</b>			<b>Receipts from United States by United Kingdom:</b>		
On British Government orders in the U. S.:			From merchandise exports to United States.....	205	165
Goods delivered..... <sup>2</sup> 660		*	From services—net.....		15
Advance payments—net..... 570		*	Total.....	205	180
Capital assistance—net..... 150		*	<b>Receipts from United States by Sterling Area (excluding United Kingdom):</b>		
Total.....	1,380	<sup>3</sup> 1,274	From merchandise exports to United States.....	640	560
For other merchandise imports from U. S.....	705	280	<b>Receipts by Sterling Area from sale abroad of currently mined and dishoarded gold</b>	965	* 555
For services (shipping, interest and dividends, etc.)—net.....	57	----	<b>Receipts from use of gold and dollar resources held by United Kingdom at beginning of period</b>	2,316	1,464
Total.....	2,142	1,554	Grand total.....	4,126	2,759
<b>Payments to United States by Sterling Area (excluding U. K.):</b>					
For merchandise imports from United States.....	435	333			
For services—net.....	18	5			
Total.....	453	338			
<b>Payments to Countries Other Than U. S. by Sterling Area:</b>					
Balance of Sterling Area with Canada and Newfoundland settled in gold....	* 225	* 620			
Gold and dollar payments to other countries—net.....	* 500	247			
Total.....	725	867			
<b>Withdrawal of Capital from Sterling Area (principally from U. K.):</b>					
By Americans and others through sale of free sterling to American importers.....	300	----			
By repayment of outstanding export credits required by cash-and-carry provision of Neutrality Act.....	200	----			
By liquidation of forward exchange position in dollars.....	235	----			
Total.....	735	----			
<b>Miscellaneous Items and Errors of Estimation:</b>					
Grand total.....	4,126	2,759			

\* Not reported separately.

<sup>1</sup> The Sterling Area represents broadly the British Empire excluding Canada and Newfoundland; the latter description was used for the sake of simplicity in the figures released by the Treasury. More specifically, it represents the British Empire exclusive of Canada, Newfoundland, and Hong Kong, but with the addition of British mandated territories and of Egypt, Iraq, and the Anglo-Egyptian Sudan. Within the Sterling Area, the United Kingdom represents England, Scotland, Wales, and Northern Ireland.

<sup>2</sup> Includes goods awaiting export at the year end and goods exported to Canada or other countries for United Kingdom account.

<sup>3</sup> No provision is made in this figure for prepayments or deliveries on orders placed in 1941; the figure represents only payments during 1941 on British Government orders placed before the end of 1940. Because of partial prepayment of these orders in 1940, these 1941 payments will be considerably less than the value of the goods delivered for export during the year.

<sup>4</sup> For derivation of this balance see preceding table, page 100.

<sup>5</sup> Composed of gold and dollar expenditures of \$550 million and dollar receipts of \$50 million.

<sup>6</sup> South African and Australian gold exports.

## British Mobilization of United States Dollar Securities

On January 11 the British Treasury issued an order requisitioning a further list of American securities held by United Kingdom residents. Three lists of other United States dollar securities requisitioned by the Treasury during 1940 have been presented in previous issues of the BULLETIN.<sup>1</sup> The present order requires United Kingdom residents to transfer to the Bank of England as agent of the British Treasury their holdings of the securities listed on the following page, including 25 common stocks, 20 preferred stocks, 20 bonds of private corporations, and 37 securities issued by the Government or

Government agencies. The latter category, covering bond and note issues of the United States Treasury and obligations of Government agencies, has not been represented in previous lists.

Payment is to be effected on February 24 in the sterling equivalent (at the official buying rate for dollars of \$4.03½ to the pound) of the closing market prices for the securities in New York on January 11. Since the bulk of British holdings of American securities is in common stocks, it is significant to note that 189 common stock issues, including almost all the market leaders, have now been covered by these requisitioning orders.

<sup>1</sup> See BULLETIN for January 1941, p. 25; May 1940, pp. 408-469; and March 1940, pp. 203-207.

**British Mobilization of United States Dollar Securities**

**Common Stocks**

Adams Express Company  
 Addressograph-Multigraph Corporation  
 Allegheny Ludlum Steel Corporation  
 American Smelting and Refining Company  
 American Telephone and Telegraph Company  
 Anaconda Copper Mining Company  
 Borg-Warner Corporation  
 Boston and Albany Railroad Company  
 Coca-Cola Company  
 Creole Petroleum Corporation  
 Curtiss-Wright Corporation  
 Fidelity Phenix Fire Insurance Company  
 First National Bank of New York  
 Lehman Corporation  
 Minneapolis-Honeywell Regulator Company  
 National Distillers Products Corporation  
 National Steel Corporation  
 Peninsular Telephone Company  
 Pennsylvania Water and Power Company  
 Public Service Corporation of New Jersey  
 St. Joseph Lead Company  
 Sperry Corporation  
 Superheater Company  
 Timken Roller Bearing Company  
 United States Gypsum Company

**Preferred Stocks**

Alabama Power Company, \$7 cumulative preferred stock  
 American Power and Light Company, \$6 cumulative preferred stock  
 American Tobacco Company, 6% cumulative preferred stock  
 Carolina Power and Light Company, \$7 cumulative preferred stock  
 Central Power and Light Company, 6% cumulative preferred stock  
 Commercial Credit Company, 4¼% cumulative convertible preferred stock  
 Consolidated Edison Company of New York, Inc., \$5 cumulative preferred stock  
 Florida Power and Light Company, \$7 cumulative preferred stock  
 General American Investors Company, Inc., \$6 cumulative preferred stock  
 General Cable Corporation, 7% cumulative preferred stock  
 General Motors Corporation, \$5 cumulative preferred stock  
 Great Northern Railway Company, \$6 non-cumulative preferred stock  
 Kendall Company, \$6 cumulative participating preferred stock (Series A)  
 National Bond and Investment Company, 5% cumulative preferred stock (Series A)  
 Northern Indiana Public Service Company, 6% cumulative preferred stock  
 Ohio Edison Company, \$6 cumulative preferred stock  
 Public Service Corporation of New Jersey, \$5 cumulative preferred stock  
 Republic Steel Corporation, 6% cumulative convertible prior preference stock (Series A)  
 United Corporation, \$3 cumulative preference stock  
 United States and Foreign Securities Corporation, \$6 cumulative first preferred stock

**Bonds**

American Telephone and Telegraph Company, 5½% Sinking Fund Gold Debentures due 1943, and 3¼% Debentures due 1961 and 1966  
 Atchison, Topeka, and Santa Fe Railway Company, 4½% Convertible Gold Debentures due 1948, and 4% Convertible Gold Bonds due 1960  
 Chesapeake and Ohio Railway Company, 3½% Refunding and Improvement Bonds due 1996 (Series D)  
 Columbia Gas and Electric Corporation, 5% Gold Debentures due April 15, 1952, May 1, 1952, and May 1, 1961  
 Consolidated Edison Company of New York, Inc., 3½% Debentures due 1956, and 3¼% Debentures due 1946  
 Great Northern Railway Company, 4% Convertible General Mortgage Bonds due 1946 (Series G and H)  
 New York Central Railroad Company, 3½% Gold Bonds due 1997 (bearer and registered)  
 Norfolk and Western Railway Company, 4% First Consolidated Mortgage Gold Bonds due 1996 (bearer and registered)  
 Pennsylvania Railroad Company, 4½% General Mortgage Gold Bonds due 1965 (Series A), 5% General Mortgage Gold Bonds due 1968 (Series B), 4½% Consolidated Mortgage Gold Bonds due 1960, and 3¼% Convertible Debentures due 1952  
 Union Pacific Railroad Company, 4% First Mortgage Gold Bonds due 1947 (bearer and registered)

**Government Securities**

United States of America Treasury Bonds:  
 4¼% due 1947-52      2⅞% due 1955-60  
 4% due 1944-54      2¾% due 1945-47, 1948-51,  
 3¾% due 1946-56      1951-54, 1956-59,  
 3⅝% due 1943-47      1958-63, and  
 3¼% due 1941, 1943-45, 1960-65  
 and 1944-46      2½% due 1945, 1948,  
 3⅞% due 1946-49 and 1949-52, and  
 1949-52      1950-52  
 3% due 1946-48 and 2% due 1947  
 1951-55

United States of America Treasury Notes:

2% due 1942 (Series B)  
 1¾% due 1942 (Series C)  
 1¼% due 1941 (Series C)  
 1⅝% due 1943 (Series A and B)  
 1% due 1944 (Series B and C)  
 ¾% due 1944 (Series A)

**Securities of Government Agencies**

*Government Guaranteed:*

Federal Farm Mortgage Corporation, 3% Bonds due 1944-49  
 Home Owners' Loan Corporation, 2¼% Bonds due 1942-44 (Series G), and 1½% Bonds due 1945-47 (Series M)

*Not Government Guaranteed:*

Federal Land Bank Consolidated Farm Loan Bonds, 3¼% Bonds due 1945-55, 3% Bonds due 1946-56 (Jan. 1), and 3% Bonds due 1946-56 (May 1)

# Durable Goods Expenditures in 1940

by

GEORGE TERBORGH

Senior Economist

Division of Research and Statistics

THE accompanying table gives preliminary estimates of domestic expenditures for new durable goods in 1940, in continuation of the series for earlier years presented in the BULLETIN for September, 1939 and for February 1940. For definitions, sources, and methods, the reader is referred to the September 1939 article.<sup>1</sup>

The total of public and private expenditure in 1940 appears to have exceeded 1939 by about 16 per cent and 1937 by about 10 per cent. It remained, however, substantially below 1929, the pre-depression peak. Public construction was down about 7 per cent from

<sup>1</sup> Acknowledgment is due Ray R. Foster, of the Division of Research and Statistics, for his aid in compiling estimates of construction expenditures.

In view of the defense program, it may be pointed out that the estimates for durable goods exclude naval vessels and special military equipment generally, while including (under public construction) outlays for military posts, yards, docks, and hangars, for defense housing, and for publicly-owned productive plant. Government expenditures for equipment of ordinary commercial type, such as typewriters, machine tools, and motor trucks, are included in the estimates for private equipment expenditures. Heretofore, purchases of such equipment by governments have been relatively insignificant. Under the defense program, however, they are certain to expand materially, and it is hoped that they can be at least partially segregated in estimates for later years.

1939, a decline in outlays under the 1938 P.W.A. program and in W.P.A. activity having more than offset gains in the building of government-owned housing and in military and naval construction. Expenditures for privately-owned durable goods, on the other hand, were up 22 per cent, producers' goods showing an increase of 29 per cent and consumers' goods a rise of 17 per cent.

Outlays for plant made a smaller relative gain over 1939 than expenditures for equipment. This is true even if we exclude public construction, which declined for the year. There is evident a continuation of the lag in the revival of private construction activity that has characterized the recovery movement thus far. Private plant outlays were only 59 per cent of 1929, in contrast to equipment expenditures 93 per cent of that year. Outlays for producers' plant were only half of 1929, while expenditures for equipment were fully recovered. Certain important classes of producers' equipment, such as industrial and commercial, made new highs.

## ESTIMATED EXPENDITURES FOR NEW DURABLE GOODS

[All 1940 figures are preliminary. In millions of dollars]

	Plant and Equipment				Plant				Equipment			
	1929	1937	1939	1940	1929	1937	1939	1940	1929	1937	1939	1940
Public and private.....	25,542	20,006	19,021	22,123	10,744	7,004	7,815	8,307	14,798	13,002	11,206	13,816
Public construction.....					2,411	2,802	3,619	3,354				
Private.....	23,131	17,204	15,402	18,769	8,333	4,202	4,196	4,953	14,798	13,002	11,206	13,816
Producers'												
Total.....	10,126	7,570	6,107	7,884	4,531	2,294	1,876	2,318	5,595	5,276	4,231	5,566
Railroads.....	840	525	270	450	503	188	130	170	337	337	140	280
Electric power.....	774	400	373	485	387	172	160	210	387	228	213	275
Telephones.....	615	348	333	400	328	100	91	117	287	248	242	283
Transit.....	135	101	107	114	82	39	54	51	53	62	53	63
Other utilities.....	369	162	121	150	256	117	81	100	113	45	40	50
Mining and manufacturing.....	3,596	3,122	2,425	3,375	1,441	1,053	775	975	2,155	2,069	1,650	2,300
Agriculture.....	961	919	773	865	348	222	230	250	613	697	543	615
Commercial and miscellaneous.....	2,836	1,993	1,705	2,045	1,186	403	355	445	1,650	1,590	1,350	1,700
Consumers'												
Total.....	13,005	9,634	9,295	10,885	3,802	1,908	2,320	2,635	9,203	7,726	6,975	8,250
Housing.....					3,234	1,740	2,095	2,385				
Non-profit institutions.....					568	168	225	250				
Passenger cars.....									3,293	2,726	2,275	2,950
Household goods.....									5,910	5,000	4,700	5,300

<sup>r</sup> Revised.

<sup>1</sup> Includes work-relief construction.

---

# From a Legal Standpoint

---

*Administrative interpretations of banking laws, new regulations issued by the Board of Governors and other similar material.*

## Amendment of Regulation U

The Board of Governors has adopted an amendment to Regulation U, entitled Loans by Banks for the Purpose of Purchasing or Carrying Stocks Registered on a National Securities Exchange.

The amendment, which becomes effective February 17, 1941, is essentially technical. Its principal purpose is to reconcile provisions of Regulation U with rules recently issued by the Securities and Exchange Commission with respect to the hypothecation by brokers or dealers of securities carried by them for the account of customers (Rule X-8C-1 and Rule X-15C2-1). These rules, which become effective on February 17, 1941, are printed at page 0000 of this BULLETIN, together with a statement that was issued by the Commission in announcing its adoption of the rules.

These SEC rules, in order to safeguard the rights of customers in their securities, provide among other things that when a broker or dealer borrows on any customers' securities he must not commingle them with his own under the same pledge. The amendment to Regulation U takes account of this requirement by providing, in effect, that any indebtedness of a broker or dealer that is secured by customers' securities shall be treated separately from any of his other indebtedness. There are provisions, however, both in the SEC rules and in Regulation U, which permit an agreement between the borrower and the lender by which securities belonging to the broker or dealer himself may be used as supplementary collateral for a loan secured by securities of his customers.

In addition to making changes necessitated by the SEC rules, the amendment to Regulation U provides for a simple mechanism by which collateral that is used to meet the requirements of Regulation U may be earmarked and distinguished from other collateral which, even though it secures a loan

subject to the regulation, is not used for the purpose of meeting those requirements. This will simplify operations under the regulation, especially in cases involving loans to a broker and dealer in securities who has at the bank both a loan that is subject to the Board's margin requirements and a loan that is not subject to these requirements. In connection with this mechanism, collateral which must be used to meet the Board's margin requirements for certain loans to brokers and dealers may be used for other purposes only to a limited extent. In particular, it may not be used to enable the borrower to obtain on the basis of the same collateral both a loan subject to the Board's margin requirements and a loan not subject thereto. This restriction, however, does not apply to the use of collateral for purposes of maintaining both loans, provided both loans have been properly made in the first place.

One effect of the amendment will be to enable banks which must revise any of their loan agreements with brokers or dealers as a consequence of the SEC rules to do so with a minimum of inconvenience.

The amendment does not require any bank to reduce any loan, to obtain additional collateral for any loan, or to call any outstanding loan because of insufficient collateral.

The text of the amendment is as follows:

### AMENDMENT NO. 4 OF REGULATION U— EFFECTIVE FEBRUARY 17, 1941

Regulation U and the Supplement thereto are hereby amended in the following respects, and such amendment shall become effective February 17, 1941, but any bank may, at its option, conduct its operations in accordance with such amendment at any time prior to that date:

1. Section 3 of Regulation U is amended by adding the following subsections at the end thereof:

(m) Indebtedness "subject to section 1" is indebtedness which is secured directly or indirectly by any stock, is for the purpose of purchasing or carrying any stock registered on a national

securities exchange, and is not excepted by section 2.

(n) In the case of any loan subject to section 1 to a broker or dealer in securities, and in the case of any such loan to any other borrower whose indebtedness the bank elects to treat for the purposes of this subsection as if it were that of a broker or dealer, the bank shall identify all the collateral used to meet the collateral requirements of section 1 and shall not cancel the identification of any part thereof except in circumstances that would permit the withdrawal of that part. Such identification may be made by any reasonable method.

In any such case—

(1) Only the collateral so identified shall have loan value for purposes of section 1 or be subject to the restrictions therein specified with respect to withdrawals and substitutions; and

(2) For any indebtedness of the same borrower that is not subject to section 1 (other than a loan described in section 2(d), (f), (g), or (h)), the bank shall in good faith require as much collateral not so identified as the bank would require (if any) if it held neither the indebtedness subject to section 1 nor the identified collateral. This rule shall not be construed, however, to require the bank, after it has made any loan, to obtain any collateral therefor because of any decline in the value or quality of the collateral or in the credit rating of the borrower.

(o) This subsection applies to any case in which indebtedness of a broker or dealer that is subject to section 1 is secured by any securities which, according to written notice received by the bank from the broker or dealer pursuant to a rule of the Securities and Exchange Commission concerning the hypothecation of customers' securities (Rule X-8C-1 or Rule X-15C2-1), are securities carried for the account of one or more customers. For the purposes of this regulation—

(1) All such securities and all such indebtedness shall be considered separately from other collateral and indebtedness of the borrower;

(2) Only such securities shall have loan value for any such indebtedness; and

(3) All such indebtedness shall be considered a single loan and all such securities shall be considered in connection therewith, except that specified indebtedness, together with the securities treated by the bank as having loan value therefor, may be treated separately if such securities secure only such specified indebtedness and the borrower states in writing that they are carried for the account of a single customer.

2. The second paragraph of the Supplement to Regulation U is amended to read as follows:

*Loans to brokers and dealers.*—Notwithstanding the foregoing, a stock, if registered on a national securities exchange, shall have a special maximum loan value of 75 per cent of its current market value, as determined by any reasonable method, in the case of a loan to a broker or dealer from whom the bank (1) accepts in good faith a signed statement to the effect that he is subject to the provisions of Regulation T (or that he

does not extend or maintain credit to or for customers except in accordance therewith as if he were subject thereto), and (2) receives written notice, pursuant to a rule of the Securities and Exchange Commission concerning the hypothecation of customers' securities by brokers or dealers (Rule X-8C-1 or Rule X-15C2-1), to the effect that the stock is a security carried for the account of a customer.

**Rules of Securities and Exchange Commission Concerning the Hypothecation of Customers' Securities by Brokers or Dealers**

There is set forth below a statement that was issued by the Securities and Exchange Commission on November 15, 1940 in announcing its adoption of rules concerning the hypothecation of customers' securities by brokers or dealers (Rule X-8C-1 and Rule X-15C2-1). As indicated above in connection with the related amendment of the Board's Regulation U, the Commission's rules become effective on February 17, 1941. The text of the rules is included in the statement.

The Securities and Exchange Commission today announced the adoption of two rules under the Securities Exchange Act of 1934 carrying out the statutory principles governing the pledging of customers' securities as collateral by members of national securities exchanges and other brokers and dealers.

The new rules are designed to furnish added protection to customers against losses which may result from brokerage failures. It has not previously been illegal under the usual kind of "customer's agreement" for a broker or dealer to commingle customers' securities with his own as collateral for loans used by the firm in its business as a dealer or trader for its own account. Likewise, it has not been illegal under such "customer's agreements" for brokers and dealers to borrow more on their customers' securities than was owed them by the customers. Where the broker or dealer failed under such circumstances, the risk of loss to customers was substantially increased.

To this end, the rules, in effect, prohibit brokers and dealers from risking the securities of their customers as collateral to finance their own trading, speculating or underwriting ventures.

Subject to certain exemptions, the rules put into operation three simple principles laid down in the three clauses of Section 8 (c) of the Act. The first is that brokers or dealers must not commingle the securities of different customers as collateral for a loan without the consent of each customer. Second, a broker or dealer must not commingle his customers' securities with his own under the same pledge. Finally, a broker or dealer must not pledge customers' securities for more than his customers owe him.

The rules were the subject of several months of discussion between the Commission's staff and the national securities exchanges, the National Association of Securities Dealers, Inc., certain banks making substantial brokers' loans and other representatives of the financial community. Many of the provisions of the rules are based upon suggestions made by these sources.

### From a Legal Standpoint

Because of the complexity of the credit mechanisms which these rules affect and because of the possibility that operation under the rules may entail some readjustments in the business methods of members, brokers and dealers, they will not become effective until February 17, 1941. The Commission suggests that brokers and dealers who will be subject to the new rules may find it desirable to conduct their businesses in accordance with these rules for some period prior to their effective date of February 17, 1941, in order that their operation may be studied and such readjustments made as may appear necessary before they become effective.

The two rules, designated as Rule X-8C-1 and Rule X-15C2-1 will provide uniformity of regulation with respect to all branches of the brokerage industry regardless of whether those subject to the rules are exchange members, or brokers or dealers doing a business through the medium of a member, or over-the-counter brokers or dealers who do not transact business through the medium of an exchange member. *Compliance with Rule X-8C-1 will thus automatically constitute compliance with Rule X-15C2-1, and vice versa.*

It is important to note the effect of paragraphs (a) (2) and (a) (3) of the rules upon the present practices of banks and other lenders in making and handling brokers' loans. Under the present type of loan agreement customarily used between a broker and a bank or other lender, the lender, of course, holds specific liens against the particular securities earmarked for each loan. In addition, the lender at present usually holds a general lien for the total amount of all of the broker's loans, some of which may represent borrowings on the broker's own securities to finance his own trading activities. This general lien runs against all of the securities deposited as collateral, even though customers' securities are included among them.

As may be seen, the danger in this practice of pledging all securities, including customers' securities, under a single lien is that if the firm gets into financial difficulties, the customers' securities are in danger of facing the same loss as the firm's securities. Therefore, paragraph (a) (2) prohibits pledging customers' securities under such a general lien if the broker's or dealer's securities are also pledged under the same lien to obtain or increase the loan or as substituted collateral for customers' securities. Furthermore, the existence of such a general lien would result in a violation of paragraph (a) (3) of the rules if customers' securities are pledged thereunder for a sum greater than the total indebtedness of customers to the broker.

Accordingly, to avoid these violations it will be necessary for members, brokers or dealers to revise their agreements with banks and other lenders such as other brokers or dealers, who may obtain liens on customers' securities so that such lenders will not have liens involving violations of the rules. The Commission understands that a substantial time before the rules become effective, banks which customarily do a loan business with brokers and dealers will have made appropriate revisions in their loan agreements designed to permit brokers and dealers to meet the requirements of the rules.

Most of the exemptions which are embodied in the rules were necessitated by the difficulties which might be created by a strict, minute-to-minute application of the three basic principles of the rules to certain

types of day-to-day financing of customers' transactions. Since these exemptions are somewhat technical and complex, the Commission is also making public a short explanation of the rules.

The text of the Commission's action follows:

The Securities and Exchange Commission, deeming it necessary for the exercise of the functions vested in it and necessary and appropriate in the public interest and for the protection of investors so to do, pursuant to authority conferred upon it by the Securities Exchange Act of 1934, as amended, particularly Sections 8 (c), 3 (b) and 23 (a) thereof, hereby adopts the following rule:

#### **RULE X-8C-1. Hypothecation of Customers' Securities.**

(a) *General Provisions.* No member of a national securities exchange, and no broker or dealer who transacts a business in securities through the medium of any such member shall, directly or indirectly, hypothecate or arrange for or permit the continued hypothecation of any securities carried for the account of any customer under circumstances—

(1) that will permit the commingling of securities carried for the account of any such customer with securities carried for the account of any other customer, without first obtaining the written consent of each such customer to such hypothecation;

(2) that will permit such securities to be commingled with securities carried for the account of any person other than a bona fide customer of such member, broker or dealer under a lien for a loan made to such member, broker or dealer; or

(3) that will permit securities carried for the account of customers to be hypothecated, or subjected to any lien or liens or claim or claims of the pledgee or pledgees, for a sum which exceeds the aggregate indebtedness of all customers in respect of securities carried for their accounts; except that this clause shall not be deemed to be violated by reason of an excess arising on any day through the reduction of the aggregate indebtedness of customers on such day, provided that funds in an amount sufficient to eliminate such excess are paid or placed in transfer to pledgees for the purpose of reducing the sum of the liens or claims to which securities carried for the account of customers are subject as promptly as practicable after such reduction occurs, but before the lapse of one half hour after the commencement of banking hours on the next banking day at the place where the largest principal amount of loans of such member, broker or dealer are payable and, in any event, before such member, broker or dealer on such day has obtained or increased any bank loan collateralized by securities carried for the account of customers.

(b) *Definitions.* For the purposes of this rule—

(1) The term "customer" shall not be deemed to include any general or special partner or any director or officer of such member, broker or dealer, or any participant, as such, in any joint, group or syndicate ac-

count with such member, broker or dealer or with any partner, officer or director thereof;

(2) the term "securities carried for the account of any customer" shall be deemed to mean:

(i) securities received by or on behalf of such member, broker or dealer for the account of any customer;

(ii) securities sold and appropriated by such member, broker or dealer to a customer, except that if such securities were subject to a lien when appropriated to a customer they shall not be deemed to be "securities carried for the account of any customer" pending their release from such lien as promptly as practicable;

(iii) securities sold, but not appropriated, by such member, broker or dealer to a customer who has made any payment therefor, to the extent that such member, broker or dealer owns and has received delivery of securities of like kind, except that if such securities were subject to a lien when such payment was made they shall not be deemed to be "securities carried for the account of any customer" pending their release from such lien as promptly as practicable;

(3) "aggregate indebtedness" shall not be deemed to be reduced by reason of uncollected items. In computing aggregate indebtedness, related guaranteed and guarantor accounts shall be treated as a single account and considered on a consolidated basis, and balances in accounts carrying both long and short positions shall be adjusted by treating the market value of the securities required to cover such short positions as though such market value were a debit; and

(4) in computing the sum of the liens or claims to which securities carried for the account of customers of a member, broker or dealer are subject, any rehypothecation of such securities by another member, broker or dealer who is subject to this rule or to Rule X-15C2-1 shall be disregarded.

(c) *Exemption for Cash Accounts.* The provisions of paragraph (a) (1) hereof shall not apply to any hypothecation of securities carried for the account of a customer in a special cash account within the meaning of Section 4 (c) of Regulation T of the Board of Governors of the Federal Reserve System, provided that at or before the completion of the transaction of purchase of such securities for, or of sale of such securities to, such customer, written notice is given or sent to such customer disclosing that such securities are or may be hypothecated under circumstances which will permit the commingling thereof with securities carried for the account of other customers. The term "the completion of the transaction" shall have the meaning given to such term by Rule X-15C1-1 (b).

(d) *Exemption for Clearing House Liens.* The provisions of paragraphs (a) (2), (a) (3), and (f) hereof shall not apply to any lien or claim of the clearing corporation, or similar department or association, of a national securities exchange, for a loan made and to be repaid on the

same calendar day, which is incidental to the clearing of transactions in securities or loans through such corporation, department or association, provided, however, that for the purpose of paragraph (a) (3) hereof, "aggregate indebtedness of all customers in respect of securities carried for their accounts" shall not include indebtedness in respect of any securities subject to any lien or claim exempted by this paragraph.

(e) *Exemption for Certain Liens on Securities of Noncustomers.* The provisions of paragraph (a) (2) hereof shall not be deemed to prevent such member, broker or dealer from permitting securities not carried for the account of a customer to be subjected (i) to a lien for a loan made against securities carried for the account of customers, provided the pledgee agrees that securities which it is informed are carried for the account of customers will be physically segregated from any other securities, or (ii) to a lien for a loan made and to be repaid on the same calendar day. For the purpose of this exemption, a loan shall be deemed to be "made against securities carried for the account of customers" if only securities carried for the account of customers are used to obtain or to increase such loan or as substitutes for other securities carried for the account of customers.

(f) *Notice and Certification Requirements.* No person subject to this rule shall hypothecate any security carried for the account of a customer unless, at or prior to the time of each such hypothecation, he gives written notice to the pledgee that the security pledged is carried for the account of a customer and that such hypothecation does not contravene any provision of this rule, except that in the case of an omnibus account the member, broker or dealer for whom such account is carried may furnish a signed statement to the person carrying such account that all securities carried therein by such member, broker or dealer will be securities carried for the account of his customers and that the hypothecation thereof by such member, broker or dealer will not contravene any provision of this rule. The provisions of this paragraph shall not apply to any hypothecation of securities under any lien or claim of a pledgee securing a loan made and to be repaid on the same calendar day.

The Securities and Exchange Commission, deeming it necessary for the exercise of the functions vested in it and necessary and appropriate in the public interest and for the protection of investors so to do, and finding that such action is reasonably designed to prevent fraudulent, deceptive and manipulative acts and practices, pursuant to authority conferred upon it by the Securities Exchange Act of 1934, as amended, particularly Sections 15 (c) (2) and 23 (a) thereof, hereby adopts the following rule:

**RULE X-15C2-1. Hypothecation of Customers' Securities.**

(a) *General Provisions.* The term "fraudulent, deceptive, or manipulative act or practice," as used in Section 15 (c) (2) of the Act, is hereby defined to include the direct or indirect hypothecation by a broker or dealer, or his arranging for

## From a Legal Standpoint

or permitting, directly, or indirectly, the continued hypothecation of any securities carried for the account of any customer under circumstances—

(1) that will permit the commingling of securities carried for the account of any such customer with securities carried for the account of any other customer, without first obtaining the written consent of each such customer to such hypothecation;

(2) that will permit such securities to be commingled with securities carried for the account of any person other than a bona fide customer of such broker or dealer under a lien for a loan made to such broker or dealer; or

(3) that will permit securities carried for the account of customers to be hypothecated, or subjected to any lien or liens or claim or claims of the pledgee or pledgees, for a sum which exceeds the aggregate indebtedness of all customers in respect of securities carried for their accounts; except that this clause shall not be deemed to be violated by reason of an excess arising on any day through the reduction of the aggregate indebtedness of customers on such day, provided that funds in an amount sufficient to eliminate such excess are paid or placed in transfer to pledgees for the purpose of reducing the sum of the liens or claims to which securities carried for the account of customers are subject as promptly as practicable after such reduction occurs, but before the lapse of one half hour after the commencement of banking hours on the next banking day at the place where the largest principal amount of loans of such broker or dealer are payable and, in any event, before such broker or dealer on such day has obtained or increased any bank loan collateralized by securities carried for the account of customers.

(b) *Definitions.* For the purposes of this rule—

(1) the term "customer" shall not be deemed to include any general or special partner or any director or officer of such broker or dealer, or any participant, as such, in any joint, group or syndicate account with such broker or dealer or with any partner, officer or director thereof;

(2) the term "securities carried for the account of any customer" shall be deemed to mean:

(i) securities received by or on behalf of such broker or dealer for the account of any customer;

(ii) securities sold and appropriated by such broker or dealer to a customer, except that if such securities were subject to a lien when appropriated to a customer they shall not be deemed to be "securities carried for the account of any customer" pending their release from such lien as promptly as practicable;

(iii) securities sold, but not appropriated, by such broker or dealer to a customer who has made any payment therefor, to the extent that such broker or dealer owns and has received delivery of securities of like kind, except that if such securities were subject

to a lien when such payment was made they shall not be deemed to be "securities carried for the account of any customer" pending their release from such lien as promptly as practicable;

(3) "aggregate indebtedness" shall not be deemed to be reduced by reason of uncollected items. In computing aggregate indebtedness, related guaranteed and guarantor accounts shall be treated as a single account and considered on a consolidated basis, and balances in accounts carrying both long and short positions shall be adjusted by treating the market value of the securities required to cover such short positions as though such market value were a debit; and

(4) in computing the sum of the liens or claims to which securities carried for the account of customers of a broker or dealer are subject, any rehypothecation of such securities by another broker or dealer who is subject to this rule or to Rule X-8C-1 shall be disregarded.

(c) *Exemption for Cash Accounts.* The provisions of paragraph (a) (1) hereof shall not apply to any hypothecation of securities carried for the account of a customer in a special cash account within the meaning of Section 4 (c) of Regulation T of the Board of Governors of the Federal Reserve System, provided that at or before the completion of the transaction of purchase of such securities for, or of sale of such securities to, such customer, written notice is given or sent to such customer disclosing that such securities are or may be hypothecated under circumstances which will permit the commingling thereof with securities carried for the account of other customers. The term "the completion of the transaction" shall have the meaning given to such term by Rule X-15C1-1 (b).

(d) *Exemption for Clearing House Liens.* The provisions of paragraphs (a) (2), (a) (3), and (f) hereof shall not apply to any lien or claim of the clearing corporation, or similar department or association, of a national securities exchange, for a loan made and to be repaid on the same calendar day, which is incidental to the clearing of transactions in securities or loans through such corporation, department or association, provided, however, that for the purpose of paragraph (a) (3) hereof, "aggregate indebtedness of all customers in respect of securities carried for their accounts" shall not include indebtedness in respect of any securities subject to any lien or claim exempted by this paragraph.

(e) *Exemption for Certain Liens on Securities of Noncustomers.* The provisions of paragraph (a) (2) hereof shall not be deemed to prevent such broker or dealer from permitting securities not carried for the account of a customer to be subjected (i) to a lien for a loan made against securities carried for the account of customers, provided the pledgee agrees that securities which it is informed are carried for the account of customers will be physically segregated from any other securities, or (ii) to a lien for a loan made and to be repaid on the same calendar day. For the purpose of this exemption, a loan shall be deemed to be "made against securities carried



## From a Legal Standpoint

for the account of customers" if only securities carried for the account of customers are used to obtain or to increase such loan or as substitutes for other securities carried for the account of customers.

(f) *Notice and Certification Requirements.* No person subject to this rule shall hypothecate any security carried for the account of a customer unless, at or prior to the time of each such hypothecation, he gives written notice to the pledgee that the security pledged is carried for the account of a customer and that such hypothecation does not contravene any provision of this rule, except that in the case of an omnibus account the broker or dealer for whom such account is carried may furnish a signed statement to the person carrying such amount that all securities carried therein by such broker or dealer will be securities carried for the account of his customers and that the hypothecation thereof by such broker or dealer will not contravene any provision of this rule. The provisions of this clause shall not apply to any hypothecation of securities under any lien or claim of a pledgee securing a loan made and to be repaid on the same calendar day.

The foregoing rules shall become effective February 17, 1941.

### Summary of Rules X-8C-1 and X-15C2-1 Under the Securities Exchange Act of 1934

#### *Application of Rules*

- (a) *Rule X-8C-1.* This rule applies to all members of national securities exchanges, and to all brokers and dealers who transact a business in securities through the medium of any such member.
- (b) *Rule X-15C2-1.* This rule applies to all brokers or dealers regardless of whether they are members of a national securities exchange or do a business in securities through the medium of such a member. The rule defines as a "manipulative, deceptive or other fraudulent device or contrivance" any hypothecation of customers' securities except under the same circumstances as are specified by Rule X-8C-1.

#### *Prohibitions of the Rules*

Since the two rules, in effect, are identical in scope and text they will be discussed and explained together. Throughout this summary the term "broker" will be used to mean a member, broker or dealer. The rules contain three simple prohibitions which, generally speaking, coincide with the three clauses of Section 8 (c) of the Securities Exchange Act of 1934.

In effect, paragraph (a) of the rules provides that:

- (1) A broker may not hypothecate securities carried for the account of his customers in such a way as to permit such securities to be commingled with securities of other customers unless he first obtains the written consent of each such customer;
- (2) A broker may not hypothecate securities carried for the account of his customers under a lien for a loan made to the broker in such a way as will permit such securities to be commingled with securities of any person other than a bona fide customer; and

- (3) A broker may not hypothecate securities carried for the account of his customers in such a way as to permit the liens of pledgees thereon to exceed the aggregate indebtedness of all of such broker's customers in respect of securities carried for their accounts.

#### *Definitions*

For the purposes of these rules the term "customer" does not include general or special partners or directors or officers of the broker, as the case may be, but does include other members, brokers or dealers. By excluding from the term "customer" any participant as such in any joint, group or syndicate account with a broker or any partner, officer or director of the broker, the rule permits the broker or any partner, director or officer thereof to participate with others in such accounts.

The term "securities carried for the account of customers" is defined by the rules to mean (1) securities received for the account of a customer; (2) securities sold, and earmarked or otherwise appropriated, to a customer; and (3) securities sold, but not appropriated, by a dealer to a customer who has made any payment on account, to the extent that the dealer owns and has received like securities. However, where securities are sold to a customer on a dealer basis, and where the securities are subject to a lien, they do not become "securities carried for the account of a customer" pending their release from such lien as promptly as practicable. Securities which are not "carried for the account of customers," of course, are not subject to the rules.

The rules provide that "aggregate indebtedness" of a broker's customers shall not be deemed to be reduced by reason of uncollected items. Thus, if the broker receives a check, part or all of the proceeds of which are to be credited to a customer, the "aggregate indebtedness" of customers is not reduced by the amount of the check until it has cleared. In the usual case, customers' debits are reduced or paid off by checks. Consequently, before such reductions in the "aggregate indebtedness" of customers actually occur, the broker will normally have a reasonable period of time between receipt of checks and their clearance in which he can reduce loans collateralized by customers' securities in order to prevent a violation of paragraph (a) (3) of the rules.

In computing the "aggregate indebtedness" of two accounts, one of which guarantees the other, they are to be treated as a single account and are to be considered on a consolidated basis. Furthermore, in the case of accounts in which both long and short positions are carried, the "aggregate indebtedness" of customers includes an amount equal to the market value of securities short in such accounts.

The rules also provide that in computing the total amount of the liens to which customers' securities are subject, a broker or dealer may disregard any rehypothecation thereof by another broker who is also subject either to Rule X-8C-1 or Rule X-15C2-1.

#### *Exemptions*

Generally speaking, brokers should have no difficulty in complying with the requirement of paragraph (a) (3) that a broker must not pledge his customers' securities for a sum which, in the aggregate, is greater than the total amount that his customers owe to him on securities carried for their accounts. Good brokerage practice alone would make it desirable for a broker to borrow substantially less

on customers' securities than customers owe him. There should thus be a "cushion" of his own capital between the amount of customers' debits and the amount of the broker's bank loans on customer's securities. This "cushion" should be sufficient in size to absorb any reasonably anticipated reductions in customers' indebtedness.

Nevertheless, in order to take care of the exceptional situation where customers' indebtedness is paid off in so great an amount as to use up this "cushion" and thus to reduce the total of customers' debit balances below the broker's current borrowings on customers' securities, this paragraph contains an exemption. The exemption provides that paragraph (a) (3) shall not be deemed to be violated if, as a result of reductions in the aggregate indebtedness of customers on any day, the amount of the liens to which customers' securities are subject during that day exceeds the total indebtedness of customers in respect of securities carried for their accounts. A payment by a customer on any day which reduces the amount which the customer would owe the broker on that day had the payment not been made is regarded as a reduction of indebtedness on that day within the meaning of the rules.

This exception is a limited one and is applicable only if funds sufficient to reduce the liens to which customers' securities are subject are paid or placed in transfer to pledgees so as to eliminate any temporarily exempted excess as promptly as practicable after the reduction occurs. The phrase "as promptly as practicable," as used in this exemption and in paragraph (b) (2) of the rules, means as soon as possible in the light of all the surrounding facts and circumstances, such as the size of the firm and its staff, the scope of its operations, the volume of business and the physical, practical and geographical limitations.

However, if it is not practicable to eliminate such an excess of liens over customers' indebtedness on the day upon which it arises, the rules require that funds sufficient to eliminate the excess must be paid or placed in transfer to pledgees either before one half hour after the commencement of banking hours on the next banking day at the place where the broker carries his largest principal amount of loans or before the broker obtains or increases any bank loan collateralized by customers' securities, whichever is earlier.

#### *Exemption for Cash Accounts*

Paragraph (c) of the rules affords a limited exemption from the requirement of paragraph (a) (1) that customers' securities may not be commingled under a loan unless all of the customers concerned have consented to such commingling. This exemption is applicable only to securities which are carried for a customer in a special cash account within the meaning of Section 4 (c) of Regulation T of the Board of Governors of the Federal Reserve System.

Generally speaking, such a special cash account is one in which the member, broker or dealer purchases securities for, or sells securities to, a customer only if funds sufficient for the purpose are already held in the customer's account or if the purchase or sale is effected in reliance upon an agreement, accepted in good faith, that the customer will promptly make full cash payment for the securities.

The exemption afforded by the rules for the commingling of customers' securities without their con-

sent, where the securities are carried in such a special cash account, is subject to the condition that at or before the completion of the transaction of purchase of such securities for, or of sale of such securities to, the customer written notice is given or sent to him disclosing that the securities are or may be hypothecated under circumstances that will permit the commingling thereof with securities of other customers. The term "the completion of the transaction" has the same meaning as is given to that term by Rule X-15C1-1 (b).

#### *Exemption for Clearing House Liens*

Paragraph (d) of the rules exempts from the operation of paragraphs (a) (2), (a) (3) and certain other provisions any lien of a clearing corporation or similar department or association of a national securities exchange for a loan made and to be repaid on the same calendar day, if it is incidental to the clearing either of securities or of loans through the clearing house. Thus, for all practical purposes, the broker, in operating under paragraphs (a) (2) and (a) (3) of the rules, can disregard his pledges of customers' securities under clearing house liens. However, in computing "aggregate indebtedness" the broker must also disregard any indebtedness in respect of any securities which are subject to a clearing house lien exempted by this paragraph.

#### *Exemption for Certain Liens on Securities of Non-customers*

Paragraph (e) permits pledgees, whether banks or others, to have what may be referred to as a "one-way lien" against the broker's own securities. In discussing this exemption, brief reference must first be made to existing banking practices in the handling of brokers' loans. The usual type of loan agreement entered into between banks and borrowing brokers is designed to give the pledgee bank a lien upon all securities which the broker may place in the possession of the bank, for the full amount of all credit extended to the broker, even though some of such securities may be securities which the borrowing broker is carrying for the account of his customers. A broker's pledge of customers' securities under such circumstances to a bank, broker or other lender from which he is also borrowing funds collateralized by his own securities would, of course, violate paragraph (a) (2) because securities of customers would thus be commingled under a common lien with securities of persons other than bona fide customers. Paragraph (a) (3) might also be violated because customers' securities would thus be subjected to liens for a total amount equal to the sum of the broker's borrowings on customers' securities and his borrowings on his own securities, which total might, of course, exceed the aggregate indebtedness of all customers to the broker.

The type of loan agreement heretofore in force between banks and borrowing brokers in some cases also provides that the bank may rehypothecate any collateral deposited by the broker, alone or with other property, for an amount greater than the broker's borrowings from the bank. The banks' right to effect such a rehypothecation would, of course, also involve a breach of paragraph (a) (2) and paragraph (a) (3) of the rules. Furthermore, any right of rehypothecation by a bank which would permit the commingling of the broker's own securities with those of his customers would, in any event, violate paragraph (a) (2).

Similarly, under the "day loan" agreements which have been in general use, the lending banks have obtained a lien upon all securities bought or otherwise acquired with the proceeds of the day loan. Under such an agreement, where a firm uses the proceeds of a day loan to take up securities for its own account as well as for the account of customers, it would be hypothecating their securities and his own securities under a single lien.

The same situation normally exists where a broker is carrying an account of his own and an omnibus account for his customers with a second broker. Any lien which the second broker carrying the accounts may have against customers' securities in the omnibus account to secure the first broker's debit balance in his own account would likewise involve a violation by the first broker of paragraph (a) (2) and, in some cases, of paragraph (a) (3) of the rules.

In order to avoid such violations of Rules X-8C-1 and X-15C2-1, brokers who pledge customers' securities with any pledgee from whom they are also borrowing on their own securities must see to it that the pledgee, whether it be a bank, another broker or any other lender, does not obtain a general or so-called "cross-lien" on customers' securities as additional collateral for other loans which it has made to the broker on his own securities or those of his partners on other non-customers. In other words, where a broker pledges customers' securities as well as his own securities with a single pledgee to secure several loans, one or more of which are made against the broker's own securities, it will be necessary that the pledgee does not have a lien upon customers' securities for any loan except other loans also made against securities carried for the account of customers of the same broker.

It will also be necessary to see that the pledgee, unless he is a broker or dealer subject to Rule X-8C-1 or Rule X-15C2-1, does not have a right to rehypothecate customers' securities commingled with those of the broker or to rehypothecate customers' securities for a sum greater than the loans against those securities.

Furthermore, in situations where the broker will use the proceeds of a "day loan" to take up or otherwise acquire securities for his own account as well as for the account of customers, it will be necessary that, at any particular time, the lien of the pledgee under "day loans" upon securities of customers shall be no greater than that amount of the proceeds of the "day loans" as is then actually in use to acquire customers' securities, plus the amount of other loans (i.e., not "day loans") collateralized in whole or in part by customers' securities. Such a limitation on the lien of the "day loan" would pre-

vent not only the violation of paragraph (a) (2) which would otherwise result from commingling customers' securities with the firm's own securities under such a loan, but also possible violations of paragraph (a) (3) which might so result.

The Commission understands that a substantial time before the rules become effective, banks which customarily do a loan business with brokers and dealers will have made appropriate revisions in their general loan agreements as well as in their "day loan" agreements designed to permit brokers to meet the requirements of paragraphs (a) (2) and (a) (3) of the rules.

Although paragraph (a) (3) of the rules does prevent a pledgee from having a lien on customers' securities for loans made against the brokers' own securities, paragraph (e) of the rules permits the converse. That is, it permits what might be called a "one-way lien" against the broker's own securities as additional collateral for loans made against customers' securities. To this end the rules provide that the broker may use his own securities as *additional* collateral for day loans and for loans which are "made against securities carried for the account of customers." For the purposes of this exemption, such a loan is defined as a loan which is obtained or increased *only* on the basis of securities carried for the account of customers. Furthermore, this exemption is applicable only if the pledgee agrees that securities which it is informed are carried for the account of customers will be physically segregated from any other securities. The exception does not permit the broker to deposit his own securities as collateral in substitution for customers' securities.

#### Notice Requirements

Finally, paragraph (f) of Rule X-8C-1 provides that no person subject to its provisions shall hypothecate any securities of a customer unless at or prior to the hypothecation he gives written notice to the pledgee that the security pledged is carried for the account of a customer and that the hypothecation does not contravene the rule. However, in the case of an omnibus account, where written notice to the broker carrying the account may not be practicable before each transaction which results in a pledging of the securities bought for the account, the member, broker or dealer for whom the account is carried need only furnish a signed statement to the broker carrying the omnibus account that all securities in such account will be customers' securities and that the hypothecations will not contravene the rule. Day loans which are made and to be repaid on the same calendar day are exempted from these requirements for the giving of notice to pledgees.

# From the Board's Correspondence

Questions of general interest, relating to money and banking, are answered in this section of the BULLETIN.

## Federal Reserve Bank Lending Power not Dependent on Member Bank Reserve Balances

### QUESTION

*It seems to me that when the Federal Reserve Banks purchase Government securities, it is the reserve balances maintained with them by their member banks that provide the funds with which the purchases are made. Yet now I am told this view is wrong. I should like to know why it is wrong.*

### ANSWER

Perhaps the point can be made clear by reference to the Federal Reserve Banks' balance sheet. On December 24, 1940, the pertinent items in round billions were:

Assets		Liabilities	
Reserves	\$20 billions	Deposits	\$16 billions
Bills and securities	2 billions	F. R. notes	6 billions
Total	\$22 billions	Total	\$22 billions

The ratio of reserves to deposit and note liabilities was 90 per cent, and the amount of reserves in excess of the legal requirement of 40 per cent against notes and 35 per cent against deposits was 12 billions.

Suppose the member banks (as well as other depositors) withdrew all their deposits from the Reserve Banks. The Federal Reserve Banks would meet the withdrawals by paying out Federal Reserve notes. What would be the balance sheet when all the deposits were withdrawn?

Assets		Liabilities	
Reserves	\$20 billions	F. R. notes	\$22 billions
Bills and securities	2 billions		
Total	\$22 billions	Total	\$22 billions

The reserve ratio would still be 90 per cent, while reserves in excess of requirements would decline slightly, from 12 billions to 11 billions. The decline would be due to the fact

that reserves against Federal Reserve notes must be 40 per cent while reserves against deposits need be only 35 per cent.

It is apparent, therefore, that withdrawal of all the deposits from the Reserve Banks would not change their assets or their reserve ratio and would only slightly reduce their excess reserves, which determine their theoretical unused lending power. The reason the reserve limitation on lending power is only theoretical is that it is hard to conceive of circumstances under which the Reserve Banks would expand to anything like the extent that is legally possible on the basis of either 12 or 11 billions of reserves. The only substantial change in the Federal Reserve Banks' balance sheet that would be caused by the withdrawal of deposits would be a substitution of note liability for an equal amount of deposit liability.

The question may be raised what would happen if member banks and others not only withdrew all their deposits from the Reserve Banks but withdrew them not in Federal Reserve notes but in gold. If there were no restrictions on gold payments, depositors at the present time could withdraw 16 billions of deposits in gold and still leave 4 billions of reserves, which would be more than sufficient to support the 6 billions of Federal Reserve notes in circulation. However, this has not been true at all times. Under ordinary conditions a Federal Reserve Bank is not likely to have enough reserves to discharge all of its liabilities in gold and still maintain its reserves at the required level without liquidating its earning assets. Since the essence of the Reserve Banks' lending power is that they are required to hold only 40 per cent reserves against notes and 35 per cent against deposits, it is inevitable that a

withdrawal in gold of the entire amount of either type of liability would, except under very unusual conditions such as prevail at present, reduce their lending power and consequently their ability to serve the public. This is, of course, a purely hypothetical situation, since under existing law gold and gold certificates cannot be withdrawn except under special license for export purposes.

The question may be raised how the Reserve Banks acquired the reserves necessary for issuing notes or creating deposits. For the most part, these reserves have been deposited with the Reserve Banks by member banks or by the Treasury. The Reserve Banks, however, could have issued Federal Reserve notes and acquired, in exchange, as much gold or other reserves as they required from time to time. So long as the Reserve Banks have the means of acquiring reserves by creating one or the other type of liability, either notes or deposits, their power to make loans and investments is not dependent on the outstanding volume of either deposits or notes.

The fundamental source of the Reserve Banks' lending power is the authority given to them by Congress to pay for loans or investments by creating liabilities in the form of notes and deposits and to hold against these liabilities reserves of 40 and 35 per cent, respectively. Similar powers are possessed by all central banks and are based on the policy of public authorities to make provision for the performance of central banking functions which are necessary to the functioning of modern economies. In this country the liabilities created by the Federal Reserve Banks are necessary to member banks and to the public. Federal Reserve notes are our principal form of cash and are now legal tender; consequently, they are acceptable to every one and serve for making a great variety of payments. Federal Re-

serve deposits are required reserves of member banks and are also the most convenient medium for settling balances between member banks in the same Federal Reserve District and between Federal Reserve Districts; consequently, deposits held with the Federal Reserve Banks, even above legal requirements, are rarely withdrawn by the banks. Individual member banks find it a great convenience to be able to draw checks on their balances with the Federal Reserve Banks, but this results merely in shifts from the account of one member bank to those of others, without change in the aggregate. Aggregate deposits diminish only when withdrawals are made in currency or in gold. It may be said, therefore, that back of technical explanations and even back of legal provisions, the lending power of the Federal Reserve Banks rests on the public's need for their services.

Not only do the Reserve Banks not depend for their lending power on member banks, but they are themselves in a position to increase or decrease the lending power of these banks. When the Reserve Banks buy United States Government securities or make advances, they put reserve funds at the disposal of member banks, and thereby increase their lending power. And, contrariwise, when the Reserve Banks sell securities or reduce advances, they withdraw funds from member banks and thereby reduce their power to extend credit. By these means the Federal Reserve Banks, as creators and extinguishers of reserve funds, are in a position to exert an influence on the cost and volume of bank credit. This is, in fact, their principal function as a monetary authority, and the policies pursued in performing this function are determined, not on the basis of the reserves available to the Reserve Banks, but with reference to the economic needs of the country.

## Money in Circulation

### QUESTION

*I would appreciate very much any explanation which you can give me of the substantial increase in the amount of money in circulation outside of the Treasury and Reserve Banks during recent years. I have found that the Circulation Statement of United States Money shows the following figures:*

Dec. 31	Amount (In millions)	Dec. 31	Amount (In millions)
1931.....	\$5,360	1936.....	\$6,543
1932.....	5,388	1937.....	6,550
1933.....	5,519	1938.....	6,856
1934.....	5,536	1939.....	7,598
1935.....	5,882	1940.....	8,733

*Do you believe that the increase is due to foreign holdings and to hoarding?*

### ANSWER

It seems clear that there are other factors in the recent large increase in money in circulation than ordinary needs of commerce and trade and hoarding of the type that occurred during the banking difficulties in the latter part of 1930 and early 1933. We do not have information which would accurately indicate the reasons for this exceptionally large increase in currency. We can offer only certain conjectures based largely upon statistics of currency by denominations and upon our knowledge of developments which are likely to have influenced the public's demand for currency.

In the first place there has, of course, been a considerable increase in the need for currency because of a rise in payrolls and in consumer expenditures since 1933. This, however, does not explain why the volume of currency in circulation is now so much larger than it was in the 1920's when business volumes, expressed in dollars, were greater than they have been in recent years.

It is evident that whereas in the 1920's there was a growing use of bank checks in making current payments, in the 1930's this trend has been reversed. This preference for currency may at first have been due to banking difficulties and the absence of banking facilities in small communities, but these factors are no longer responsible for increases in the demand for currency. However, the extension of bank service charges on checking accounts and of minimum balance requirements has no doubt encouraged the substitution of currency for checks. The

imposition of sales taxes in many states and cities and the increase in the gasoline tax rate may have had an effect in increasing the demand for coins. Additional demand for coin has resulted from the greater use of coin-vending machines.

A striking development in recent years has been the continued growth in the demand for currency of large denominations. This is illustrated in the chart on page 906 of the September Federal Reserve BULLETIN, and in the table on page 137 of this BULLETIN. This development may in large part represent a sort of hoarding and may be considered as a part of the general tendency to hold large amounts of idle funds. Some people choose to hold them in the form of currency rather than in bank deposits. By comparing past and present relationships between the turnover of dollar bills and other forms of currency, as measured by their passage through the Federal Reserve Banks, we have computed a rough estimate of the increase in the amount of inactive currency reported as in circulation. According to this estimate it seems likely that out of the \$3,200,000,000 increase in currency in circulation since December 1933, about \$1,200,000,000 of large denomination currency has gone into hoards. This is in addition to the substantial amounts that were still hoarded at the end of 1933.

One factor in the growth of idle currency holdings is that the low rates of interest paid on time and savings accounts provide little incentive to maintain pocket cash or till money at a minimum. Many banks actually refuse savings deposits for which they cannot find suitable investment outlets. Another factor is the purchase of United States currency by foreigners, who hold it abroad or in safekeeping in this country.

Banks have added about \$500,000,000 to their vault cash since 1933. A part of this increase has been due to the larger requirements for vault cash in view of the increased use of currency, but some of the increase represents the holding by a few banks of part of their idle funds in the form of large denomination currency. In view of their large excess reserves the banks have little incentive for depositing all their superfluous cash promptly at a Federal Reserve Bank.

---

# Current Events

---

## Federal Reserve Bank of Dallas

The Federal Reserve Bank of Dallas formally opened its enlarged and remodeled building January 24, 1941. A brief description of the event with pictures of the Bank's building, its senior officers, and directors appears as frontispiece to this issue of the BULLETIN.

### Death of Branch Director

T. S. Hanna, President of Baker, Hanna & Blake Company, Oklahoma City, Oklahoma, who had served as a director of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City since his appointment by the Board for the term beginning January 1, 1937, died on January 31, 1941.

### Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period December 16, 1940, to January 15, 1941, inclusive.

#### Connecticut

Bridgeport—The West Side Bank

#### Idaho

American Falls—American Falls Bank, Inc.

#### Illinois

Cairo—First Bank and Trust Company  
Mt. Pulaski—The Farmers Bank of Mt. Pulaski  
Olmsted—First State Bank of Olmsted  
Plymouth—Plymouth State Bank of Plymouth  
Yorkville—Farmers' State Bank of Yorkville

#### Indiana

Anderson—Citizens Banking Company

#### Iowa

Aurelia—The First Trust & Savings Bank

#### Kansas

Caldwell—The Stock Exchange Bank of Caldwell, Sumner County, Kansas  
Rossville—Peoples State Bank

#### Michigan

Harbor Beach—State Bank of Harbor Beach

#### Missouri

Arnold—Bank of Maxville

#### Nebraska

Blue Hill—The Commercial Bank

#### New York

Port Jefferson—The Bank of Port Jefferson  
Riverhead—The Suffolk County Trust Company

#### Ohio

Bolivar—The Bolivar State Bank Company  
Mansfield—The Richland Trust Company

#### Pennsylvania

Middletown—Farmers Trust Company of Middletown

#### Tennessee

Lewisburg—Peoples and Union Bank

#### Texas

Aransas Pass—The First State Bank, Aransas Pass, Texas  
Houston—Guardian Trust Company of Houston

#### Utah

Heber—The Commercial Bank of Heber City

#### Virginia

Shawsville—Bank of Shawsville, Incorporated

#### Wisconsin

Beloit—The Beloit State Bank  
Milwaukee—Home Savings Bank  
Milwaukee—Northern Bank

## DIRECTORS OF FEDERAL RESERVE BANKS AND BRANCHES

**F**OLLOWING is a list of the directorates as at present constituted of the Federal Reserve Banks and branches. The list shows, in addition to the name of each director, his business connection, the class of directorship, and the date when his term expires. Each Federal Reserve Bank has nine directors: three Class A and three Class B directors, who are elected by the stockholding member banks, and three Class C directors, who are appointed by the Board of Governors of the Federal Reserve System. Class A directors are representative of the stockholding member banks. Class B directors must be actively engaged in their district in commerce, agriculture, or some industrial pursuit, and may not be officers, directors, or employees of any bank. For the purpose of electing Class A and Class B directors, the member banks of each Federal Reserve district are classified by the Board of Governors of the Federal Reserve System into three groups, each of which consists of banks of similar capitalization, and each group elects one Class A and one Class B director. Class C directors may not be officers, directors, employees, or stockholders of any bank. One Class C director is designated by the Board of Governors as chairman of the board of directors and Federal Reserve Agent and another as deputy chairman. Federal Reserve Bank branches have either five or seven directors, of whom a majority, including the managing director, are appointed by the board of directors of the parent Federal Reserve Bank and the others are appointed by the Board of Governors of the Federal Reserve System.

<b>District No. 1—Boston</b>	<i>Term Expires Dec. 31</i>
<i>Class A:</i>	
Allan Forbes..... Chairman, Philadelphia Nat. Bank, Philadelphia, Pa....	1941
Leon A. Dodge..... President, First National Bank, Damariscotta, Me.....	1942
Lewis S. Reed..... President, Citizens and Mfg. Nat. Bank, Waterbury, Conn. ....	1943
<i>Class B:</i>	
Philip R. Allen..... Chairman, Bird & Son, Inc., E. Walpole, Mass.....	1941
Edward J. Frost..... Vice President, Treasurer, & Director, William Filene's Sons Co., Boston, Mass. ....	1942
Edward S. French..... President, Boston & Maine R. R., Springfield, Vt.....	1943
<i>Class C:</i>	
Frederic H. Curtiss <sup>1</sup> ..... Vice President, Board of Trustees, Wellesley College, Wellesley, Mass. ....	1941
Henry S. Dennison <sup>2</sup> ..... President, Dennison Mfg. Co., Framingham, Mass.....	1942
Henry I. Harriman..... Director, New England Power Company, Boston, Mass.	1943
<b>District No. 2—New York</b>	
<i>Class A:</i>	
Otis A. Thompson..... President, Nat. Bank & Tr. Co., Norwich, N. Y.....	1941
Neil H. Dorrance..... President, First Nat. Bank & Tr. Co., Camden, N. Y....	1942
Leon Fraser..... President, First National Bank, New York, N. Y.....	1943
<i>Class B:</i>	
Walter C. Teagle..... Chairman, Standard Oil Co. of New Jersey, New York, N. Y. ....	1941
Robert T. Stevens..... President, J. P. Stevens & Co., Inc., New York, N. Y....	1942
Donaldson Brown..... Vice President, General Motors Corp., New York, N. Y.	1943
<i>Class C:</i>	
Beardsley Ruml <sup>1</sup> ..... Treasurer, R. H. Macy & Co., Inc., New York, N. Y....	1941
Edmund E. Day <sup>2</sup> ..... President, Cornell University, Ithaca, N. Y.....	1942
Vacancy .....	1943
<b>Buffalo Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
Robert M. O'Hara..... Managing Director, Buffalo, N. Y.....	1941
Frank F. Henry..... Chairman, Washburn Crosby Co., Inc., Buffalo, N. Y....	1941
George F. Rand..... President, The Marine Trust Co., Buffalo, N. Y.....	1942
Raymond N. Ball..... President, Lincoln-Alliance Bank & Trust Co., Roches- ter, N. Y. ....	1943
<i>Appointed by Board of Governors:</i>	
Marion B. Folsom..... Treasurer, Eastman Kodak Co., Rochester, N. Y.....	1941
Gilbert A. Prole..... Genesee Farm Supply Co., Batavia, N. Y.....	1942
Howard Kellogg..... President, Spencer Kellogg & Sons, Inc., Buffalo, N. Y.	1943

<sup>1</sup> Chairman.

<sup>2</sup> Deputy Chairman.



**Directors of Federal Reserve Banks and Branches**

*Term  
Expires  
Dec. 31*

**District No. 3—Philadelphia**

<i>Class A:</i>		
Joseph Wayne, Jr. . . . .	Chairman, Philadelphia Nat. Bank, Philadelphia, Pa. . . . .	1941
George W. Reily . . . . .	President, Harrisburg Nat. Bank, Harrisburg, Pa. . . . .	1942
John B. Henning . . . . .	President, Wyoming Nat. Bank, Tunkhannock, Pa. . . . .	1943
<i>Class B:</i>		
Harry L. Cannon . . . . .	President, H. P. Cannon & Son, Inc., Bridgeville, Del. . . . .	1941
Ward D. Kerlin . . . . .	Secretary & Treasurer, Camden Forge Co., Camden, N. J. . . . .	1942
C. Frederick C. Stout . . . . .	John R. Evans & Co., Camden, N. J. . . . .	1943
<i>Class C:</i>		
Alfred H. Williams <sup>2</sup> . . . . .	Dean of Wharton School of Finance, University of Pennsylvania, Philadelphia, Pa. . . . .	1941
Thomas B. McCabe <sup>1</sup> . . . . .	President, Scott Paper Co., Chester, Pa. . . . .	1942
Warren F. Whittier . . . . .	Farmer, Dairyman and Cattle Breeder, Douglassville, Pa. . . . .	1943

**District No. 4—Cleveland**

<i>Class A:</i>		
Frank F. Brooks . . . . .	President, First National Bank, Pittsburgh, Pa. . . . .	1941
Ben R. Conner . . . . .	President, First National Bank, Ada, Ohio . . . . .	1942
Harry B. McDowell . . . . .	President, McDowell Nat. Bank, Sharon, Pa. . . . .	1943
<i>Class B:</i>		
George D. Crabbs . . . . .	President, Philip Carey Mfg. Co., Cincinnati, Ohio . . . . .	1941
Thomas E. Millsop . . . . .	President, Weirton Steel Co., Weirton, W. Va. . . . .	1942
Ross P. Wright . . . . .	Secretary-Treasurer, Reed Mfg. Co., Erie, Pa. . . . .	1943
<i>Class C:</i>		
Vacancy . . . . .		1941
Reynold E. Klages <sup>2</sup> . . . . .	President, Columbus Auto Parts Co., Columbus, Ohio . . . . .	1942
George C. Brainard <sup>1</sup> . . . . .	President, General Fireproofing Co., Youngstown, Ohio . . . . .	1943

**Cincinnati Branch**

<i>Appointed by Federal Reserve Bank:</i>		
Benedict J. Lazar . . . . .	Managing Director, Cincinnati, Ohio . . . . .	1941
Buckner Woodford . . . . .	Vice President & Cashier, Bourbon-Agricultural Bk. & Tr. Co., Paris, Ky. . . . .	1941
John J. Rowe . . . . .	President, Fifth Third Union Tr. Co., Cincinnati, Ohio . . . . .	1942

<i>Appointed by Board of Governors:</i>		
Stuart B. Sutphin . . . . .	President, I. V. Sutphin Co., Cincinnati, Ohio . . . . .	1941
Frank A. Brown . . . . .	Farmer, Chillicothe, Ohio . . . . .	1942

**Pittsburgh Branch**

<i>Appointed by Federal Reserve Bank:</i>		
Percy A. Brown . . . . .	Managing Director, Pittsburgh, Pa. . . . .	1941
Clarence Stanley . . . . .	President, Union Trust Company, Pittsburgh, Pa. . . . .	1941
Edwin B. Harshaw . . . . .	Vice President & Cashier, Grove City Nat. Bank, Grove City, Pa. . . . .	1942
<i>Appointed by Board of Governors:</i>		
Harry S. Wherrett . . . . .	President, Pittsburgh Plate Glass Co., Pittsburgh, Pa. . . . .	1941
George T. Ladd . . . . .	President, United Engineering & Foundry Co., Pittsburgh, Pa. . . . .	1942

**District No. 5—Richmond**

<i>Class A:</i>		
Lewis E. Johnson . . . . .	Chairman, First National Bank, Alderson, W. Va. . . . .	1941
Charles E. Rieman . . . . .	President, Western National Bank, Baltimore, Md. . . . .	1942
James C. Braswell . . . . .	President, Planters Nat. Bank & Tr. Co., Rocky Mount, N. C. . . . .	1943
<i>Class B:</i>		
Edwin Malloy . . . . .	President & Treasurer, Cheraw Cotton Mills, Inc., Cheraw, S. C. . . . .	1941
Charles C. Reed . . . . .	Vice President & General Manager, Williams & Reed, Inc., Richmond, Va. . . . .	1942
John H. Hanna . . . . .	Chairman, Capital Transit Co., Washington, D. C. . . . .	1943

<sup>1</sup> Chairman. <sup>2</sup> Deputy Chairman.

**Directors of Federal Reserve Banks and Branches**

	<i>Term Expires Dec. 31</i>
<i>Class C:</i>	
Charles P. McCormick . . . . . President, McCormick & Co., Inc., Baltimore, Md. . . . .	1941
William G. Wysor <sup>2</sup> . . . . . General Manager, Southern States Cooperative, Inc., Richmond, Va. . . . .	1942
Robert Lassiter <sup>1</sup> . . . . . Chairman, Mooresville Cotton Mills, Mooresville, N. C. . . . .	1943
<b>Baltimore Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
W. Robert Milford . . . . . Managing Director, Baltimore, Md. . . . .	1941
George W. Reed . . . . . President, National Marine Bank, Baltimore, Md. . . . .	1941
James C. Fenhagen . . . . . Chairman, Executive Committee, Baltimore National Bank, Baltimore, Md. . . . .	1942
James Dixon . . . . . President, Easton National Bank, Easton, Md. . . . .	1943
<i>Appointed by Board of Governors:</i>	
W. Frank Thomas . . . . . Construction Engineer and Real Estate Management Westminster, Md. . . . .	1941
Joseph D. Baker, Jr. . . . . Secretary & Treasurer, Standard Lime & Stone Co., Baltimore, Md. . . . .	1942
W. Frank Roberts . . . . . President, Standard Gas Equipment Corp., Baltimore, Md. . . . .	1943
<b>Charlotte Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
William T. Clements . . . . . Managing Director, Charlotte, N. C. . . . .	1941
J. Gerald Cowan . . . . . Vice President, Wachovia Bank & Trust Co., Asheville, N. C. . . . .	1941
Byron M. Edwards . . . . . Executive Vice President, South Carolina National Bank, Columbia, S. C. . . . .	1942
Torrence E. Hemby . . . . . Executive Vice President, American Trust Co., Char- lotte, N. C. . . . .	1943
<i>Appointed by Board of Governors:</i>	
Charles L. Creech, Sr. . . . . Chairman, B. F. Huntley Furn. Co., Winston-Salem, N. C. . . . .	1941
David W. Watkins . . . . . Director of Extension, Clemson College, Clemson, S. C. . . . .	1942
George M. Wright . . . . . President, Republic Cotton Mills, Great Falls, S. C. . . . .	1943
<b>District No. 6—Atlanta</b>	
<i>Class A:</i>	
George J. White . . . . . President, First National Bank, Mount Dora, Fla. . . . .	1941
Thomas K. Glenn . . . . . Chairman, Trust Co. of Georgia, Atlanta, Ga. . . . .	1942
William D. Cook . . . . . Executive Vice President, First Nat. Bank, Meridian, Miss. . . . .	1943
<i>Class B:</i>	
Ernest T. George . . . . . President & Chairman, Seaboard Refining Co., Ltd., New Orleans, La. . . . .	1941
John A. McCrary . . . . . Vice President & Treasurer, J. B. McCrary Co., Inc., Atlanta, Ga. . . . .	1942
Fitzgerald Hall . . . . . President, Nash., Chat., & St. Louis Ry., Nashville, Tenn. . . . .	1943
<i>Class C:</i>	
Frank H. Neely <sup>1</sup> . . . . . Executive Vice President & Secretary, Rich's Inc., At- lanta, Ga. . . . .	1941
Joe Frank Porter <sup>2</sup> . . . . . President, Tennessee Farm Bureau Federation, Colum- bia, Tenn. . . . .	1942
Rufus C. Harris . . . . . President, Tulane University, New Orleans, La. . . . .	1943
<b>Birmingham Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
Paul L. T. Beavers . . . . . Managing Director, Birmingham, Ala. . . . .	1941
Gordon D. Palmer . . . . . Executive Vice President, First Nat. Bank, Tuscaloosa, Ala. . . . .	1941
John C. Persons . . . . . President, First National Bank, Birmingham, Ala. . . . .	1942
John S. Coleman . . . . . President, Birmingham Trust & Savings Co., Birming- ham, Ala. . . . .	1943

<sup>1</sup> Chairman. <sup>2</sup> Deputy Chairman.

**Directors of Federal Reserve Banks and Branches**

	<i>Term Expires Dec. 31</i>
<i>Appointed by Board of Governors:</i>	
Donald Comer.....Chairman, Avondale Mills, Birmingham, Ala.....	1941
Howard Gray.....Farmer, New Market, Ala.....	1942
Edward L. Norton.....Executive Vice President, Munger Realty Co., Birmingham, Ala. ....	1943
<b>Jacksonville Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
George S. Vardeman, Jr. Managing Director, Jacksonville, Fla.....	1941
William R. McQuaid....President, Barnett National Bank, Jacksonville, Fla.....	1941
Bert C. Teed.....First Vice President, First National Bank, Palm Beach, Fla. ....	1942
Junius C. McCrocklin...Executive Vice President, First National Bank, Tarpon Springs, Fla. ....	1943
<i>Appointed by Board of Governors:</i>	
Robert H. Gamble.....President, Florida Brick & Tile Corp., Jacksonville, Fla.....	1941
Howard Phillips.....Executive Vice President, Dr. P. Phillips Co., Inc., Orlando, Fla. ....	1942
Vacancy .....	1943
<b>Nashville Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
Joel B. Fort, Jr. ....Managing Director, Nashville, Tenn.....	1941
Edward B. Maupin....Cashier, Peoples National Bank, Shelbyville, Tenn.....	1941
Frank M. Farris.....President, Third National Bank, Nashville, Tenn.....	1942
George N. Bass.....Cashier, First National Bank of Franklin County, Decherd, Tenn. ....	1943
<i>Appointed by Board of Governors:</i>	
Clyde B. Austin.....President, The Austin Co., Inc., Greeneville, Tenn.....	1941
William E. McEwen....Farmer and Stock Raiser, Williamsport, Tenn.....	1942
Elbridge W. Palmer....President, Kingsport Press, Inc., Kingsport, Tenn.....	1943
<b>New Orleans Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
Lewis M. Clark.....Managing Director, New Orleans, La.....	1941
Herbert Holmes.....President, Delta National Bank, Yazoo City, Miss.....	1941
Emile E. Soulier.....Executive Vice President, First National Bank, Lafayette, La. ....	1942
Oliver G. Lucas.....President, National Bank of Commerce, New Orleans, La. ....	1943
<i>Appointed by Board of Governors:</i>	
Alexander Fitz-Hugh...Vice President, P. P. Williams Co., Vicksburg, Miss.....	1941
Henry G. Chalkley, Jr..President and General Manager, Sweet Lake Land & Oil Co., Inc., Lake Charles, La.....	1942
Eugene F. Billington...Vice President and Secretary, Soule Steam Feed Works, Meridian, Miss. ....	1943
<b>District No. 7—Chicago</b>	
<i>Class A:</i>	
Frank D. Williams.....Executive Vice President and Cashier, First Capital National Bank, Iowa City, Iowa.....	1941
Walter J. Cummings....Chairman, Cont'l. Ill. Nat. Bank and Trust Co., Chicago, Ill. ....	1942
Edward R. Estberg....Chairman, Waukesha National Bank, Waukesha, Wis.....	1943
<i>Class B:</i>	
Nicholas H. Noyes....Vice President and Secretary, Eli Lilly and Co., Indianapolis, Ind.....	1941
Max W. Babb.....President, Allis-Chalmers Mfg. Co., Milwaukee, Wis.....	1942
Charles B. Van Dusen...Director, S. S. Kresge Co., Detroit, Mich.....	1943
<i>Class C:</i>	
Simeon E. Leland.....Professor of Economics, University of Chicago, Chicago, Ill. ....	1941
Clifford V. Gregory <sup>2</sup> ...Associate Publisher, Wallace's Farmer and Iowa Homestead, Des Moines, Iowa.....	1942
Frank J. Lewis <sup>1</sup> .....Chairman, F. J. Lewis Manufacturing Co., Chicago, Ill.....	1943

<sup>1</sup> Chairman. <sup>2</sup> Deputy Chairman.

**Directors of Federal Reserve Banks and Branches**

*Term  
Expires  
Dec. 31*

**Detroit Branch**

<i>Appointed by Federal Reserve Bank:</i>		
Harlan J. Chalfont	Managing Director, Detroit, Mich.	1941
Joseph M. Dodge	President, The Detroit Bank, Detroit, Mich.	1941
James E. Davidson	President, Peoples Com. & Sav. Bank, Bay City, Mich.	1942
Walter S. McLucas	Chairman, The National Bank of Detroit, Detroit, Mich.	1943
<i>Appointed by Board of Governors:</i>		
L. Whitney Watkins	Farmer, Manchester, Mich.	1941
Harry L. Pierson	President, Detroit Harvester Co., Detroit, Mich.	1942
Clarence W. Avery	President and Chairman, Murray Corporation of America, Detroit, Mich.	1943

**District No. 8—St. Louis**

<i>Class A:</i>		
Sidney Maestre	President, Mississippi Valley Trust Co., St. Louis, Mo.	1941
Max B. Nahm	Vice President, Citizens National Bank, Bowling Green, Ky.	1942
George R. Corlis	Cashier, Anna National Bank, Anna, Ill.	1943
<i>Class B:</i>		
John R. Stanley	Secretary, Treasurer, Stanley Clothing Co., Evansville, Ind.	1941
James W. Harris	Chairman, Harris-Langenberg Hat Co., St. Louis, Mo.	1942
Harvey C. Couch	President, Ark. Power & Light Co., Pine Bluff, Ark.	1943
<i>Class C:</i>		
Douglas W. Brooks	President, Union Compress & Warehouse Co., Memphis, Tenn.	1941
William T. Nardin <sup>1</sup>	Vice President and General Manager, Pet Milk Co., St. Louis, Mo.	1942
Oscar G. Johnston <sup>2</sup>	President, Delta and Pine Land Co., Scott, Miss.	1943

**Little Rock Branch**

<i>Appointed by Federal Reserve Bank:</i>		
Arthur F. Bailey	Managing Director, Little Rock, Ark.	1941
Paul R. McCoy	Chairman, Peoples National Bank, Stuttgart, Ark.	1941
James H. Penick	Vice President, W. B. Worthen Co., Little Rock, Ark.	1942
Arthur E. McLean	President, Commercial National Bank, Little Rock, Ark.	1943
<i>Appointed by Board of Governors:</i>		
Henry H. Tucker	President, Fones Bros. Hardware Company, Little Rock, Ark.	1941
Romeo E. Short	Farmer, Brinkley, Ark.	1942
Ira N. Barnett, Jr.	Manager, Barnett Bros. Mercantile Company, Batesville, Ark.	1943

**Louisville Branch**

<i>Appointed by Federal Reserve Bank:</i>		
Charles A. Schacht	Managing Director, Louisville, Ky.	1941
Ralph C. Gifford	President, First National Bank, Louisville, Ky.	1941
James O. Sanders	President, First National Bank, Huntingburg, Ind.	1942
Phil E. Chappell	Cashier, Planters Bank & Trust Co., Hopkinsville, Ky.	1943
<i>Appointed by Board of Governors:</i>		
James B. Hill	President, Louisville & Nashville R. R., Louisville, Ky.	1941
George O. Boomer	Vice President, Girdler Corporation, Louisville, Ky.	1942
Perry B. Gaines	Farmer and Stock Raiser, Carrollton, Ky.	1943

**Memphis Branch**

<i>Appointed by Federal Reserve Bank:</i>		
William H. Glasgow	Managing Director, Memphis, Tenn.	1941
Oliver Benton	President, National Bank of Commerce, Jackson, Tenn.	1941
Vance J. Alexander	President, Union Planters National Bank & Trust Co., Memphis, Tenn.	1942
Bert A. Lynch	President, Farmers Bank & Trust Co., Blytheville, Ark.	1943
<i>Appointed by Board of Governors:</i>		
J. Holmes Sherard	J. Holmes Sherard & Co., Sherard, Miss.	1941
Jesse P. Norfleet	President, Sledge & Norfleet, Memphis, Tenn.	1942
Rufus C. Branch	Cotton Farmer and Ginner, Pecan Point, Ark.	1943

<sup>1</sup> Chairman. <sup>2</sup> Deputy Chairman.

*Directors of Federal Reserve Banks and Branches*

*Term  
Expires  
Dec. 31*

**District No. 9—Minneapolis**

<i>Class A:</i>		
James R. McKnight	President, Pierre National Bank, Pierre, S. D.	1941
Fred D. McCartney	Vice President, First National Bank, Oakes, N. D.	1942
Shirley S. Ford	President, Northwestern National Bank & Trust Co., Minneapolis, Minn.	1943
<i>Class B:</i>		
James E. O'Connell	President, Eddy's Bakeries, Inc., Helena, Mont.	1941
Albert P. Funk	President, La Crosse Rubber Mills Co., La Crosse, Wis.	1942
Homer P. Clark	Chairman, West Publishing Co., St. Paul, Minn.	1943
<i>Class C:</i>		
Roger B. Shepard <sup>2</sup>	President, Finch, Van Slyck & McConville, St. Paul, Minn.	1941
Walter C. Coffey <sup>1</sup>	Dean and Director, Department of Agriculture, University of Minnesota, St. Paul, Minn.	1942
William D. Cochran	President, Cochran Freight Lines, Iron Mountain, Mich.	1943

**Helena Branch**

<i>Appointed by Federal Reserve Bank:</i>		
Robert E. Towle	Managing Director, Helena, Mont.	1941
Peter Pauly	President, Deer Lodge Bank and Trust Co., Deer Lodge, Mont.	1941
Phillips B. McClintock	Cashier, Farmers National Bank, Chinook, Mont.	1942
<i>Appointed by Board of Governors:</i>		
Hobart D. Myrick	Farmer, Square Butte, Mont.	1941
Alex Cunningham	Vice President and Treasurer, Western Life Insurance Co., Helena, Mont.	1942

**District No. 10—Kansas City**

<i>Class A:</i>		
Edward E. Mullaney	President, Farmers & Merchants Bank, Hill City, Kan.	1941
Thomas A. Dines	President, U. S. National Bank, Denver, Colo.	1942
Myron A. Limbocker	President and Chairman, Citizens National Bank, Emporia, Kan.	1943
<i>Class B:</i>		
Lee E. Phillips	Phillips Petroleum Co., Bartlesville, Okla.	1941
Willard D. Hosford	Vice President, John Deere Plow Co., Omaha, Neb.	1942
Joseph M. Bernardin	Vice President, Burk Lumber Co., Dawson, N. M.	1943
<i>Class C:</i>		
John J. Thomas <sup>2</sup>	Attorney-at-law, Seward, Neb.	1941
Clarence Roberts	Editor, The Farmer-Stockman, Oklahoma City, Okla.	1942
Robert B. Caldwell <sup>1</sup>	McCune, Caldwell & Downing, Kansas City, Mo.	1943

**Denver Branch**

<i>Appointed by Federal Reserve Bank:</i>		
Joseph E. Olson	Managing Director, Denver, Colo.	1941
Harold Kountze	President, Colorado National Bank, Denver, Colo.	1941
Roblin H. Davis	President, Denver National Bank, Denver, Colo.	1942
William C. Kurtz	President and General Manager, Independent Lumber Co., Grand Junction, Colo.	1943
<i>Appointed by Board of Governors:</i>		
James B. Grant	Lewis and Grant, Denver, Colo.	1941
Wilson McCarthy	President, Denver & Salt Lake R. R. Co., Denver, Colo.	1942
Vacancy		1943

**Oklahoma City Branch**

<i>Appointed by Federal Reserve Bank:</i>		
George H. Pipkin	Managing Director, Oklahoma City, Okla.	1941
Leroy D. Edgington	President, First National Bank, Ponca City, Okla.	1941
Arthur E. Stephenson	President, Central National Bank, Enid, Okla.	1942
Samuel W. Hayes	Hayes, Richardson, Shartel, Gilliland & Jordon, Oklahoma City, Okla.	1943

<sup>1</sup> Chairman. <sup>2</sup> Deputy Chairman.

**Directors of Federal Reserve Banks and Branches**

	<i>Term Expires Dec. 31</i>
<i>Appointed by Board of Governors:</i>	
Neil R. Johnson..... Rancher and Farmer, Norman, Okla.....	1941
Vacancy.....	1942
Phil Ferguson..... Rancher, Woodward, Okla.....	1943

**Omaha Branch**

<i>Appointed by Federal Reserve Bank:</i>	
Lloyd H. Earhart..... Managing Director, Omaha, Neb.....	1941
George W. Holmes..... President, First National Bank, Lincoln, Neb.....	1941
Thomas L. Davis..... President, First National Bank, Omaha, Neb.....	1942
George A. Bible..... President, First National Bank, Rawlins, Wyo.....	1943
<i>Appointed by Board of Governors:</i>	
Robert E. Campbell.... Chairman, Miller & Paine, Lincoln, Neb.....	1941
Harry L. Dempster..... President, Dempster Mill Mfg. Co., Beatrice, Neb.....	1942
William H. Schellberg... President, Union Stock Yards Co., Omaha, Neb.....	1943

**District No. 11—Dallas**

<i>Class A:</i>	
Ford Seale..... President, Citizens National Bank, Denison, Tex.....	1941
Ed H. Winton..... Executive Vice President, Continental Nat. Bank, Fort Worth, Tex.....	1942
Frank Turner..... President, First National Bank, Decatur, Tex.....	1943
<i>Class B:</i>	
Ernest L. Kurth..... Vice President and General Manager, Angelina County Lumber Co., Keltys, Tex.....	1941
Jesse R. Milam..... President, Cooper Company, Inc., Waco, Tex.....	1942
James M. West..... Chairman, West Production Co., Houston, Tex.....	1943
<i>Class C:</i>	
James H. Merritt <sup>1</sup> .... Retired, McKinney, Tex.....	1941
Jay Taylor <sup>2</sup> ..... Rafter O Cattle Company, Amarillo, Tex.....	1942
Joseph B. Cozzo..... Womack and Cozzo, Dallas, Tex.....	1943

**El Paso Branch**

<i>Appointed by Federal Reserve Bank:</i>	
Joseph L. Hermann..... Managing Director, El Paso, Tex.....	1941
Frank R. Coon..... President, Mimbres Valley Bank, Deming, N. M.....	1941
Homer A. Jacobs..... Vice President, El Paso National Bank, El Paso, Tex.....	1942
Robert W. McAfee..... Vice President, State National Bank, El Paso, Tex.....	1943
<i>Appointed by Board of Governors:</i>	
Franklin M. Hayner.... President, Las Cruces Lumber Co., Las Cruces, N. M.....	1941
Ray E. Sherman..... President, Leavell and Sherman, Inc., El Paso, Tex.....	1942
Jack B. Martin..... President, Arizona Ice & Cold Storage Co., Tucson, Ariz.....	1943

**Houston Branch**

<i>Appointed by Federal Reserve Bank:</i>	
William D. Gentry..... Managing Director, Houston, Tex.....	1941
Sam R. Lawder..... Vice President, First National Bank, Houston, Tex.....	1941
Preston B. Doty..... President, First National Bank, Beaumont, Tex.....	1942
William N. Greer..... Vice President, Citizens State Bank, Houston, Tex.....	1943
<i>Appointed by Board of Governors:</i>	
Henry Renfert..... Renfert-Helmbrecht Co., Galveston, Tex.....	1941
Sam Taub..... J. N. Taub & Sons, Houston, Tex.....	1942
George G. Chance..... Farmer, Bryan, Tex.....	1943

**San Antonio Branch**

<i>Appointed by Federal Reserve Bank:</i>	
Miers Crump..... Managing Director, San Antonio, Tex.....	1941
John K. Beretta..... President, National Bank of Commerce, San Antonio, Tex.....	1941
Ernest J. Miller..... President, South Texas National Bank, San Antonio, Tex.....	1942
Joe A. Walker..... Cashier, Del Rio National Bank, Del Rio, Tex.....	1943

<sup>1</sup> Chairman. <sup>2</sup> Deputy Chairman.

**Directors of Federal Reserve Banks and Branches**

	<i>Term Expires Dec. 31</i>
<i>Appointed by Board of Governors:</i>	
Jamie M. Odom..... General Contractor, Austin, Tex.....	1941
Edwin F. Flato..... President, Corpus Christi Hardware Company, Corpus Christi, Tex.....	1942
Dolph Briscoe..... Stock Raiser, Uvalde, Tex.....	1943
<b>District No. 12—San Francisco</b>	
<i>Class A:</i>	
Reno Odlin..... President, Puget Sound Nat. Bank, Tacoma, Wash.....	1941
Carroll F. Byrd..... Executive Vice President & Chairman, First National Bank, Willows, Calif.....	1942
Charles K. McIntosh..... Chairman, Bank of California, N. A., San Francisco, Calif.....	1943
<i>Class B:</i>	
William G. Volkmann..... Vice President, A. Schilling & Co., San Francisco, Calif.....	1941
Reese H. Taylor..... President, Union Oil Co., Los Angeles, Calif.....	1942
Elmer H. Cox..... President, Madera Sugar Pine Co., San Francisco, Calif.....	1943
<i>Class C:</i>	
Raymond C. Force <sup>1</sup> ..... Chairman, Executive Committee, Caterpillar Tractor Co., San Leandro, Calif.....	1941
Carlyle Thorpe..... General Manager, California Walnut Growers Assn., Los Angeles, Calif.....	1942
St. George Holden <sup>2</sup> ..... President, St. George Holden Realty Co., San Francisco, Calif.....	1943
<b>Los Angeles Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
W. Norman Ambrose..... Managing Director, Los Angeles, Calif.....	1941
Charles E. Brouse..... President, Citizens National Trust & Savings Bank, Riverside, Calif.....	1941
Herbert D. Ivey..... President, Citizens National Trust & Savings Bank, Los Angeles, Calif.....	1942
<i>Appointed by Board of Governors:</i>	
Carl V. Newman..... President, Calavo Growers of California, Los Angeles, Calif.....	1941
William S. Rosecrans..... Land Management & Investments, Los Angeles, Calif.....	1942
<b>Portland Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
David L. Davis..... Managing Director, Portland, Ore.....	1941
Ernest B. MacNaughton..... President, First National Bank, Portland, Ore.....	1941
Nona A. Davis..... Vice President, Baker-Boyer National Bank, Walla Walla, Wash.....	1942
<i>Appointed by Board of Governors:</i>	
George T. Gerlinger..... President, Willamette Valley Lumber Company, Portland, Ore.....	1941
Albert E. Engbretsen..... President, Engbretsen Seed Co., Astoria, Ore.....	1942
<b>Salt Lake City Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
Winnie L. Partner..... Managing Director, Salt Lake City, Utah.....	1941
Frederick P. Champ..... President, Utah Mortgage Loan Corporation, Logan, Utah.....	1941
Orval W. Adams..... Executive Vice President, Utah State National Bank, Salt Lake City, Utah.....	1942
<i>Appointed by Board of Governors:</i>	
Herbert S. Auerbach..... President, Auerbach Company, Salt Lake City, Utah.....	1941
Roscoe C. Rich..... President, R. C. Rich Sheep Co., Burley, Idaho.....	1942
<b>Seattle Branch</b>	
<i>Appointed by Federal Reserve Bank:</i>	
Clarence R. Shaw..... Managing Director, Seattle, Wash.....	1941
Andrew Price..... President, National Bank of Commerce, Seattle, Wash.....	1941
Fred L. Stanton..... Vice President and Secretary, Washington Trust Co., Spokane, Wash.....	1942
<i>Appointed by Board of Governors:</i>	
Charles F. Larrabee..... Vice President, Pacific American Fisheries, Inc., Bellingham, Wash.....	1941
Fred Nelsen..... Dairy Farmer, Seattle, Wash.....	1942

<sup>1</sup> Chairman. <sup>2</sup> Deputy Chairman.

# National Summary of Business Conditions

Compiled January 15 and released for publication January 17. Figures shown on charts may differ from preliminary figures used in text.

Industrial activity continued at a high rate in December and the first half of January and distribution of commodities to consumers was maintained in large volume. There was some increase in wholesale commodity prices.

## Production

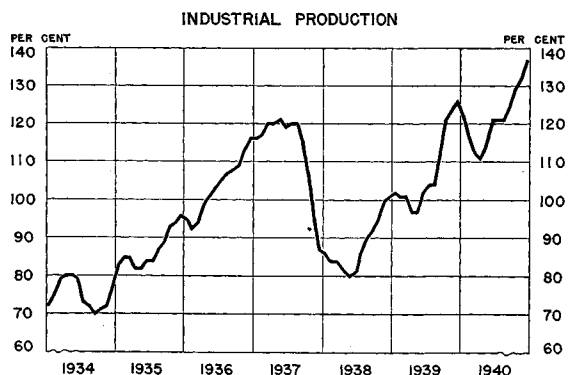
Volume of industrial production showed little change from November to December, although usually there is a decline at this season, and consequently the Board's adjusted index rose further by four points to 136 per cent of the 1935-39 average. Steel ingot production was sustained at about 96 per cent of capacity. New orders for steel continued large, according to trade reports, and were equal to or slightly greater than production; consequently the volume of unfilled orders remained at about the peak level reached in November. In the first half of January steel output increased to around 98 per cent of capacity. Activity in the machinery, aircraft, and shipbuilding industries continued to increase sharply and working forces were expanded further. In these lines and in some others, such as wool textiles, unfilled orders are exceptionally large, owing in the main to the defense program.

Automobile production declined somewhat

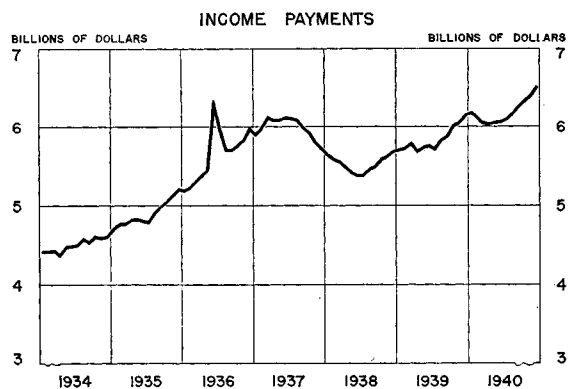
more than seasonally in December following an unusually large volume of output in November and October. Retail sales of new cars during the last quarter of 1940 were about one-fourth greater than in the corresponding period last year and used car sales also were large. In the nonferrous metals industries activity increased further in December and output of lumber and cement showed less than the usual seasonal decline.

Textile production, which in November had exceeded the previous record levels reached a year ago, continued at this high rate in December, not showing the usual seasonal decrease. At cotton and rayon mills, activity increased somewhat further and at wool textile mills output was sustained at peak rates. In the shoe industry, where output had been in reduced volume during the first ten months of the year, there was less than the usual seasonal decline in November and December and, on a seasonally adjusted basis, production was close to earlier peak levels.

At mines bituminous coal production declined less than seasonally and anthracite production increased. Output of crude petroleum showed a reduction in December owing mainly to the fact that wells in Texas were closed for ten days as compared with nine



Index of physical volume of production, adjusted for seasonal variation, 1935-39 average = 100.



United States Department of Commerce estimates of the amount of income payments to individuals, adjusted for seasonal variation. By months, January 1934 to January 1941.



days in November. Output of metals continued in large volume.

Value of construction contract awards, as reported by the F. W. Dodge Corporation, increased contraseasonally in December, reflecting further sharp increases in awards for defense construction and private nonresidential building. Contracts for private residential building declined by somewhat less than the usual seasonal amount.

### Distribution

Distribution of commodities to consumers increased more than seasonally in December. Department and variety store sales showed the customary sharp expansion during the Christmas season and sales at mail-order houses rose more than is usual at this time of year.

Freight-car loadings showed a seasonal decline from November to December. Shipments of forest products and miscellaneous freight decreased less than seasonally, while ore loadings, which had been unusually large in November, declined sharply.

### Wholesale Commodity Prices

Basic commodity prices generally increased from the middle of December to the middle of January, following little change during the preceding four weeks. Currently these prices are substantially above the level prevailing last summer. Increases in the past month were most marked for foodstuffs, especially hogs, pork, lard, and cottonseed oil, but there were advances also in a number of industrial materials, particularly pig iron, cotton, cotton

goods, paint materials, and hides. Steel scrap prices, after increasing during most of the period, subsequently declined and lumber prices also decreased somewhat from the sharply advanced peak reached in November.

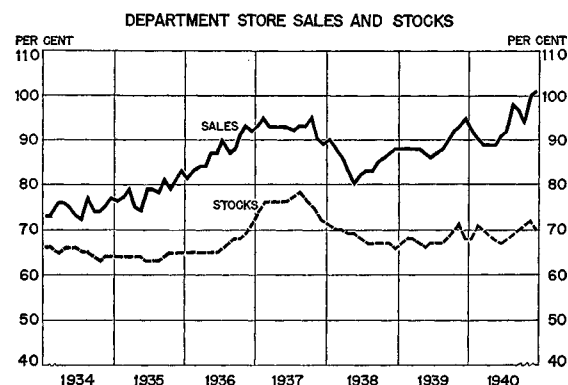
### Bank Credit

Total loans and investments at reporting member banks in 101 leading cities continued to increase substantially during the six weeks ending January 8, reflecting principally increases in holdings of United States Government obligations at New York City banks. Commercial loans rose somewhat further while loans to New York security brokers and dealers, which had increased in December, subsequently declined somewhat.

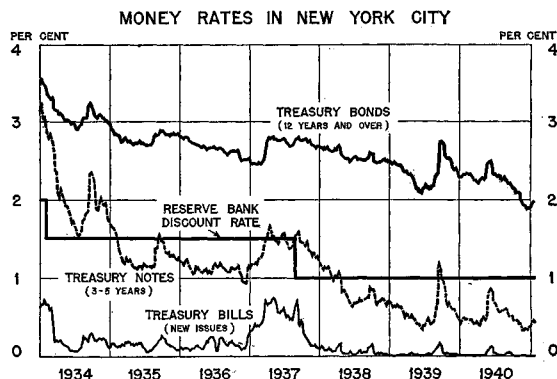
Excess reserves, after declining during the first half of December, have since increased to about \$6,900,000,000. The increase reflected reductions in Treasury deposits with the Reserve Banks, a continued inflow of gold, and since Christmas a seasonal return flow of currency from circulation.

### United States Government Security Prices

Prices of United States Government securities reacted somewhat after reaching record high levels early in December. Bonds of 1960-65 showed on January 8 a net decline of about  $2\frac{2}{3}$  points from the all-time peak of December 10 but subsequently fluctuated somewhat above this level. The yield on this issue, which was 2.03 per cent at the peak in prices, was 2.16 per cent on January 14.



Indexes of value of sales and stocks, adjusted for seasonal variation, 1923-25 average = 100.



Minimum rate on rediscount for and advances to member banks by Federal Reserve Bank; weekly averages of daily yields of 3- to 5-year Treasury notes and Treasury bonds callable after 12 years, and average discount on new issues of 91-day Treasury bills offered within week. For weeks ending January 6, 1934, to January 25, 1941.

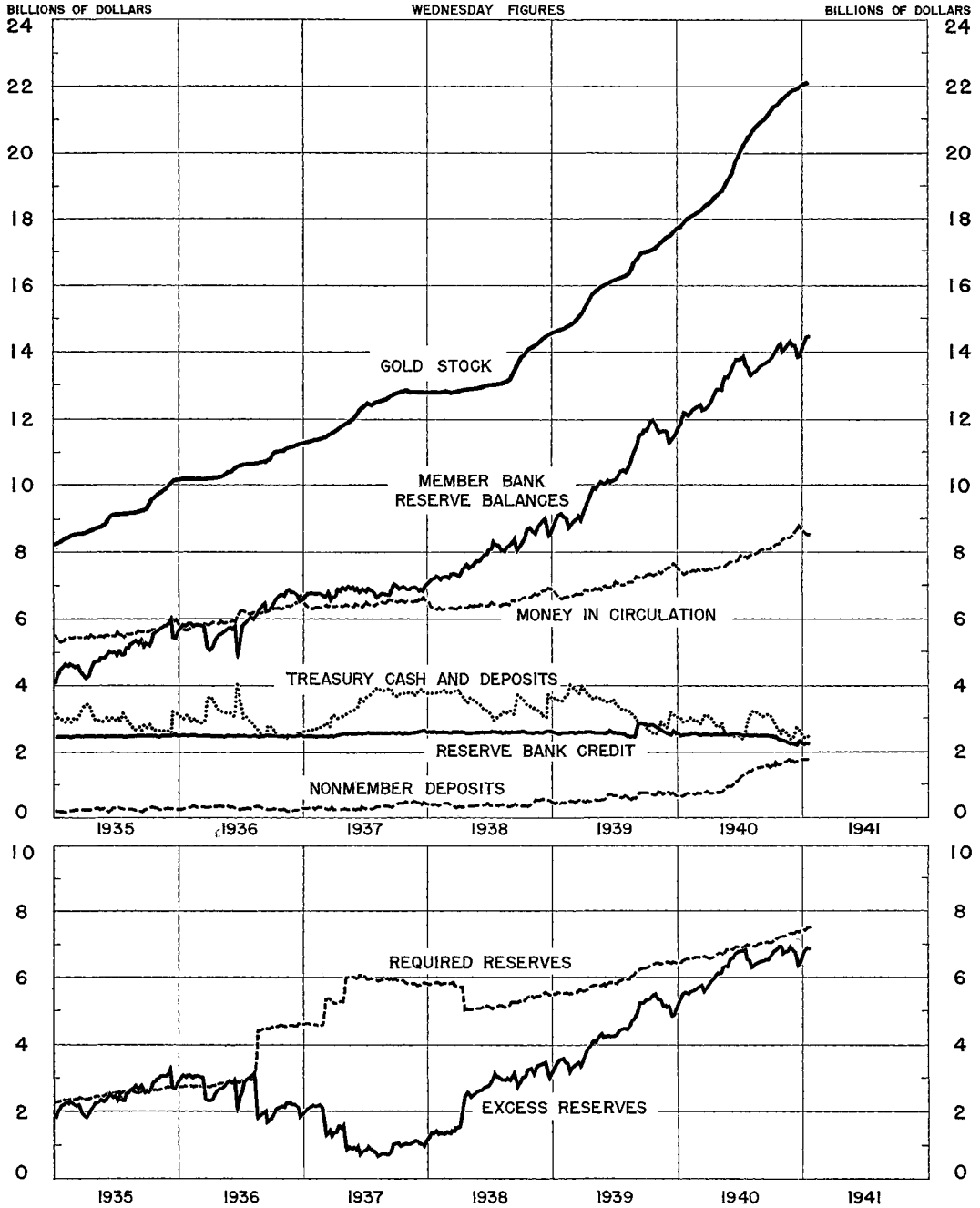
# FINANCIAL, INDUSTRIAL, AND COMMERCIAL STATISTICS

## UNITED STATES

	PAGE
Member bank reserves, Reserve Bank credit, and related items . . . . .	129
Federal Reserve Bank discount rates; rates on time deposits, reserve requirements, margin requirements . . . . .	130
Federal Reserve Bank statistics . . . . .	131-135
Reserve position of member banks; deposits in larger and smaller centers . . . . .	136
Money in circulation . . . . .	137
Gold stock and gold movements; bank suspensions; bank debits . . . . .	138
All banks in the United States, number, deposits, loans and investments . . . . .	139
Condition of all member banks . . . . .	140-141
Weekly reporting member banks . . . . .	142-145
Commercial paper, bankers' acceptances, and brokers' balances . . . . .	146
Money rates and bond yields . . . . .	147
Security markets . . . . .	148
Treasury finance . . . . .	149-150
Governmental corporations and credit agencies; Postal Savings System . . . . .	151-152
Business Indexes . . . . .	153-163
Wholesale prices . . . . .	164
Statistics for Federal Reserve chart book . . . . .	165-166
Revised index of factory employment and payrolls . . . . .	166
Changes in number of banks and branches in the United States . . . . .	167

Tables on the following pages include the principal available statistics of current significance relating to financial and business developments in the United States. The data relating to the Federal Reserve Banks and the member banks of the Federal Reserve System are derived from regular reports made to the Board; index numbers of production are compiled by the Board on the basis of material collected by other agencies; figures for gold stock, money in circulation, Treasury finance, and operations of Government credit agencies are obtained principally from statements of the Treasury, or of the agencies concerned; data on money and security markets and commodity prices and other series on business activity are obtained largely from other sources. Back figures may in most cases be obtained from earlier BULLETINS and from Annual Reports of the Board of Governors for 1937 and earlier years. Current figures compiled by the Board are generally released prior to publication in the BULLETIN and press statements will be sent without charge to those wishing them. For a list of current releases see FEDERAL RESERVE PUBLICATIONS at the back of this BULLETIN.

# MEMBER BANK RESERVES AND RELATED ITEMS



Latest figures for January 22. See page 129.

# MEMBER BANK RESERVES, RESERVE BANK CREDIT, AND RELATED ITEMS

[In millions of dollars]

Date	Reserve Bank credit outstanding						Gold stock	Treasury currency outstanding	Money in circulation	Treasury cash holdings	Treasury deposits with Federal Reserve Banks	Non-member deposits	Other Federal Reserve accounts	Member bank reserve balances							
	Bills discounted	U. S. Government securities			All other Reserve Bank credit <sup>1</sup>	Total								Total	Total	Total	Total	Total	Total	Total	Excess
		Total	Maturing within 5 years	Maturing after 5 years																	
<b>Monthly averages of daily figures:</b>																					
1939—October.....	6	2,763	1,544	1,219	63	2,832	17,002	2,926	7,328	2,239	358	732	240	11,862	5,490						
November.....	7	2,651	1,445	1,206	63	2,722	17,217	2,939	7,413	2,314	454	766	241	11,688	5,259						
December.....	8	2,510	1,297	1,213	94	2,612	17,518	2,986	7,609	2,402	616	739	248	11,473	5,011						
1940—October.....	5	2,381	1,102	1,280	67	2,454	21,393	3,051	8,226	2,257	477	1,624	270	14,043	6,864						
November.....	4	2,261	1,045	1,215	79	2,344	21,662	3,065	8,415	2,194	348	1,710	275	14,131	6,830						
December.....	4	2,188	1,038	1,149	113	2,305	21,890	3,079	8,688	2,201	338	1,715	283	14,049	6,646						
<b>End of month figures:</b>																					
1939—Oct. 31.....	6	2,736	1,517	1,219	59	2,801	17,091	2,932	7,342	2,254	286	728	241	11,973	5,553						
Nov. 30.....	8	2,652	1,362	1,191	90	2,650	17,358	2,947	7,483	2,367	419	819	241	11,628	5,160						
Dec. 30.....	7	2,484	1,220	1,265	102	2,593	17,644	2,963	7,598	2,409	634	653	251	11,653	5,209						
1940—Oct. 31.....	4	2,333	1,074	1,259	76	2,412	21,506	3,059	8,300	2,188	349	1,661	271	14,208	6,960						
Nov. 30.....	4	2,199	1,023	1,177	101	2,304	21,801	3,072	8,522	2,187	250	1,726	277	14,215	6,849						
Dec. 31.....	3	2,184	1,048	1,136	88	2,274	21,995	3,087	8,732	2,213	368	1,732	284	14,026	6,615						
<b>Wednesday figures:</b>																					
1940—Mar. 6.....	3	2,477	1,209	1,268	35	2,515	18,220	2,984	7,481	2,358	536	731	246	12,367	5,733						
Mar. 13.....	3	2,477	1,209	1,268	44	2,524	18,282	2,985	7,463	2,362	528	754	247	12,439	5,777						
Mar. 20.....	2	2,475	1,209	1,266	42	2,520	18,360	2,989	7,484	2,374	707	791	256	12,266	5,594						
Mar. 27.....	2	2,475	1,209	1,266	32	2,510	18,413	2,990	7,471	2,382	700	808	256	12,294	5,679						
Apr. 3.....	3	2,467	1,205	1,262	42	2,512	18,470	2,991	7,521	2,372	692	737	256	12,395	5,815						
Apr. 10.....	2	2,467	1,205	1,262	31	2,500	18,523	2,993	7,509	2,353	690	733	256	12,575	5,949						
Apr. 17.....	2	2,467	1,205	1,262	45	2,514	18,631	2,992	7,536	2,313	613	762	257	12,757	6,048						
Apr. 24.....	2	2,467	1,205	1,262	32	2,501	18,708	2,997	7,520	2,305	470	773	256	12,883	6,116						
May 1.....	3	2,467	1,205	1,262	30	2,500	18,771	3,000	7,570	2,293	490	793	256	12,870	6,107						
May 8.....	3	2,467	1,205	1,262	38	2,507	18,835	3,004	7,589	2,309	512	802	256	12,877	6,131						
May 15.....	3	2,474	1,205	1,269	41	2,518	18,949	3,004	7,598	2,223	425	878	254	13,094	6,300						
May 22.....	2	2,477	1,206	1,271	41	2,520	19,071	3,007	7,613	2,204	370	935	254	13,223	6,373						
May 29.....	3	2,477	1,206	1,271	31	2,511	19,162	3,007	7,685	2,200	378	950	253	13,215	6,362						
June 5.....	3	2,477	1,206	1,271	50	2,530	19,281	3,008	7,718	2,205	308	949	252	13,387	6,533						
June 12.....	2	2,477	1,206	1,271	43	2,523	19,427	3,009	7,717	2,200	265	1,014	253	13,510	6,607						
June 19.....	2	2,473	1,206	1,267	63	2,539	19,769	3,011	7,741	2,204	298	1,098	266	13,712	6,767						
June 26.....	2	2,473	1,206	1,267	36	2,511	19,871	3,012	7,780	2,186	301	1,139	266	13,728	6,801						
July 3.....	2	2,450	1,202	1,248	51	2,503	20,063	3,014	7,924	2,190	221	1,245	262	13,737	6,812						
July 10.....	2	2,450	1,202	1,248	39	2,491	20,166	3,015	7,884	2,191	297	1,274	261	13,764	6,833						
July 17.....	2	2,450	1,202	1,248	49	2,501	20,256	3,016	7,872	2,199	278	1,299	261	13,863	6,882						
July 24.....	3	2,450	1,202	1,248	38	2,491	20,367	3,020	7,854	2,229	643	1,327	261	13,565	6,570						
July 31.....	4	2,448	1,202	1,246	32	2,484	20,463	3,024	7,883	2,250	694	1,382	262	13,498	6,514						
Aug. 7.....	3	2,446	1,202	1,244	22	2,471	20,568	3,025	7,929	2,276	923	1,386	263	13,286	6,325						
Aug. 14.....	3	2,446	1,202	1,244	47	2,495	20,689	3,027	7,944	2,281	940	1,444	262	13,340	6,392						
Aug. 21.....	3	2,446	1,202	1,244	44	2,492	20,800	3,030	7,976	2,291	859	1,486	261	13,419	6,417						
Aug. 28.....	4	2,442	1,198	1,244	35	2,480	20,871	3,034	8,006	2,291	813	1,498	261	13,516	6,487						
Sept. 4.....	6	2,434	1,191	1,243	51	2,490	20,944	3,036	8,092	2,292	791	1,510	261	13,524	6,494						
Sept. 11.....	5	2,434	1,191	1,243	47	2,485	20,981	3,038	8,080	2,287	762	1,520	260	13,596	6,541						
Sept. 18.....	4	2,434	1,191	1,243	57	2,495	21,093	3,040	8,084	2,311	790	1,549	270	13,624	6,531						
Sept. 25.....	5	2,434	1,191	1,243	34	2,472	21,166	3,041	8,090	2,298	793	1,525	270	13,703	6,645						
Oct. 2.....	6	2,424	1,181	1,243	53	2,482	21,271	3,046	8,172	2,294	678	1,587	268	13,800	6,721						
Oct. 9.....	8	2,399	1,075	1,325	38	2,445	21,349	3,048	8,199	2,294	579	1,574	270	13,927	6,816						
Oct. 16.....	4	2,384	1,108	1,276	94	2,481	21,373	3,052	8,229	2,268	463	1,660	271	14,016	6,869						
Oct. 23.....	4	2,352	1,086	1,266	32	2,388	21,428	3,055	8,236	2,232	383	1,600	272	14,148	6,940						
Oct. 30.....	4	2,333	1,074	1,259	44	2,381	21,499	3,056	8,265	2,187	376	1,659	272	14,177	6,930						
Nov. 6.....	4	2,327	1,070	1,258	30	2,362	21,581	3,060	8,385	2,221	465	1,681	271	13,979	6,732						
Nov. 13.....	4	2,254	1,044	1,210	67	2,326	21,637	3,062	8,395	2,211	404	1,688	275	14,052	6,795						
Nov. 20.....	4	2,231	1,036	1,195	67	2,302	21,716	3,066	8,436	2,188	310	1,749	276	14,127	6,800						
Nov. 27.....	4	2,204	1,025	1,180	68	2,276	21,755	3,069	8,465	2,182	199	1,685	278	14,292	6,931						
Dec. 4.....	4	2,195	1,020	1,176	67	2,266	21,827	3,074	8,569	2,204	255	1,708	278	14,154	6,816						
Dec. 11.....	5	2,184	1,020	1,165	51	2,241	21,858	3,077	8,625	2,197	235	1,687	279	14,152	6,785						
Dec. 18.....	4	2,184	1,048	1,136	117	2,306	21,898	3,081	8,716	2,204	570	1,702	289	13,804	6,395						
Dec. 24.....	4	2,184	1,048	1,136	149	2,336	21,930	3,082	8,817	2,213	481	1,711	289	13,837	6,438						
Dec. 31.....	3	2,184	1,048	1,136	88	2,274	21,995	3,087	8,732	2,213	368	1,732	284	14,026	6,615						
Jan. 8.....	3	2,184	1,048	1,136	50	2,237	22,034	3,088	8,628	2,203	220	1,740	284	14,284	6,835						
Jan. 15.....	4	2,184	1,048	1,136	67	2,254	22,066	3,092	8,542	2,195	237	1,742	283	14,414	6,896						
Jan. 22.....	4	2,184	1,048	1,136	69	2,256	22,089	3,095	8,541	2,196	261	1,750	283	14,410	6,864						

<sup>1</sup> Includes industrial advances and bills bought, shown separately in subsequent tables.

<sup>2</sup> End of month and Wednesday figures estimated.

NOTE.—For description of figures in this table and discussion of their significance, see BULLETIN for July 1935, pp. 419-429. Reprints of article together with available back figures, may be obtained upon request. Back figures are also shown in Annual Report for 1937 (tables 3 and 4) and for excess reserves in BULLETIN for August 1935, pp. 499-500. Back figures for end of month and Wednesday dates since January 6, 1937 on maturity distribution of security holdings will be supplied on request.

**FEDERAL RESERVE BANK DISCOUNT RATES**  
[Per cent per annum]

Federal Reserve Bank	Rediscunts and advances under sections 13 and 13a of the Federal Reserve Act except last paragraph of Section 13				Advances under Section 10(b) of the Federal Reserve Act		Advances secured by direct obligations of the United States (last paragraph of Section 13 of the Federal Reserve Act)			
	Secured by direct and eligible guaranteed obligations of the U. S.		All other				To banks		To others	
	Rate Feb. 1	In effect beginning—	Rate Feb. 1	In effect beginning—	Rate Feb. 1	In effect beginning—	Rate Feb. 1	In effect beginning—	Rate Feb. 1	In effect beginning—
Boston	1	Sept. 1, 1939	1	Sept. 1, 1939	2	Sept. 2, 1937	1	Sept. 1, 1939	2½	Apr. 29, 1938
New York	1	Aug. 27, 1937	1	Aug. 27, 1937	2	Oct. 10, 1935	1	Aug. 25, 1939	3½	Feb. 8, 1934
Philadelphia	1½	Sept. 4, 1937	1½	Sept. 4, 1937	2	Sept. 4, 1937	1½	Sept. 1, 1939	2½	Sept. 1, 1939
Cleveland	1½	May 11, 1935	1½	May 11, 1935	2	Oct. 19, 1935	(1) 1½	Sept. 1, 1939	3½	May 11, 1935
Richmond	1½	Aug. 27, 1937	1½	Aug. 27, 1937	2	Sept. 10, 1937	1½	Sept. 1, 1939	4	Feb. 19, 1934
Atlanta	1	Sept. 16, 1939	1½	Aug. 21, 1937	2	Aug. 21, 1937	1	Sept. 16, 1939	2½	Apr. 23, 1938
Chicago	1	Sept. 1, 1939	1½	Aug. 21, 1937	2	Aug. 21, 1937	1	Sept. 1, 1939	4	Oct. 16, 1933
St. Louis	1	Sept. 21, 1939	1½	Sept. 2, 1937	2	Sept. 2, 1937	1	Sept. 16, 1939	4	Feb. 23, 1935
Minneapolis	1½	Aug. 24, 1937	1½	Aug. 24, 1937	2	Aug. 24, 1937	1½	Sept. 1, 1939	3	Oct. 8, 1938
Kansas City	1	Sept. 16, 1939	1½	Sept. 3, 1937	2	Sept. 3, 1937	1	Sept. 16, 1939	2½	Apr. 16, 1938
Dallas	1	Sept. 16, 1939	1½	Aug. 31, 1937	2	Aug. 31, 1937	1	Sept. 16, 1939	2½	Apr. 16, 1938
San Francisco	1½	Sept. 3, 1937	1½	Sept. 3, 1937	2	Sept. 17, 1937	1½	Sept. 1, 1939	4	Oct. 19, 1933

<sup>1</sup> Two and one-half per cent to lenders other than banks. NOTE.—Rates applicable to United States Government securities' repurchase agreements are as follows: New York, one per cent; Cleveland, Kansas City, and Dallas, one and one-half per cent. Back figures.—See Annual Report for 1937 (table 40).

**FEDERAL RESERVE BANK BUYING RATES ON ACCEPTANCES**  
[Per cent per annum]

Maturity	Rate in effect on Feb. 1	In effect beginning—	Previous rate
1-15 days	½	Oct. 20, 1933	1
16-30 days	½	do	1
31-45 days	½	do	1
46-60 days	½	do	1
61-90 days	½	do	1
91-120 days	¾	do	1
121-180 days	1	do	1½

<sup>1</sup> This rate also applies to acceptances bought under repurchase agreements, which agreements are always for a period of 15 days or less. NOTE.—Minimum buying rates at the Federal Reserve Bank of New York on prime bankers' acceptances payable in dollars; higher rates may be charged for other classes of bills. The same minimum rates apply to purchases, if any, made by other Federal Reserve Banks. Back figures.—See Annual Report for 1937 (table 41).

**MEMBER BANK RESERVE REQUIREMENTS**  
[Per cent of deposits]

Classes of deposits and banks	June 21, 1917- Aug. 15, 1936	Aug. 16, 1936- Feb. 28, 1937	Mar. 1, 1937- Apr. 30, 1937	May 1, 1937- Apr. 15, 1938	Apr. 16, 1938- and after
On net demand deposits: <sup>1</sup>					
Central reserve city	13	19½	22¾	26	22¾
Reserve city	10	15	17½	20	17½
Country	7	10½	12¼	14	12
On time deposits:					
All member banks	3	4½	5¼	6	5

<sup>1</sup> See footnote to table on p. 136 for explanation of method of computing net demand deposits.

**MARGIN REQUIREMENTS<sup>1</sup>**

Prescribed by Board of Governors of the Federal Reserve System in accordance with Securities Exchange Act of 1934  
[Per cent of market value]

	Apr. 1, 1936- Oct. 31, 1937	Nov. 1, 1937 and after
For extensions of credit by brokers and dealers on listed securities, under Regulation T	55	40
For short sales, under Regulation T	( <sup>2</sup> ) 50	50
For loans by banks on stocks, under Regulation U	<sup>3</sup> 55	40

<sup>1</sup> Regulations T and U limit the amount of credit that may be extended on a security by prescribing a maximum loan value, which is a specified percentage of its market value at the time of the extension; the "margin requirements" shown in this table are the difference between the market value (100%) and the maximum loan value. <sup>2</sup> Requirement under Regulation T was the margin "customarily required" by the broker. <sup>3</sup> Regulation U became effective May 1, 1936. NOTE.—Regulations T and U also provide special margin requirements on "omnibus" accounts and loans to brokers and dealers.

**FEDERAL RESERVE BANK RATES ON INDUSTRIAL ADVANCES**  
Rates in effect February 1 on advances and commitments under Section 13b of the Federal Reserve Act  
[Per cent per annum except as indicated by footnotes \* and †]

Federal Reserve Bank	Advances direct to industrial or commercial organizations	Advances to or in participation with financing institutions		Commitments to make advances
		On portion for which institution is obligated <sup>1</sup>	On remaining portion <sup>1</sup>	
Boston	3½-6	3	3½	½-1
New York	4-6	2-3	2-5	1-2
Philadelphia	3½-6	2½	( <sup>2</sup> )	½-2
Cleveland	3½-6	( <sup>3</sup> )	( <sup>4</sup> )	½-1
Richmond	4-6	( <sup>1</sup> )3	( <sup>5</sup> )4	1-2
Atlanta	4-6	4	4-6	1-2
Chicago	3-6	3-6	3-6	½-2
St. Louis	3½-5½	1½-2	( <sup>6</sup> )	( <sup>7</sup> )1
Minneapolis	3-6	3-6	3-6	1-2
Kansas City	4-6	4	4	( <sup>7</sup> )2
Dallas	4-6	4	4-6	1
San Francisco	4-6	3-4	4-5	½-2

<sup>1</sup> The Federal Reserve Banks of New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, and Dallas may charge same rate as charged borrower by financing institution, if lower than rate shown. <sup>2</sup> Same as rate charged borrower by financing institution. <sup>3</sup> One per cent less than rate charged borrower by financing institution. <sup>4</sup> One per cent less than rate charged borrower by financing institution with minimum of three per cent (see note <sup>1</sup>). <sup>5</sup> One-half of one per cent less than rate charged borrower by financing institution with minimum of four per cent (see note <sup>1</sup>). <sup>6</sup> Minimum charge one-fourth of one per cent. <sup>7</sup> Minimum charge one-half of one per cent.

**MAXIMUM RATES ON TIME DEPOSITS**

Maximum rates that may be paid by member banks as established by the Board of Governors under provisions of Regulation Q  
[Per cent per annum]

	Nov. 1, 1933 to Jan. 31, 1935	Feb. 1, 1935 to Dec. 31, 1935	In effect beginning Jan. 1, 1936
Savings deposits	3	2½	2½
Postal savings deposits	3	2½	2½
Other time deposits payable in:			
6 months or more	3	2½	2½
90 days to 6 months	3	2½	2
Less than 90 days	3	2½	1

NOTE.—Maximum rates that may be paid by insured nonmember banks as established by the Federal Deposit Insurance Corporation, effective February 1, 1936, are the same as those in effect for member banks. In some States the maximum rates established by the Board and the Federal Deposit Insurance Corporation are superseded by lower maximum rates established by State authority.

**PRINCIPAL ASSETS AND LIABILITIES OF ALL FEDERAL RESERVE BANKS**

[In thousands of dollars]

	Wednesday figures							End of month		
	1941			1940				1940	1939	
	Jan. 22	Jan. 15	Jan. 8	Dec. 31	Dec. 24	Dec. 18	Dec. 11	Dec.	Nov.	Dec.
<i>Assets</i>										
Gold certificates on hand and due from U. S. Treasury	19,879,778	19,845,780	19,804,781	19,750,781	19,680,782	19,660,781	19,629,780	19,750,781	19,574,781	15,199,120
Redemption fund—F. R. notes	9,826	9,722	9,108	9,692	11,228	11,228	11,515	9,692	11,515	9,903
Other cash	363,401	360,817	324,344	275,109	228,561	248,004	269,522	275,109	295,132	315,194
<b>Total reserves</b>	<b>20,253,005</b>	<b>20,216,319</b>	<b>20,138,233</b>	<b>20,035,582</b>	<b>19,920,571</b>	<b>19,920,013</b>	<b>19,910,817</b>	<b>20,035,582</b>	<b>19,881,428</b>	<b>15,524,217</b>
<b>Bills discounted:</b>										
For member banks	3,164	3,024	1,995	1,968	3,253	3,402	3,864	1,968	3,117	1,720
For nonmember banks, etc.	385	635	837	947	947	947	922	947	872	5,045
<b>Total bills discounted</b>	<b>3,549</b>	<b>3,659</b>	<b>2,832</b>	<b>2,915</b>	<b>4,200</b>	<b>4,349</b>	<b>4,786</b>	<b>2,915</b>	<b>3,989</b>	<b>6,765</b>
<b>Bills bought:</b>										
Payable in foreign currencies										
<b>Industrial advances</b>	<b>7,500</b>	<b>7,508</b>	<b>7,713</b>	<b>7,538</b>	<b>7,598</b>	<b>7,433</b>	<b>7,492</b>	<b>7,538</b>	<b>7,598</b>	<b>11,044</b>
<b>U. S. Government securities, direct and guaranteed:</b>										
Bonds	1,284,600	1,284,600	1,284,600	1,284,600	1,284,600	1,284,600	1,284,600	1,284,600	1,296,900	1,351,045
Notes	899,500	899,500	899,500	899,500	899,500	899,500	899,500	899,500	902,600	1,133,225
Bills										
<b>Total U. S. Government securities, direct and guaranteed</b>	<b>2,184,100</b>	<b>2,184,100</b>	<b>2,184,100</b>	<b>2,184,100</b>	<b>2,184,100</b>	<b>2,184,100</b>	<b>2,184,100</b>	<b>2,184,100</b>	<b>2,199,400</b>	<b>2,484,270</b>
Other Reserve Bank credit outstanding	60,881	59,057	41,951	79,666	140,546	110,245	44,147	79,666	93,001	90,588
<b>Total Reserve Bank credit outstanding</b>	<b>2,256,030</b>	<b>2,254,324</b>	<b>2,236,596</b>	<b>2,274,219</b>	<b>2,336,444</b>	<b>2,306,127</b>	<b>2,240,525</b>	<b>2,274,219</b>	<b>2,303,988</b>	<b>2,592,667</b>
<i>Liabilities</i>										
<b>F. R. notes in actual circulation</b>	<b>5,834,506</b>	<b>5,824,852</b>	<b>5,877,248</b>	<b>5,930,997</b>	<b>5,964,938</b>	<b>5,883,575</b>	<b>5,819,333</b>	<b>5,930,997</b>	<b>5,742,847</b>	<b>4,958,546</b>
<b>Deposits:</b>										
Member bank—reserve account	14,409,560	14,413,569	14,284,362	14,025,633	13,837,243	13,804,436	14,152,454	14,025,633	14,215,068	11,653,232
U. S. Treasurer—general account	261,012	237,067	219,788	368,481	481,494	570,452	235,468	368,481	249,964	634,270
Foreign	1,230,690	1,229,836	1,122,531	1,132,909	1,111,262	1,140,085	1,105,580	1,132,909	1,158,631	397,443
Other deposits	519,575	511,947	617,139	599,544	600,207	562,138	581,807	599,544	567,328	255,836
<b>Total deposits</b>	<b>16,420,837</b>	<b>16,392,419</b>	<b>16,243,820</b>	<b>16,126,567</b>	<b>16,030,206</b>	<b>16,077,111</b>	<b>16,075,309</b>	<b>16,126,567</b>	<b>16,190,991</b>	<b>12,940,781</b>
<b>Ratio of total reserves to deposit and F. R. note liabilities combined (per cent)</b>	<b>91.0</b>	<b>91.0</b>	<b>91.0</b>	<b>90.8</b>	<b>90.6</b>	<b>90.7</b>	<b>90.9</b>	<b>90.8</b>	<b>90.6</b>	<b>86.7</b>

**MATURITY DISTRIBUTION OF BILLS AND U. S. GOVERNMENT SECURITIES**

**HELD BY FEDERAL RESERVE BANKS**

[In thousands of dollars]

	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
<b>Bills discounted:</b>										
Dec. 31	2,915	1,370	209	693	154	472	17			
Jan. 8	2,832	1,294	721	226	200	376	15			
Jan. 15	3,659	2,253	720	154	281	245	6			
Jan. 22	3,549	2,788	87	164	275	224	11			
<b>Industrial advances:</b>										
Dec. 31	7,538	1,528	49	125	170	561	1,311	1,485	2,309	
Jan. 8	7,713	1,479	216	128	402	372	1,282	1,504	2,330	
Jan. 15	7,508	1,406	82	127	382	482	1,262	1,447	2,320	
Jan. 22	7,500	1,375	63	205	343	505	1,226	1,464	2,319	
<b>U. S. Government securities direct and guaranteed:</b>										
Dec. 31	2,184,100				74,800	58,300	100,000	181,800	633,400	1,135,800
Jan. 8	2,184,100				74,800	58,300	100,000	181,800	633,400	1,135,800
Jan. 15	2,184,100			74,800		58,300	100,000	181,800	633,400	1,135,800
Jan. 22	2,184,100			74,800		58,300	100,000	181,800	633,400	1,135,800

# STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS, BY WEEKS

[In thousands of dollars]

	Total	Boston	New York	Phila- del- phia	Cleve- land	Rich- mond	At- lanta	Chicago	St. Louis	Min- neapolis	Kan- sas City	Dallas	San Fran- cisco
<b>Assets</b>													
<b>Gold certificates on hand and due from U. S. Treasury:</b>													
Dec. 18.....	19,660,781	1,145,923	9,658,768	1,045,607	1,322,252	544,680	374,082	2,897,781	490,502	309,450	426,359	283,853	1,161,524
Dec. 24.....	19,680,782	1,141,014	9,647,199	1,035,785	1,315,790	555,368	386,744	2,913,856	507,577	316,164	423,887	279,869	1,157,539
Dec. 31.....	19,750,781	1,136,171	9,757,527	1,046,557	1,351,413	553,294	384,685	2,899,447	494,577	311,090	420,712	280,159	1,135,193
Jan. 8.....	19,804,781	1,183,701	9,759,446	1,065,895	1,353,335	567,319	374,089	2,837,238	483,207	302,349	417,624	282,925	1,177,953
Jan. 15.....	19,845,780	1,181,902	9,802,581	1,046,103	1,358,522	559,458	376,433	2,862,048	487,350	299,721	420,298	280,036	1,171,328
Jan. 22.....	19,879,778	1,185,420	9,782,711	1,051,808	1,360,876	557,356	369,570	2,883,729	492,097	309,586	420,728	278,360	1,187,537
<b>Redemption fund—Federal Reserve notes:</b>													
Dec. 18.....	11,228	1,279	1,241	1,183	741	1,861	670	1,333	190	359	433	521	1,417
Dec. 24.....	11,228	1,279	1,241	1,183	741	1,861	670	1,333	190	359	433	521	1,417
Dec. 31.....	9,692	1,213	972	1,073	600	1,108	629	1,229	169	332	410	509	1,388
Jan. 8.....	9,108	1,188	861	1,027	612	1,086	488	1,166	142	311	386	496	1,345
Jan. 15.....	9,722	1,128	1,615	926	541	1,387	453	1,067	125	302	372	487	1,319
Jan. 22.....	9,826	1,090	1,456	864	494	1,925	430	1,014	114	296	360	480	1,303
<b>Other cash:</b>													
Dec. 18.....	248,004	23,952	52,857	17,541	14,958	15,937	15,939	30,622	14,358	5,952	13,692	12,793	29,403
Dec. 24.....	228,561	21,704	48,729	15,561	13,778	15,732	13,773	27,999	12,995	5,548	13,433	12,194	27,115
Dec. 31.....	275,109	26,617	51,324	18,754	19,963	18,806	19,055	36,352	16,482	6,576	15,285	14,010	31,885
Jan. 8.....	324,344	33,401	65,646	23,081	22,240	20,928	23,556	44,281	18,433	6,878	17,995	14,692	33,313
Jan. 15.....	360,817	35,132	76,082	25,397	26,750	20,708	24,750	52,846	20,161	7,627	17,836	16,559	36,969
Jan. 22.....	363,401	32,536	77,981	24,797	26,914	22,948	25,212	52,183	20,294	7,764	18,072	15,794	38,906
<b>Total reserves:</b>													
Dec. 18.....	19,920,013	1,171,154	9,712,868	1,064,331	1,337,951	562,478	390,691	2,929,736	505,050	315,761	440,484	297,167	1,192,344
Dec. 24.....	19,920,571	1,163,997	9,697,169	1,052,529	1,330,309	572,961	401,187	2,943,188	520,752	322,071	437,753	292,684	1,186,071
Dec. 31.....	20,035,582	1,164,001	9,809,823	1,066,384	1,352,036	573,208	404,319	2,937,028	511,228	318,004	436,407	294,678	1,168,466
Jan. 8.....	20,138,233	1,218,290	9,825,953	1,090,003	1,376,167	589,333	398,133	2,882,685	501,782	309,538	435,705	298,013	1,212,611
Jan. 15.....	20,216,319	1,218,162	9,880,278	1,072,426	1,385,813	581,553	401,636	2,915,961	507,650	307,650	438,608	297,082	1,209,616
Jan. 22.....	20,253,005	1,219,046	9,862,148	1,077,469	1,388,284	582,229	395,212	2,936,926	512,505	317,616	439,160	294,634	1,227,746
<b>Bills discounted:</b>													
<b>Secured by U. S. Government obligations, direct and guaranteed:</b>													
Dec. 18.....	1,810	85	622	198	110	35	2	15	415	109	215	4	-----
Dec. 24.....	1,799	285	532	304	150	220	2	15	50	129	108	4	-----
Dec. 31.....	851	100	245	187	150	10	2	-----	-----	109	48	-----	-----
Jan. 8.....	900	25	349	232	150	10	2	-----	-----	84	48	-----	-----
Jan. 15.....	2,021	-----	426	348	60	33	2	1,000	-----	109	43	-----	-----
Jan. 22.....	2,260	20	630	428	10	8	2	1,010	-----	109	43	-----	-----
<b>Other bills discounted:</b>													
Dec. 18.....	2,539	-----	544	286	163	41	37	195	78	161	920	45	69
Dec. 24.....	2,401	-----	516	283	162	41	36	157	78	160	854	40	69
Dec. 31.....	2,064	-----	491	278	150	41	36	157	28	107	667	40	69
Jan. 8.....	1,932	-----	494	267	140	36	29	143	25	92	608	37	61
Jan. 15.....	1,638	-----	462	207	120	27	22	111	19	80	512	30	48
Jan. 22.....	1,289	-----	325	166	96	17	14	73	11	70	465	23	29
<b>Total bills discounted:</b>													
Dec. 18.....	4,349	85	1,166	484	273	76	39	210	493	270	1,135	49	69
Dec. 24.....	4,200	285	1,048	592	312	261	38	172	128	289	962	44	69
Dec. 31.....	2,915	100	736	465	300	51	38	157	28	216	715	40	69
Jan. 8.....	2,832	25	843	499	290	46	31	143	25	176	656	37	61
Jan. 15.....	3,659	-----	888	555	180	60	24	1,111	19	189	553	30	48
Jan. 22.....	3,549	20	955	594	106	25	16	1,083	11	179	508	23	29
<b>Industrial advances:</b>													
Dec. 18.....	7,433	980	1,768	2,093	236	783	338	265	5	236	86	82	561
Dec. 24.....	7,598	974	1,767	2,091	239	781	334	265	-----	227	80	279	561
Dec. 31.....	7,538	974	1,756	2,052	250	781	334	269	-----	218	80	278	545
Jan. 8.....	7,713	972	1,755	2,032	245	931	329	268	-----	279	80	278	545
Jan. 15.....	7,508	920	1,755	2,031	245	780	337	268	-----	271	79	278	544
Jan. 22.....	7,500	915	1,755	2,037	247	779	335	274	3	263	73	278	541
<b>U. S. Government securities, direct and guaranteed:</b>													
<b>Bonds:</b>													
Dec. 18.....	1,284,600	92,213	379,572	107,638	128,649	68,168	49,278	146,651	55,508	36,611	62,958	49,948	107,406
Dec. 24.....	1,284,600	92,213	379,572	107,638	128,649	68,168	49,278	146,651	55,508	36,611	62,958	49,948	107,406
Dec. 31.....	1,284,600	92,213	379,572	107,638	128,649	68,168	49,278	146,651	55,508	36,611	62,958	49,948	107,406
Jan. 8.....	1,284,600	93,212	372,013	102,835	126,632	70,566	53,587	144,046	60,661	39,320	64,518	51,073	106,137
Jan. 15.....	1,284,600	93,212	372,013	102,835	126,632	70,566	53,587	144,046	60,661	39,320	64,518	51,073	106,137
Jan. 22.....	1,284,600	93,212	372,013	102,835	126,632	70,566	53,587	144,046	60,661	39,320	64,518	51,073	106,137
<b>Notes:</b>													
Dec. 18.....	899,500	64,568	265,783	75,369	90,082	47,732	34,506	102,688	38,868	25,636	44,085	34,974	75,209
Dec. 24.....	899,500	64,568	265,783	75,369	90,082	47,732	34,506	102,688	38,868	25,636	44,085	34,974	75,209
Dec. 31.....	899,500	64,568	265,783	75,369	90,082	47,732	34,506	102,688	38,868	25,636	44,085	34,974	75,209
Jan. 8.....	899,500	65,269	260,490	72,007	88,671	49,410	37,522	100,864	42,477	27,532	45,177	35,762	74,319
Jan. 15.....	899,500	65,269	260,490	72,007	88,671	49,410	37,522	100,864	42,477	27,532	45,177	35,762	74,319
Jan. 22.....	899,500	65,269	260,490	72,007	88,671	49,410	37,522	100,864	42,477	27,532	45,177	35,762	74,319
<b>Total U. S. Government securities, direct and guaranteed:</b>													
Dec. 18.....	2,184,100	156,781	645,355	183,007	218,731	115,900	83,784	249,339	94,376	62,247	107,043	84,922	182,615
Dec. 24.....	2,184,100	156,781	645,355	183,007	218,731	115,900	83,784	249,339	94,376	62,247	107,043	84,922	182,615
Dec. 31.....	2,184,100	156,781	645,355	183,007	218,731	115,900	83,784	249,339	94,376	62,247	107,043	84,922	182,615
Jan. 8.....	2,184,100	158,481	632,503	174,842	215,303	119,976	91,109	244,910	103,138	66,852	109,695	86,835	180,456
Jan. 15.....	2,184,100	158,481	632,503	174,842	215,303	119,976	91,109	244,910	103,138	66,852	109,695	86,835	180,456
Jan. 22.....	2,184,100	158,481	632,503	174,842	215,303	119,976	91,109	244,910	103,138	66,852	109,695	86,835	180,456

## Federal Reserve Banks—Continued

[In thousands of dollars]

	Total	Boston	New York	Phila- del- phia	Cleve- land	Rich- mond	At- lanta	Chicago	St. Louis	Min- neap- olis	Kan- sas City	Dallas	San Fran- cisco
<b>Assets—Continued</b>													
<b>Total bills and securities:</b>													
Dec. 18.....	2,195,882	157,846	648,289	185,584	219,240	116,759	84,161	249,814	94,874	62,753	108,264	85,053	183,245
Dec. 24.....	2,195,898	158,040	648,170	185,690	219,282	116,942	84,156	249,776	94,504	62,763	108,085	85,245	183,245
Dec. 31.....	2,194,553	157,855	647,847	185,524	219,281	116,732	84,156	249,765	94,404	62,682	107,838	85,240	183,229
Jan. 8.....	2,194,645	159,478	635,101	177,373	215,838	120,953	91,469	245,321	103,163	67,306	110,431	87,150	181,062
Jan. 15.....	2,195,267	159,401	635,146	177,428	215,728	120,816	91,470	246,289	103,157	67,312	110,329	87,143	181,048
Jan. 22.....	2,195,149	159,416	635,213	177,473	215,656	120,780	91,460	246,267	103,152	67,294	110,276	87,136	181,026
<b>Due from foreign banks:</b>													
Dec. 18.....	47	3	18	5	4	2	2	6	1	*	1	1	4
Dec. 24.....	47	3	18	5	4	2	2	6	1	*	1	1	4
Dec. 31.....	47	3	18	5	4	2	2	6	1	*	1	1	4
Jan. 8.....	47	3	18	5	4	2	2	6	1	*	1	1	4
Jan. 15.....	47	3	18	5	4	2	2	6	1	*	1	1	4
Jan. 22.....	47	3	18	5	4	2	2	6	1	*	1	1	4
<b>Federal Reserve notes of other banks:</b>													
Dec. 18.....	22,893	631	2,234	1,066	1,922	2,727	2,560	3,592	2,732	955	1,590	490	2,394
Dec. 24.....	26,542	687	4,426	1,237	2,275	2,213	3,479	3,863	2,307	801	1,990	762	2,502
Dec. 31.....	31,628	635	4,773	1,865	1,947	3,328	3,385	4,136	2,896	1,514	2,261	1,024	3,864
Jan. 8.....	30,183	833	2,988	1,302	2,164	4,466	3,317	3,435	2,966	1,441	2,284	868	4,119
Jan. 15.....	29,820	701	3,350	1,177	2,597	5,503	3,179	3,289	2,251	274	2,098	740	4,661
Jan. 22.....	29,402	655	3,182	1,003	2,399	6,072	2,966	2,636	2,529	703	1,773	701	4,783
<b>Uncollected items:</b>													
Dec. 18.....	1,024,464	91,246	253,326	71,065	118,201	85,923	36,346	153,086	53,794	21,781	41,320	35,915	62,461
Dec. 24.....	914,424	80,337	221,168	61,672	106,648	74,544	38,043	130,762	51,554	21,006	38,900	35,213	54,577
Dec. 31.....	912,398	82,594	234,625	63,085	102,207	76,132	43,435	126,885	52,651	19,658	36,161	29,530	45,688
Jan. 8.....	745,196	69,871	178,971	54,362	78,939	64,080	34,544	101,150	41,752	16,169	34,074	28,652	42,632
Jan. 15.....	901,592	88,055	230,647	64,260	111,123	69,213	34,199	123,729	49,854	18,990	33,342	30,080	48,070
Jan. 22.....	839,957	75,402	201,642	58,158	92,295	86,945	40,068	102,980	48,993	18,139	30,967	39,535	44,833
<b>Bank premises:</b>													
Dec. 18.....	41,221	2,838	9,721	4,513	5,412	2,586	1,995	3,328	2,428	1,369	3,065	1,108	2,858
Dec. 24.....	41,188	2,838	9,721	4,503	5,400	2,579	1,991	3,328	2,428	1,369	3,065	1,108	2,858
Dec. 31.....	40,062	2,833	9,701	4,501	4,587	2,590	1,991	3,040	2,318	1,367	3,059	1,226	2,849
Jan. 8.....	40,076	2,833	9,701	4,529	4,587	2,591	1,991	3,040	2,319	1,367	3,043	1,226	2,849
Jan. 15.....	40,075	2,833	9,702	4,529	4,586	2,591	1,991	3,040	2,318	1,367	3,043	1,226	2,849
Jan. 22.....	40,062	2,833	9,702	4,529	4,574	2,591	1,990	3,040	2,318	1,367	3,043	1,226	2,849
<b>Other assets:</b>													
Dec. 18.....	46,545	3,089	13,079	3,815	5,145	2,753	1,728	4,908	1,859	1,344	2,106	2,551	4,168
Dec. 24.....	46,931	3,120	13,291	3,837	5,181	2,781	1,713	4,986	1,865	1,365	2,134	2,419	4,239
Dec. 31.....	47,596	3,168	13,228	4,909	5,074	2,756	1,766	5,069	1,917	1,396	2,198	1,865	4,250
Jan. 8.....	47,957	3,278	13,293	4,152	5,168	2,915	1,932	5,083	2,121	1,506	2,297	1,904	4,304
Jan. 15.....	48,955	3,345	13,699	4,243	5,217	2,966	1,967	5,172	2,166	1,530	2,337	1,958	4,359
Jan. 22.....	49,482	3,403	13,731	4,273	5,315	3,006	2,003	5,278	2,188	1,548	2,354	1,978	4,406
<b>Total assets:</b>													
Dec. 18.....	23,251,065	1,426,807	10,639,533	1,330,379	1,687,875	773,228	517,483	3,344,470	660,738	403,963	596,830	422,285	1,447,474
Dec. 24.....	23,145,601	1,409,022	10,593,963	1,309,473	1,669,099	772,022	530,571	3,335,909	673,411	409,375	591,928	417,332	1,433,496
Dec. 31.....	23,261,866	1,411,089	10,719,915	1,326,273	1,685,136	774,748	539,054	3,325,929	665,415	404,518	587,925	413,564	1,408,300
Jan. 8.....	23,196,337	1,454,586	10,666,025	1,331,726	1,682,887	784,340	531,388	3,240,720	654,104	397,327	587,835	417,818	1,447,581
Jan. 15.....	23,432,075	1,472,530	10,772,840	1,324,068	1,725,068	782,644	534,444	3,297,486	667,383	397,123	589,656	418,226	1,450,607
Jan. 22.....	23,407,105	1,460,758	10,725,636	1,322,910	1,708,527	801,625	533,701	3,297,133	671,686	406,697	587,574	425,211	1,465,647
<b>Liabilities</b>													
<b>Federal Reserve notes in ac- tual circulation:</b>													
Dec. 18.....	5,883,575	475,697	1,562,232	409,376	539,891	280,476	194,890	1,247,569	219,590	158,107	209,327	96,660	489,760
Dec. 24.....	5,964,938	482,878	1,573,086	415,952	551,356	287,881	199,199	1,265,993	222,681	159,730	211,113	98,261	496,808
Dec. 31.....	5,990,997	479,728	1,576,404	410,704	540,941	283,520	195,853	1,262,396	221,148	158,709	211,215	97,865	492,514
Jan. 8.....	5,877,248	475,760	1,549,880	405,913	540,745	278,549	194,445	1,256,598	219,721	158,069	210,858	96,682	490,028
Jan. 15.....	5,824,852	471,038	1,539,890	404,001	534,525	274,908	193,312	1,252,647	219,679	156,798	209,314	95,119	473,621
Jan. 22.....	5,834,506	471,389	1,542,876	403,782	536,729	276,008	194,353	1,255,499	219,809	156,549	209,452	95,368	472,692
<b>Deposits:</b>													
<b>Member bank—reserve account:</b>													
Dec. 18.....	13,804,436	751,995	7,366,275	679,144	893,213	340,574	226,141	1,744,769	332,577	176,955	284,375	233,665	774,753
Dec. 24.....	13,837,243	746,901	7,393,928	681,438	888,484	345,337	237,021	1,738,708	341,171	176,721	284,948	236,567	766,019
Dec. 31.....	14,025,633	756,465	7,566,979	703,580	920,969	354,132	246,999	1,711,100	326,872	174,476	279,690	240,275	754,096
Jan. 8.....	14,284,362	816,031	7,640,081	728,031	944,241	383,899	247,509	1,695,173	335,708	178,631	285,183	242,275	787,600
Jan. 15.....	14,413,569	819,848	7,702,042	709,177	963,106	372,450	249,610	1,741,868	343,955	181,564	290,287	244,118	795,544
Jan. 22.....	14,409,560	818,703	7,667,269	712,489	956,489	378,855	243,708	1,756,557	349,372	183,311	289,050	238,188	815,569
<b>U. S. Treasurer—general account:</b>													
Dec. 18.....	570,452	20,805	276,808	33,500	32,536	17,365	14,978	67,505	15,135	19,608	22,344	22,808	27,060
Dec. 24.....	481,494	16,801	215,090	15,212	24,697	18,419	17,972	71,080	21,070	24,260	16,690	14,470	25,733
Dec. 31.....	368,481	6,044	131,605	13,664	16,328	12,636	12,547	84,537	23,893	22,857	16,861	10,926	16,583
Jan. 8.....	219,788	8,134	60,055	8,906	10,672	5,880	11,062	43,773	13,817	14,882	13,690	14,981	13,936
Jan. 15.....	237,067	7,827	75,138	16,257	13,977	13,678	12,646	33,642	10,499	10,329	14,500	14,776	13,798
Jan. 22.....	261,012	10,001	80,430	17,530	15,290	9,258	13,168	37,278	11,656	19,439	15,676	13,950	17,336
<b>Foreign:</b>													
Dec. 18.....	1,140,085	55,088	641,521	75,841	71,972	33,277	27,086	92,867	23,217	17,026	22,443	23,217	56,530
Dec. 24.....	1,111,262	55,126	612,667	75,841	71,972	33,277	27,086	92,867	23,217	17,026	22,443	23,217	56,530
Dec. 31.....	1,132,909	54,872	633,979	75,944	72,069	33,322	27,123	92,992	23,248	17,049	22,473	23,248	56,590
Jan. 8.....	1,122,531	53,643	624,803	75,944	72,069	33,322	27,123	92,992	23,248	17,049	22,473	23,248	56,617
Jan. 15.....	1,229,836	55,009	725,205	76,103	72,180	33,736	27,460	94,148	23,537	17,260	22,752	22,752	59,694
Jan. 22.....	1,230,690	54,841	723,091	76,631	72,681	33,971	27,651	94,802	23,700	17,380	22,910	22,910	60,122
<b>Other deposits:</b>													
Dec. 18.....	562,138	8,110	451,788	30,465	4,853	5,221	5,154	5,064	7,187	5,888	12,572	1,912	23,924
Dec. 24.....	600,207	8,814	489,773	31,808	5,074	5,177	4,						







### RESERVE POSITION OF MEMBER BANKS, DECEMBER, 1940

[Averages of daily figures. In millions of dollars]

Classes of banks and districts	Gross demand deposits	Net demand deposits <sup>1</sup>	Time deposits	Reserves with Federal Reserve Banks		
				Required	Held	Excess
All member banks.....	42,885	35,096	12,204	7,403	14,049	6,646
Central reserve city banks:						
New York.....	16,230	15,446	804	3,554	6,997	3,443
Chicago.....	3,223	2,816	510	666	1,142	476
Reserve city banks:						
Boston district.....	1,393	1,253	82	223	550	326
New York district.....	250	199	149	42	68	26
Philadelphia district.....	1,492	1,248	223	230	488	259
Cleveland district.....	2,065	1,625	730	321	740	419
Richmond district.....	939	685	222	131	239	107
Atlanta district.....	866	620	178	117	149	32
Chicago district.....	1,607	1,126	641	229	419	190
St. Louis district.....	984	760	176	142	270	128
Minneapolis district.....	461	336	86	63	107	44
Kansas City district.....	1,123	744	159	138	210	72
Dallas district.....	842	535	132	100	146	46
San Francisco district.....	2,633	2,109	2,045	471	710	238
Total.....	14,655	11,241	4,823	2,208	4,096	1,887
Country banks:						
Boston district.....	1,044	734	556	116	220	104
New York district.....	1,525	1,080	1,418	200	427	227
Philadelphia district.....	779	496	870	103	198	95
Cleveland district.....	730	466	715	92	174	82
Richmond district.....	694	395	372	66	111	45
Atlanta district.....	613	367	242	56	84	28
Chicago district.....	1,037	617	799	114	230	116
St. Louis district.....	437	265	248	44	75	30
Minneapolis district.....	375	231	284	42	71	29
Kansas City district.....	503	310	160	45	71	26
Dallas district.....	632	388	106	52	91	39
San Francisco district.....	408	242	296	44	62	19
Total.....	8,777	5,592	6,067	974	1,815	840

<sup>1</sup> Gross demand deposits minus demand balances with domestic banks (except private banks and American branches of foreign banks) and cash items in process of collection.

NOTE.—See table on p. 130 for percentages of deposits required to be held as reserves.

### MEMBER BANK RESERVE BALANCES BY CLASSES OF BANKS

[Averages of daily figures. In millions of dollars]

	All member banks <sup>1</sup>	Central reserve city banks		Re-serve city banks	Country banks <sup>1</sup>
		New York	Chi-cago		
Total reserves held:					
1939—December.....	11,473	5,623	1,141	3,141	1,568
1940—January.....	11,985	6,099	940	3,319	1,628
February.....	12,215	6,323	901	3,344	1,646
March.....	12,362	6,428	899	3,368	1,668
April.....	12,703	6,548	972	3,476	1,706
May.....	13,086	6,660	1,097	3,615	1,714
June.....	13,596	6,941	1,182	3,716	1,757
July.....	13,735	6,979	1,168	3,837	1,751
August.....	13,408	6,709	1,154	3,804	1,740
September.....	13,643	6,705	1,234	3,905	1,800
October.....	14,043	6,889	1,279	4,024	1,851
November.....	14,131	6,975	1,218	4,080	1,858
December.....	14,049	6,977	1,142	4,096	1,815
Week ending (Friday):					
1940—Nov. 29.....	14,278	7,063	1,230	4,146	1,838
Dec. 6.....	14,168	7,004	1,193	4,075	1,896
Dec. 13.....	14,180	7,030	1,192	4,109	1,849
Dec. 20.....	14,048	7,007	1,142	4,099	1,800
Dec. 27.....	13,844	6,927	1,091	4,016	1,810
1941—Jan. 3.....	14,039	7,056	1,047	4,058	1,878
Jan. 10.....	14,259	7,114	1,028	4,192	1,925
Jan. 17.....	14,428	7,167	1,064	4,265	1,932
Excess reserves:					
1939—December.....	5,011	2,611	540	1,188	671
1940—January.....	5,464	3,045	342	1,350	727
February.....	5,626	3,199	301	1,378	747
March.....	5,734	3,248	310	1,405	771
April.....	6,003	3,312	388	1,494	809
May.....	6,288	3,389	477	1,607	815
June.....	6,696	3,594	547	1,703	851
July.....	6,752	3,588	522	1,803	839
August.....	6,407	3,344	499	1,748	816
September.....	6,582	3,324	570	1,821	866
October.....	6,864	3,465	610	1,888	902
November.....	6,830	3,493	546	1,895	897
December.....	6,646	3,443	476	1,887	840
Week ending (Friday):					
1940—Nov. 29.....	6,923	3,551	556	1,941	875
Dec. 6.....	6,803	3,486	519	1,872	926
Dec. 13.....	6,791	3,499	516	1,899	877
Dec. 20.....	6,628	3,441	474	1,890	824
Dec. 27.....	6,422	3,348	434	1,808	832
1941—Jan. 3.....	6,609	3,462	399	1,851	897
Jan. 10.....	6,784	3,500	372	1,972	939
Jan. 17.....	*3,912	3,535	390	2,041	*946

\* Preliminary.

<sup>1</sup> Weekly figures of excess reserves of all member banks and of country banks are estimates.

### DEPOSITS OF MEMBER BANKS IN LARGER AND SMALLER CENTERS

[Averages of daily figures. In millions of dollars]

Federal Reserve district	All member banks				Member banks in larger centers (places over 15,000)				Member banks in smaller centers (places under 15,000)			
	Gross demand		Time		Gross demand		Time		Gross demand		Time	
	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.
Boston.....	2,437	2,450	638	644	2,290	2,301	509	513	147	149	129	131
New York.....	18,005	17,667	2,371	2,383	1,454	1,462	1,058	1,066	321	327	509	513
Philadelphia.....	2,271	2,248	1,093	1,101	2,005	1,980	640	644	266	268	453	457
Cleveland.....	2,795	2,752	1,446	1,451	2,527	2,493	1,129	1,133	267	259	317	318
Richmond.....	1,634	1,617	594	601	1,408	1,394	396	402	225	223	198	199
Atlanta.....	1,479	1,438	420	421	1,290	1,258	328	329	189	180	92	92
Chicago.....	5,866	5,824	1,950	1,928	2,253	2,217	1,107	1,099	391	384	333	330
St. Louis.....	1,421	1,409	423	425	1,158	1,148	302	303	263	261	121	121
Minneapolis.....	836	836	370	369	618	616	180	179	218	220	190	190
Kansas City.....	1,627	1,615	319	320	1,256	1,249	202	203	371	366	117	117
Dallas.....	1,474	1,470	237	233	1,117	1,114	190	186	357	356	48	47
San Francisco.....	3,041	3,031	2,342	2,316	2,900	2,891	2,234	2,208	141	139	107	108
Total.....	42,885	42,356	12,204	12,193	20,276	20,123	8,276	8,260	3,156	3,133	2,614	2,622

<sup>1</sup> Excluding central reserve city banks, for which figures for latest month are shown in table above.

**KINDS OF MONEY IN CIRCULATION**

[Outside Treasury and Federal Reserve Banks. In millions of dollars]

End of month	Total	Gold certifi- cates	Silver dollars	Silver certifi- cates	Treasury notes of 1890	Subsidi- ary silver coin	Minor coin	United States notes	Federal Reserve notes	Federal Reserve Bank notes	National bank notes
1939—November.....	7,483	70	44	1,530	1	379	163	269	4,826	24	177
December.....	7,598	69	45	1,554	1	381	164	272	4,912	24	175
1940—January.....	7,376	69	44	1,469	1	372	163	265	4,796	23	173
February.....	7,455	68	45	1,500	1	373	163	271	4,839	23	171
March.....	7,511	68	45	1,508	1	375	164	260	4,896	23	170
April.....	7,559	68	45	1,557	1	377	166	248	4,906	23	168
May.....	7,710	67	46	1,590	1	382	168	241	5,025	23	167
June.....	7,848	67	46	1,582	1	384	169	248	5,163	22	165
July.....	7,883	66	46	1,565	1	386	172	249	5,212	22	164
August.....	8,059	66	47	1,605	1	389	174	258	5,334	22	162
September.....	8,151	66	48	1,615	1	394	177	259	5,409	22	161
October.....	8,300	65	48	1,620	1	400	180	264	5,541	22	160
November.....	8,522	65	49	1,658	1	407	183	275	5,705	21	159
December.....	8,732	65	50	1,667	1	412	185	290	5,883	21	157

Back figures.—See Annual Report for 1937 (table 35).

**PAPER CURRENCY, BY DENOMINATIONS, AND COIN IN CIRCULATION**

[Outside Treasury and Federal Reserve Banks. In millions of dollars]

End of month	Total in cir- culation total <sup>1</sup>	Coin and small denomination currency <sup>2</sup>						Large denomination currency <sup>3</sup>						Un- assort- ed <sup>2</sup>		
		Total	Coin	\$1 <sup>3</sup>	\$2	\$5	\$10	\$20	Total	\$50	\$100	\$500	\$1,000		\$5,000	\$10,000
1939—November.....	7,483	5,478	586	545	35	1,004	1,752	1,557	2,007	452	896	188	420	20	32	2
December.....	7,598	5,553	590	559	36	1,019	1,772	1,576	2,048	460	919	191	425	20	32	2
1940—January.....	7,376	5,332	579	526	34	970	1,692	1,532	2,047	457	920	191	426	20	33	3
February.....	7,455	5,397	581	530	34	986	1,723	1,543	2,061	459	930	191	427	20	34	4
March.....	7,511	5,414	584	531	33	989	1,731	1,546	2,101	460	941	194	432	24	49	4
April.....	7,559	5,437	588	534	34	992	1,739	1,551	2,126	463	951	195	439	30	48	4
May.....	7,710	5,519	595	546	35	1,009	1,766	1,568	2,193	471	979	202	464	26	50	1
June.....	7,848	5,584	599	546	35	1,015	1,791	1,599	2,264	485	1,013	210	481	26	50	2
July.....	7,883	5,599	604	544	35	1,013	1,798	1,605	2,286	489	1,025	211	486	26	49	2
August.....	8,059	5,748	611	556	36	1,044	1,858	1,644	2,313	495	1,035	213	493	26	51	2
September.....	8,151	5,814	618	566	36	1,055	1,876	1,663	2,340	503	1,048	216	496	25	52	3
October.....	8,300	5,911	627	575	36	1,068	1,908	1,696	2,392	512	1,071	223	508	25	52	3
November.....	8,522	6,098	639	591	38	1,107	1,977	1,748	2,426	523	1,089	225	512	26	51	3
December.....	8,732	6,247	648	610	39	1,129	2,021	1,800	2,489	538	1,112	227	523	30	60	4

<sup>1</sup> Total of amounts of coin and paper currency shown by denominations less unsorted currency in Treasury and Federal Reserve Banks.

<sup>2</sup> Includes unsorted currency held in Treasury and Federal Reserve Banks and currency of unknown denominations reported by the Treasury as destroyed.

<sup>3</sup> Paper currency only; \$1 silver coins reported under coin.

Back figures.—See Annual Report for 1937 (table 36).

**TREASURY CURRENCY OUTSTANDING**

[Held by Treasury and Federal Reserve Banks and in circulation. In millions of dollars]

End of month	Total	Silver dollars and silver bullion <sup>1</sup>	Subsidiary silver coin	Minor coin	United States notes	Federal Reserve Bank notes	National bank notes
1939—November.....	2,947	1,835	394	167	347	25	179
December.....	2,963	1,845	399	169	347	24	178
1940—January.....	2,971	1,855	400	169	347	24	175
February.....	2,981	1,866	401	170	347	24	173
March.....	2,990	1,876	401	171	347	23	172
April.....	2,999	1,886	400	172	347	23	171
May.....	3,008	1,894	402	173	347	23	169
June.....	3,014	1,900	402	174	347	23	167
July.....	3,024	1,909	404	175	347	23	167
August.....	3,036	1,915	409	178	347	23	164
September.....	3,044	1,920	411	181	347	22	163
October.....	3,059	1,931	415	183	347	22	162
November.....	3,072	1,937	419	187	347	22	160
December.....	3,087	1,945	425	189	347	22	159

<sup>1</sup> Includes silver held against silver certificates amounting to \$1,871-000,000 on Dec. 31, 1940 and \$1,777,000,000 on Dec. 30, 1939.

**SHIPMENTS AND RECEIPTS OF UNITED STATES PAPER CURRENCY**

[By selected banks and financial institutions in New York City. In millions of dollars]

Year or month	Shipments to Europe	Receipts from Europe	Net shipments	Net receipts
1937.....	21.5	47.6	-----	26.1
1938.....	33.1	34.4	-----	1.3
1939.....	110.2	9.8	100.4	-----
1940.....	17.7	.7	17.0	-----
1939—December.....	6.6	.3	6.3	-----
1940—January.....	5.3	(1)	5.3	-----
February.....	4.7	(1)	4.7	-----
March.....	1.4	(1)	1.4	-----
April.....	3.5	(1)	3.5	-----
May.....	1.1	(1)	1.1	-----
June.....	.5	.1	.4	-----
July.....	.6	.1	.5	-----
August.....	.3	(1)	.3	-----
September.....	.1	(1)	.1	-----
October.....	.1	.1	-----	-----
November.....	.1	.2	-----	.1
December.....	.1	.1	-----	.1

<sup>1</sup> Less than \$50,000.

Back figures.—See Annual Report for 1937 (table 38).

Description.—See BULLETIN for January 1932, pp. 7-8.

### ANALYSIS OF CHANGES IN GOLD STOCK OF UNITED STATES

[In millions of dollars]

Period	Gold stock at end of period	Increase in total gold stock	Net gold import	Net gain or loss (-) through earmarking transactions <sup>1</sup>	Domestic gold production
1934 <sup>2</sup>	8,238	4,202.5	1,133.9	82.6	92.9
1935	10,125	1,887.2	1,739.0	148.2	110.7
1936	<sup>3</sup> 11,258	1,132.5	1,116.6	-85.9	131.6
1937	<sup>3</sup> 12,760	1,502.5	1,585.5	-200.4	143.9
1938	14,512	1,751.5	1,973.6	-333.5	148.6
1939	17,644	3,132.0	3,574.2	-534.4	161.7
1940	<sup>p</sup> 21,995	<sup>p</sup> 4,351.0	4,744.5	-644.7	<sup>p</sup> 168.1
1939—April	15,791	532.3	605.8	-114.8	13.3
May	15,957	166.2	429.4	-251.6	12.8
June	16,110	153.3	240.4	-104.8	10.8
July	16,238	128.0	278.6	-164.0	13.3
August	16,646	407.6	259.9	152.1	14.3
September	16,932	285.9	326.1	2.8	15.9
October	17,091	159.9	69.7	79.5	18.7
November	17,358	267.1	168.0	90.9	14.9
December	17,644	285.1	451.2	-200.8	13.4
1940—January	17,981	287.5	236.4	40.0	13.6
February	18,177	246.0	201.4	37.0	11.4
March	18,433	256.0	459.8	-213.4	12.1
April	18,770	336.9	249.9	67.2	13.0
May	19,209	439.0	435.1	-36.7	14.1
June	19,963	754.2	1,163.0	-437.2	11.0
July	20,463	499.4	520.0	-55.1	16.0
August	20,913	450.2	351.6	67.0	12.3
September	21,244	331.6	334.1	36.6	13.3
October	21,506	261.1	326.0	-117.9	19.1
November	21,801	295.2	330.1	-39.5	16.4
December	<sup>p</sup> 21,995	<sup>p</sup> 193.8	137.2	7.4	<sup>p</sup> 15.7
1941—Jan. 1-29 <sup>p</sup>	22,110	115.6	230.2	-40.4	

<sup>p</sup> Preliminary.  
<sup>1</sup> Gold held under earmark at Federal Reserve Banks for foreign account on December 31, 1940, in millions of dollars: 1,807.7.  
<sup>2</sup> Figures based on rate of \$20.67 a fine ounce in January 1934 and \$35 a fine ounce thereafter.  
<sup>3</sup> Includes gold in the Inactive Account amounting to \$27,000,000 on December 31, 1936, and \$1,228,000,000 on December 31, 1937.

NOTE.—Figures for domestic production of gold are those published in table, p. 171, adjusted to exclude Philippine Islands production received in United States. Adjustment based on annual figures reported by Director of Mint and monthly imports of gold to U. S. from Philippines. For back figures see Annual Report for 1937 (table 29).

### BANK SUSPENSIONS<sup>1</sup>

	Total, all banks	Member banks		Nonmember banks	
		National	State	Insured <sup>2</sup>	Not insured
Number of banks suspended:					
1934	57	1		8	48
1935	34	4		22	8
1936	44	1		40	3
1937	59	4	2	47	6
1938	55	1	1	47	6
1939	42	4	3	25	10
1940	22	1		18	3
Deposits of suspended banks (in thousands of dollars): <sup>3</sup>					
1934	36,937	40		1,912	34,985
1935	10,015	5,313		3,763	939
1936	11,306	507		10,207	592
1937	19,723	7,379	1,708	10,156	480
1938	13,012	36	211	11,721	1,044
1939	34,998	1,341	24,629	6,589	2,439
1940	5,943	256		5,341	346

<sup>1</sup> Represents banks which, during the periods shown, closed temporarily or permanently on account of financial difficulties; does not include banks whose deposit liabilities were assumed by other banks at the time of closing (in some instances with the aid of Federal Deposit Insurance Corporation loans).  
<sup>2</sup> Federal deposit insurance became operative January 1, 1934.  
<sup>3</sup> Deposits of member banks and insured nonmember banks suspended are as of dates of suspension, and deposits of noninsured nonmember banks are based on the latest data available at the time the suspensions were reported.

Back figures.—See Annual Report for 1937 (table 76).

### MOVEMENT OF GOLD TO AND FROM UNITED STATES<sup>1</sup>

[In thousands of dollars]

From or to—	1940					
	December		November		Jan.-Dec.	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
Belgium					977	
France					241,778	
Hungary					11,873	
Italy					43,935	
Netherlands			7		63,260	
Norway					33,405	
Portugal	57		9,286		75,087	
Spain			31		10,416	
Sweden					161,489	
Switzerland					90,320	
United Kingdom	99		939	3	633,100	17
U. S. S. R.					30,851	
Yugoslavia					16,310	
Canada	80,390	1	262,721	2	2,622,501	171
Mexico	347		545		29,836	6
Central America	663		778		9,336	
West Indies and Bermuda		1	66		5,900	9
Argentina	8,247		12,984		59,072	
Bolivia	11		1		67	4,781
Brazil	3				10,781	6
Chile	1,101		1,048		10,802	
Colombia	2,814				23,999	
Ecuador	231		360		3,130	
Peru	1,206		595		10,247	
Venezuela	370		350		4,921	
Australia	14,994		14,441		103,777	
British India	7,446		2,170		49,989	
Netherlands Indies					20,583	
China and Hong Kong				765	26,180	2
Japan	13,262		12,186		111,739	
Philippine Islands	3,268		3,283		38,630	3
South Africa	1,751		6,240		184,756	
All other countries <sup>2</sup>	773		1,317		10,320	
Total	137,178	3	330,113	6	4,749,467	4,995

<sup>1</sup> Figures represent customs valuations which, with some exceptions, are at rate of \$35 a fine ounce.

<sup>2</sup> Includes all movements of unreported origin or destination.

Back figures.—See table, p. 171, and Annual Report for 1937 (tables 31 and 32).

### BANK DEBITS

[Debits to deposit accounts, except interbank accounts, at banks in principal cities.] [In millions of dollars]

Year and month	Total, all reporting centers	New York City	140 other leading centers <sup>1</sup>	133 other reporting centers <sup>2</sup>
1929	982,531	603,089	331,938	47,504
1935	402,718	184,006	190,165	28,547
1936	461,889	208,936	219,670	33,283
1937	469,463	197,836	235,206	36,421
1938	405,929	168,778	204,745	32,406
1939	423,932	171,382	218,298	34,252
1939—November	34,666	13,041	18,636	2,990
December	43,447	17,633	22,386	3,428
1940—January	37,786	14,739	19,978	3,069
February	32,197	12,138	17,344	2,715
March	37,769	15,201	19,537	3,031
April	37,780	15,519	19,250	3,010
May	37,257	14,536	19,659	3,063
June	35,005	13,110	18,850	3,045
July	35,947	13,612	19,233	3,103
August	32,844	11,004	18,314	2,926
September	33,812	12,594	18,267	2,951
October	39,695	14,952	21,365	3,378
November	39,088	14,952	20,819	3,317
December	46,673	18,626	24,327	3,721

<sup>1</sup> Comprises centers for which bank debit figures are available beginning with 1919, except that one substitution was made in 1920 and one in 1928.

<sup>2</sup> Centers (other than the 141 centers) for which bank debits are currently reported. The number has changed very little since 1934 and has numbered 133 since 1936.

Back figures.—For corresponding monthly totals for 1928-1937 see Annual Report for 1937 (Table 71), which also gives a definition of bank debits. Monthly figures for individual reporting centers with totals by Federal Reserve districts for recent years, and annual figures for individual reporting centers with totals by Federal Reserve districts for the years 1919-1939, are available and will be furnished upon request.

### ALL BANKS IN THE UNITED STATES

Comprises all national banks in the continental United States and all State commercial banks, trust companies, mutual and stock savings banks and such private and industrial banks as are included in abstracts issued by State banking departments. Also includes, during the period June 1934-June 1935, private banks which, pursuant to the provisions of sec. 21 (a) of the Banking Act of 1933, submitted condition reports to the Comptroller of the Currency. Under the amended provisions of sec. 21 (a) private banks no longer report to the Comptroller of the Currency. For comparative figures of private banks included in the figures from June 1934 to December 1935, see Federal Reserve BULLETIN for December 1935, p. 883, and July 1936, p. 535. Figures for nonmember banks are for dates indicated or nearest thereto for which figures are available.

#### NUMBER OF BANKS

Call date	Total	Member banks			Nonmember banks	
		Total	National	State	Mutual savings banks	Other non-member banks
1929-June 29-----	25,110	8,707	7,530	1,177	611	15,792
Dec. 31-----	24,630	8,522	7,403	1,119	609	15,499
1933-June 30-----	14,519	5,606	4,897	709	576	8,337
Dec. 30-----	15,011	6,011	5,154	857	579	8,421
1934-June 30-----	15,835	6,375	5,417	958	578	8,882
Dec. 31-----	16,039	6,442	5,462	980	579	9,018
1935-June 29-----	15,994	6,410	5,425	985	571	9,013
Dec. 31-----	15,837	6,387	5,386	1,001	570	8,880
1936-June 30-----	15,752	6,400	5,368	1,032	566	8,786
Dec. 31-----	15,628	6,376	5,325	1,051	565	8,687
1937-June 30-----	15,527	6,357	5,293	1,064	564	8,606
Dec. 31-----	15,393	6,341	5,260	1,081	563	8,489
1938-June 30-----	15,287	6,338	5,242	1,096	563	8,386
Dec. 31-----	15,206	6,338	5,224	1,114	566	8,312
1939-June 30-----	15,082	6,330	5,203	1,127	553	8,199
Dec. 30-----	15,037	6,300	5,187	1,115	552	8,123
1940-Mar. 26-----	15,006	6,377	5,178	1,199	551	8,078
June 29-----	14,953	6,398	5,164	1,234	551	8,004

For footnotes see table below.

#### DEPOSITS, EXCLUSIVE OF INTERBANK DEPOSITS<sup>1</sup>

[In millions of dollars]

Call date	All banks	Member banks					Nonmember banks	
		Total	National	State	Mutual savings banks	Other non-member banks	Total	Other non-member banks
1929-June 29-----	53,852	32,284	19,411	12,873	8,983	12,584	12,584	
Dec. 31-----	55,289	33,865	20,290	13,575	8,916	12,508	12,508	
1933-June 30-----	37,998	23,338	14,772	8,566	9,713	4,946	4,946	
Dec. 30-----	38,605	23,771	15,356	8,385	9,708	5,026	5,026	
1934-June 30-----	41,870	26,615	17,097	9,518	9,780	5,475	5,475	
Dec. 31-----	44,770	28,943	18,519	10,424	9,828	6,000	6,000	
1935-June 29-----	45,766	29,496	19,031	10,465	9,920	6,350	6,350	
Dec. 31-----	48,964	32,159	20,886	11,273	9,963	6,842	6,842	
1936-June 30-----	51,335	34,098	21,986	12,112	10,060	7,178	7,178	
Dec. 31-----	53,701	35,893	23,107	12,786	10,143	7,666	7,666	
1937-June 30-----	53,287	35,440	22,926	12,514	10,213	7,635	7,635	
Dec. 31-----	52,440	34,810	22,655	12,155	10,257	7,373	7,373	
1938-June 30-----	52,195	34,745	22,553	12,193	10,296	7,153	7,153	
Dec. 31-----	54,054	36,211	23,497	12,714	10,365	7,478	7,478	
1939-June 30-----	55,992	38,027	24,534	13,493	10,521	7,444	7,444	
Dec. 30-----	58,344	39,930	25,561	14,269	10,613	7,801	7,801	
1940-Mar. 26-----	59,017	40,579	25,911	14,667	10,544	7,895	7,895	
June 29-----	60,582	42,039	26,931	15,108	10,631	7,912	7,912	

For footnotes see table below.

#### LOANS AND INVESTMENTS

[In millions of dollars]

Call date	All banks			Member banks			Nonmember banks					
	Total	Loans	Investments	Total	Loans	Investments	Mutual savings banks			Other nonmember banks		
							Total	Loans	Investments	Total	Loans	Investments
1929-June 29-----	58,474	41,531	16,943	35,711	25,658	10,052	9,556	5,892	3,664	13,207	0,981	3,227
Dec. 31-----	58,417	41,918	16,499	35,934	26,150	9,784	9,463	5,945	3,518	13,020	9,823	3,197
1933-June 30-----	40,076	22,203	17,872	24,786	12,858	11,928	10,044	5,041	4,103	5,246	3,404	1,841
Dec. 30-----	40,319	21,977	18,342	25,220	12,833	12,386	9,985	5,906	4,079	5,115	3,238	1,877
1934-June 30-----	42,502	21,278	21,224	27,175	12,523	14,652	9,904	5,648	4,256	5,423	3,108	2,315
Dec. 31-----	43,458	20,473	22,984	28,150	12,028	16,122	9,782	5,491	4,291	5,526	2,965	2,571
1935-June 29-----	44,416	20,272	24,145	28,785	11,928	16,857	9,852	5,341	4,511	5,779	3,003	2,777
Dec. 31-----	45,717	20,329	25,388	29,985	12,175	17,810	9,804	5,210	4,594	5,927	2,944	2,983
1936-June 30-----	48,458	20,679	27,778	32,259	12,542	19,717	9,961	5,105	4,856	6,238	3,032	3,206
Dec. 31-----	49,524	21,449	28,075	33,000	13,360	19,640	10,060	5,027	5,034	6,464	3,062	3,402
1937-June 30-----	49,696	22,514	27,182	32,739	14,285	18,454	10,180	5,002	5,178	6,778	3,227	3,550
Dec. 31-----	48,566	22,198	26,368	31,752	13,958	17,794	10,187	4,996	5,191	6,627	3,244	3,383
1938-June 30-----	47,381	21,130	26,252	30,721	12,938	17,783	10,196	4,961	5,235	6,465	3,231	3,234
Dec. 31 <sup>2</sup> -----	48,929	21,354	27,575	32,070	13,208	18,863	10,255	4,930	5,325	6,604	3,217	3,387
1939-June 30-----	49,616	21,318	28,299	32,603	13,141	19,462	10,342	4,931	5,411	6,671	3,245	3,425
Dec. 30-----	50,835	22,169	28,716	33,941	13,962	19,979	10,314	4,961	5,353	6,630	3,246	3,384
1940-Mar. 26-----	51,135	22,190	28,945	34,163	13,939	20,224	10,226	4,922	5,304	6,746	3,329	3,417
June 29-----	51,335	22,341	28,995	34,451	13,969	20,482	10,188	4,926	5,262	6,696	3,445	3,251
Dec. 31 <sup>4</sup> -----				<sup>3</sup> 37,113	<sup>5</sup> 15,302	<sup>2</sup> 21,810						

<sup>1</sup> Prior to Dec. 30, 1933, member bank figures include interbank deposits not subject to immediate withdrawal, which aggregated \$103,000,000 on that date. Prior to June 1940 the nonmember bank figures on some call dates included some interbank deposits not shown separately in a few State bank abstracts.

<sup>2</sup> Prior to December 1938 the figures include loans and investments indirectly representing bank premises or other real estate, now classified in condition reports among "Other assets." The amounts of such loans and investments in December 1938 were approximately \$50,000,000 and \$100,000,000, respectively.

<sup>3</sup> One bank (with deposits, excluding interbank deposits, of \$90,000,000 and total loans and investments of \$96,000,000 on December 30, 1939) which, prior to March 1940, was classified as a mutual savings bank, is now included in figures in the "Other nonmember banks" column.

<sup>4</sup> Figures for "All banks" not available.

<sup>5</sup> Preliminary figures.

<sup>6</sup> Back figures.—See Annual Report for 1937 (tables 48-49).







# WEEKLY REPORTING MEMBER BANKS—NEW YORK CITY AND OUTSIDE

## LOANS AND INVESTMENTS

[Monthly data are averages of Wednesday figures. In millions of dollars.]

Date or month	Total loans and investments	Loans							Investments							
		Total	Com- mer- cial, in- dus- trial, and agri- cul- tural	Open mar- ket paper	Loans for purchasing or carrying securities		Real estate loans	Loans to banks	Other loans	Total	U. S. Government obligations					Other secu- rities
					To brok- ers and deal- ers	To others					Total	Bills	Notes	Bonds	Guar- an- teed	
<i>Total—101 Cities</i>																
1939—December	23,353	8,802	4,400	319	759	506	1,189	46	1,583	14,551	11,186	672	2,039	6,063	2,412	3,365
1940—August	24,140	8,504	4,456	295	375	470	1,214	39	1,655	15,636	11,994	730	2,113	6,572	2,579	3,642
September	24,233	8,653	4,551	295	400	462	1,221	45	1,679	15,580	11,897	677	2,083	6,555	2,582	3,683
October	24,429	8,852	4,709	300	424	458	1,221	39	1,701	15,577	11,908	683	1,878	6,744	2,603	3,669
November	24,862	9,083	4,885	301	456	456	1,226	37	1,722	15,779	12,192	768	1,850	6,872	2,702	3,587
December	25,388	9,309	4,993	303	534	463	1,229	40	1,747	16,079	12,438	734	2,019	6,951	2,734	3,641
Nov. 6	24,729	9,008	4,827	304	450	452	1,222	36	1,717	15,721	12,108	751	1,827	6,832	2,698	3,613
Nov. 13	24,871	9,086	4,895	300	452	456	1,228	35	1,720	15,785	12,180	763	1,855	6,858	2,704	3,605
Nov. 20	24,944	9,110	4,908	299	455	454	1,226	39	1,729	15,834	12,229	774	1,855	6,900	2,700	3,605
Nov. 27	24,902	9,128	4,911	299	467	460	1,228	39	1,724	15,774	12,250	784	1,861	6,898	2,707	3,524
Dec. 4	25,053	9,162	4,942	303	452	459	1,229	43	1,734	15,891	12,307	786	1,871	6,927	2,723	3,584
Dec. 11	25,224	9,299	4,992	304	529	458	1,230	42	1,744	15,925	12,311	784	1,859	6,939	2,729	3,614
Dec. 18	25,532	9,341	5,001	303	558	467	1,228	40	1,744	16,191	12,542	759	2,094	6,955	2,734	3,649
Dec. 24	25,604	9,354	5,011	303	545	466	1,230	40	1,759	16,250	12,568	732	2,138	6,958	2,740	3,682
Dec. 31	25,527	9,390	5,018	301	584	465	1,230	37	1,755	16,137	12,462	611	2,130	6,978	2,743	3,675
1941—Jan. 8	25,614	9,303	5,033	305	500	459	1,228	38	1,740	16,311	12,629	685	2,164	7,024	2,756	3,682
Jan. 15	25,669	9,280	5,040	310	462	462	1,230	36	1,740	16,389	12,715	725	2,186	7,054	2,750	3,674
Jan. 22	25,684	9,287	5,055	312	465	458	1,227	35	1,735	16,397	12,720	726	2,188	7,063	2,743	3,677
<i>New York City</i>																
1939—December	9,057	3,108	1,700	114	590	176	113	37	378	5,949	4,752	499	806	2,220	1,227	1,197
1940—August	9,554	2,752	1,698	83	269	164	124	30	384	6,802	5,407	334	1,060	2,641	1,372	1,395
September	9,641	2,813	1,734	75	290	163	124	36	391	6,828	5,381	312	1,038	2,655	1,376	1,447
October	9,644	2,874	1,798	79	301	159	119	30	388	6,770	5,356	319	971	2,638	1,428	1,414
November	9,813	2,960	1,860	80	327	159	117	27	390	6,853	5,548	345	959	2,720	1,524	1,305
December	10,165	3,074	1,901	90	381	168	115	26	393	7,091	5,755	285	1,082	2,824	1,564	1,336
Nov. 6	9,758	2,942	1,843	79	326	157	117	29	391	6,816	5,475	329	957	2,671	1,518	1,341
Nov. 13	9,799	2,958	1,866	77	320	158	117	29	391	6,841	5,517	344	959	2,687	1,527	1,324
Nov. 20	9,853	2,959	1,865	80	324	158	117	25	390	6,894	5,581	355	958	2,747	1,521	1,313
Nov. 27	9,843	2,982	1,868	82	339	163	117	25	388	6,861	5,618	354	960	2,774	1,530	1,243
Dec. 4	9,905	2,986	1,885	87	320	163	117	26	388	6,919	5,642	319	973	2,796	1,554	1,277
Dec. 11	10,036	3,069	1,903	89	380	163	116	26	392	6,967	5,660	322	967	2,813	1,558	1,307
Dec. 18	10,262	3,099	1,903	90	400	172	114	26	394	7,163	5,823	300	1,131	2,826	1,566	1,340
Dec. 24	10,323	3,093	1,906	91	387	172	114	26	397	7,230	5,850	281	1,168	2,834	1,567	1,380
Dec. 31	10,298	3,121	1,907	93	419	171	113	24	394	7,177	5,798	203	1,170	2,851	1,574	1,379
1941—Jan. 8	10,314	3,060	1,918	95	350	169	113	24	391	7,254	5,866	165	1,215	2,898	1,588	1,388
Jan. 15	10,328	3,038	1,919	94	323	170	113	23	396	7,290	5,907	172	1,232	2,921	1,582	1,383
Jan. 22	10,362	3,042	1,925	92	328	169	113	23	392	7,320	5,930	170	1,245	2,939	1,576	1,390
<i>Outside New York City</i>																
1939—December	14,296	5,694	2,700	205	169	330	1,076	9	1,205	8,602	6,434	173	1,233	3,843	1,185	2,168
1940—August	14,586	5,752	2,758	212	106	306	1,090	9	1,271	8,834	6,587	396	1,053	3,931	1,307	2,247
September	14,592	5,840	2,817	220	110	299	1,097	9	1,288	8,752	6,516	365	1,045	3,900	1,206	2,236
October	14,785	5,978	2,911	221	123	299	1,102	9	1,313	8,807	6,552	364	907	4,106	1,175	2,255
November	15,049	6,123	3,025	221	129	297	1,109	10	1,332	8,926	6,644	423	891	4,152	1,178	2,282
December	15,223	6,235	3,092	213	153	295	1,114	14	1,354	8,988	6,683	449	937	4,127	1,170	2,305
Nov. 6	14,971	6,066	2,984	225	124	295	1,105	7	1,326	8,905	6,633	422	870	4,161	1,180	2,272
Nov. 13	15,072	6,128	3,029	223	132	298	1,111	6	1,329	8,944	6,663	419	896	4,171	1,177	2,281
Nov. 20	15,091	6,151	3,043	219	131	296	1,109	14	1,339	8,940	6,648	419	897	4,153	1,179	2,292
Nov. 27	15,059	6,146	3,043	217	128	297	1,111	14	1,336	8,913	6,632	430	901	4,124	1,177	2,281
Dec. 4	15,148	6,176	3,057	216	132	296	1,112	17	1,346	8,972	6,665	467	898	4,131	1,169	2,307
Dec. 11	15,188	6,230	3,089	215	149	295	1,114	16	1,352	8,958	6,651	462	892	4,126	1,171	2,307
Dec. 18	15,270	6,242	3,098	213	158	295	1,114	14	1,350	9,028	6,719	459	963	4,129	1,168	2,309
Dec. 24	15,281	6,261	3,105	212	168	294	1,116	14	1,362	9,020	6,718	451	970	4,124	1,173	2,302
Dec. 31	15,229	6,269	3,111	208	165	294	1,117	13	1,361	8,960	6,664	408	960	4,127	1,169	2,296
1941—Jan. 8	15,300	6,243	3,115	210	150	290	1,115	14	1,349	9,057	6,763	520	949	4,126	1,168	2,294
Jan. 15	15,341	6,242	3,121	216	139	292	1,117	13	1,344	9,099	6,808	553	954	4,133	1,168	2,291
Jan. 22	15,322	6,245	3,130	220	137	289	1,114	12	1,343	9,077	6,790	556	943	4,124	1,167	2,287

† Revised.

NOTE.—For description of figures see BULLETIN for November 1935 (pp. 711-738) or reprint, and BULLETIN for June 1937 (pp. 530-531). For back figures see BULLETIN for November 1935 (pp. 711-738) or reprint, BULLETIN for December 1935 (p. 876), Annual Report for 1937 (tables 65-67) and corresponding tables in previous Annual Reports.

# WEEKLY REPORTING MEMBER BANKS—NEW YORK CITY AND OUTSIDE

## RESERVES AND LIABILITIES

[Monthly data are averages of Wednesday figures. In millions of dollars.]

Reserves with Federal Reserve Bank s	Cash in vault	Balances with domestic banks	Demand deposits adjusted <sup>1</sup>	Demand deposits, except interbank				U. S. Government <sup>2</sup>	Time deposits, except interbank			Interbank deposits			Borrowings	Capital accounts	Date or month
				Individuals, partnerships, and corporations	States and political subdivisions	Certified and officers' checks, etc.	Individuals, partnerships, and corporations		States and political subdivisions	Postal savings <sup>2</sup>	Domestic banks		Foreign banks				
											Demand	Time					
<i>Total 101 Cities</i>																	
9,630	532	3,063	18,862	18,673	1,316	501	558	5,043	207	17	7,838	122	740	1	3,713	1939—December	
11,316	498	3,163	20,878	20,319	1,466	360	606	5,155	182	24	8,258	111	884	1	3,783	1940—August	
11,499	504	3,235	21,011	20,595	1,421	396	507	5,175	179	24	8,465	111	679	-----	3,784	September	
11,856	505	3,309	21,442	21,040	1,490	423	507	5,180	172	24	8,666	111	681	1	3,797	October	
11,955	531	3,347	21,890	21,569	1,576	501	507	5,187	192	24	8,809	112	665	1	3,821	November	
11,824	556	3,361	22,299	22,098	1,505	560	433	5,189	210	25	8,809	113	674	1	3,824	December	
11,832	520	3,339	21,592	21,189	1,651	509	510	5,188	193	24	8,818	112	667	1	3,816	Nov. 6	
11,878	545	3,372	21,818	21,662	1,589	557	504	5,190	192	23	8,850	113	667	1	3,823	Nov. 13	
11,973	517	3,332	21,961	21,654	1,571	473	505	5,189	191	24	8,836	111	656	-----	3,822	Nov. 20	
12,138	540	3,347	22,189	21,771	1,495	466	509	5,180	192	25	8,731	112	671	1	3,822	Nov. 27	
11,967	529	3,259	22,131	21,667	1,450	465	423	5,167	198	24	8,725	112	673	1	3,823	Dec. 4	
11,971	577	3,271	22,403	22,203	1,471	509	386	5,169	214	24	8,700	113	674	2	3,822	Dec. 11	
11,673	577	3,426	22,279	22,146	1,489	652	453	5,182	221	25	8,859	113	668	1	3,826	Dec. 18	
11,715	562	3,387	22,382	22,150	1,522	478	452	5,193	224	25	8,807	112	663	-----	3,827	Dec. 24	
11,797	535	3,462	22,299	22,324	1,595	696	451	5,234	196	25	8,952	113	692	-----	3,822	Dec. 31	
12,010	552	3,370	22,494	21,930	1,521	475	448	5,224	194	24	9,006	119	664	1	3,825	1941—Jan. 8	
12,142	519	3,475	22,703	22,466	1,498	476	349	5,276	191	24	9,121	116	658	2	3,823	Jan. 15	
12,171	524	3,420	22,898	22,415	1,550	495	261	5,237	189	24	9,069	117	640	2	3,826	Jan. 22	
<i>New York City</i>																	
5,361	91	84	8,391	8,555	240	304	50	620	36	-----	3,406	1	574	-----	1,482	1939—December	
6,417	82	79	9,678	9,688	278	195	35	668	40	-----	3,629	-----	628	-----	1,495	1940—August	
6,421	84	81	9,673	9,740	249	222	35	683	42	-----	3,702	-----	625	-----	1,493	September	
6,601	84	82	9,808	9,860	293	240	35	677	42	-----	3,770	-----	625	-----	1,497	October	
6,694	91	83	10,022	10,096	338	314	35	674	43	-----	3,843	-----	609	-----	1,506	November	
6,683	96	85	10,351	10,489	326	340	29	677	43	-----	3,825	-----	616	-----	1,507	December	
6,627	90	83	9,853	9,908	374	330	36	676	45	-----	3,868	-----	610	-----	1,507	Nov. 6	
6,626	91	85	9,951	10,073	342	373	35	676	45	-----	3,815	-----	611	-----	1,509	Nov. 13	
6,710	90	84	10,058	10,165	322	273	35	676	42	-----	3,861	-----	600	-----	1,504	Nov. 20	
6,814	92	82	10,225	10,239	312	278	35	667	42	-----	3,826	-----	616	-----	1,505	Nov. 27	
6,713	90	82	10,195	10,227	272	252	29	663	42	-----	3,771	-----	617	-----	1,506	Dec. 4	
6,711	101	87	10,356	10,491	311	312	28	670	42	-----	3,749	-----	616	-----	1,502	Dec. 11	
6,599	104	86	10,314	10,483	328	435	29	678	42	-----	3,877	-----	610	-----	1,512	Dec. 18	
6,645	96	88	10,479	10,553	369	278	28	680	43	-----	3,807	-----	605	-----	1,514	Dec. 24	
6,749	91	80	10,410	10,691	351	423	29	693	44	-----	3,920	-----	633	-----	1,503	Dec. 31	
6,796	90	81	10,486	10,448	317	282	29	688	43	-----	3,942	-----	605	-----	1,502	1941—Jan. 8	
6,851	83	87	10,542	10,657	320	276	16	690	41	-----	3,978	-----	601	-----	1,502	Jan. 15	
6,855	86	84	10,652	10,632	331	295	16	689	41	-----	3,926	-----	581	-----	1,502	Jan. 22	
<i>Outside New York City</i>																	
4,269	441	2,979	10,471	10,118	1,076	197	508	4,423	171	17	4,432	121	66	1	2,231	1939—December	
4,899	416	3,084	11,200	10,631	1,188	165	471	4,487	142	24	4,629	111	56	1	2,288	1940—August	
5,078	420	3,154	11,338	10,865	1,172	174	472	4,492	137	24	4,763	111	54	-----	2,291	September	
5,255	421	3,227	11,634	11,180	1,197	183	472	4,503	130	24	4,896	111	56	1	2,300	October	
5,261	440	3,264	11,868	11,473	1,238	187	472	4,513	149	24	4,966	112	56	1	2,315	November	
5,141	460	3,276	11,948	11,609	1,179	220	404	4,512	107	25	4,984	113	58	1	2,317	December	
5,205	430	3,256	11,739	11,281	1,277	179	474	4,512	148	24	4,950	112	57	1	2,309	Nov. 6	
5,252	454	3,287	11,867	11,589	1,247	184	469	4,514	147	23	5,035	113	56	1	2,314	Nov. 13	
5,263	427	3,248	11,903	11,489	1,249	200	470	4,513	149	24	4,975	111	56	-----	2,318	Nov. 20	
5,324	448	3,265	11,964	11,532	1,183	188	474	4,513	150	25	4,905	112	55	1	2,317	Nov. 27	
5,254	439	3,177	11,996	11,440	1,178	213	394	4,504	156	24	4,954	112	56	1	2,317	Dec. 4	
5,260	476	3,184	12,047	11,712	1,160	197	358	4,499	172	24	4,951	113	58	2	2,320	Dec. 11	
5,074	473	3,340	11,965	11,663	1,161	217	424	4,504	179	25	4,982	113	58	1	2,314	Dec. 18	
5,070	466	3,299	11,903	11,597	1,153	200	424	4,513	181	25	5,000	112	58	-----	2,313	Dec. 24	
5,048	444	3,382	11,889	11,633	1,244	273	422	4,541	152	25	5,032	113	59	-----	2,319	Dec. 31	
5,214	462	3,289	12,008	11,482	1,204	193	419	4,536	151	24	5,064	119	59	1	2,323	1941—Jan. 8	
5,291	436	3,388	12,161	11,809	1,178	200	333	4,586	150	24	5,143	116	57	2	2,321	Jan. 15	
5,316	438	3,336	12,246	11,783	1,219	200	245	4,548	148	24	5,143	117	59	2	2,324	Jan. 22	

<sup>1</sup> Demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection.  
<sup>2</sup> U. S. Treasurer's time deposits, open account, are combined with postal savings (time) deposits.

# WEEKLY REPORTING MEMBER BANKS—BY FEDERAL RESERVE DISTRICTS

## LOANS AND INVESTMENTS

[In millions of dollars]

Federal Reserve district and date (1940-41)	Total loans and investments	Loans							Investments							
		Total	Com-mer-cial, in-dus-trial, and agri-cul-tural	Open mar-ket paper	Loans for pur-chasing or car-rying securities		Real estate loans	Loans to banks	Other loans	Total	U. S. Government obligations					Other securities
					To bro-kers and deal-ers	To others					Total	Bills	Notes	Bonds	Guar-anteed	
<i>Boston (6 cities)</i>																
Dec. 31.....	1,219	644	316	60	27	17	80	4	140	575	458	23	40	338	57	117
Jan. 8.....	1,216	636	319	61	16	17	80	4	139	580	461	25	40	339	57	119
Jan. 15.....	1,219	636	319	64	13	17	80	4	139	583	462	24	40	341	57	121
Jan. 22.....	1,226	637	320	64	13	17	80	4	139	589	465	26	40	342	57	124
<i>New York (8 cities)*</i>																
Dec. 31.....	11,190	3,487	2,033	100	425	219	192	24	494	7,703	6,167	211	1,223	3,076	1,657	1,536
Jan. 8.....	11,205	3,427	2,044	103	357	217	192	24	490	7,778	6,234	168	1,266	3,132	1,668	1,544
Jan. 15.....	11,220	3,403	2,045	103	328	217	192	23	495	7,817	6,278	175	1,283	3,158	1,662	1,539
Jan. 22.....	11,251	3,407	2,052	101	332	216	192	23	491	7,844	6,298	173	1,296	3,172	1,657	1,546
<i>Philadelphia (4 cities)</i>																
Dec. 31.....	1,212	477	230	33	25	33	50	1	105	735	458	28	340	90	277	
Jan. 8.....	1,208	472	229	33	24	32	50	1	103	736	460	28	342	90	276	
Jan. 15.....	1,211	473	228	34	24	32	50	1	104	738	460	28	342	90	278	
Jan. 22.....	1,213	476	231	33	24	32	50	1	105	737	460	28	342	90	277	
<i>Cleveland (10 cities)</i>																
Dec. 31.....	1,981	760	319	9	19	22	181	1	209	1,221	940	18	147	638	137	281
Jan. 8.....	1,976	759	322	9	16	22	181	1	208	1,217	938	17	148	637	136	279
Jan. 15.....	1,970	759	323	8	16	22	181	1	208	1,211	934	13	149	635	137	277
Jan. 22.....	1,962	762	327	9	17	20	181	1	207	1,200	926	12	146	631	137	274
<i>Richmond (12 cities)</i>																
Dec. 31.....	744	298	137	11	3	14	48	-----	85	446	378	-----	151	174	53	68
Jan. 8.....	742	296	137	10	3	14	48	-----	84	446	378	-----	150	174	54	68
Jan. 15.....	744	297	138	10	3	14	48	-----	84	447	379	-----	150	175	54	68
Jan. 22.....	742	295	137	10	3	14	48	-----	83	447	379	-----	148	177	54	68
<i>Atlanta (8 cities)</i>																
Dec. 31.....	706	372	197	4	8	11	33	2	117	334	217	4	40	111	62	117
Jan. 8.....	698	370	197	4	8	11	33	2	115	328	212	7	40	102	63	116
Jan. 15.....	691	367	196	4	8	11	33	1	114	324	208	3	41	103	61	116
Jan. 22.....	691	369	197	4	8	11	33	1	115	322	206	2	40	103	61	116
<i>Chicago (12 cities)*</i>																
Dec. 31.....	3,629	1,085	657	35	48	64	133	1	147	2,544	1,957	294	281	1,099	283	587
Jan. 8.....	3,737	1,087	661	36	46	63	133	1	147	2,650	2,063	400	280	1,098	285	587
Jan. 15.....	3,784	1,091	666	38	44	64	132	1	146	2,693	2,106	441	283	1,095	287	587
Jan. 22.....	3,789	1,091	666	40	44	64	132	1	144	2,698	2,111	445	284	1,095	287	587
<i>St. Louis (5 cities)</i>																
Dec. 31.....	758	377	218	10	5	13	59	3	69	381	267	14	38	150	65	114
Jan. 8.....	760	375	218	10	4	13	58	3	69	385	270	14	37	155	64	115
Jan. 15.....	766	377	220	10	4	13	59	3	68	389	275	14	36	162	63	114
Jan. 22.....	768	378	220	11	4	13	59	3	68	390	276	14	36	162	64	114
<i>Minneapolis (8 cities)</i>																
Dec. 31.....	425	216	113	3	2	7	12	-----	79	209	167	-----	20	118	29	42
Jan. 8.....	425	217	113	3	3	6	12	-----	80	208	166	-----	18	118	30	42
Jan. 15.....	422	214	112	3	2	7	12	-----	78	208	167	-----	19	118	30	41
Jan. 22.....	421	213	112	3	2	6	12	-----	78	208	167	-----	19	118	30	41
<i>Kansas City (12 cities)</i>																
Dec. 31.....	715	349	208	21	4	10	32	-----	74	366	240	13	53	97	77	126
Jan. 8.....	713	347	209	21	4	10	32	-----	71	366	235	14	49	96	76	131
Jan. 15.....	714	349	211	21	4	10	32	-----	71	365	236	15	51	95	75	129
Jan. 22.....	715	350	212	22	4	10	31	-----	71	365	236	16	51	94	75	129
<i>Dallas (9 cities)</i>																
Dec. 31.....	581	318	219	1	5	14	23	-----	56	263	204	27	38	99	40	59
Jan. 8.....	583	316	216	1	5	13	23	-----	57	267	208	33	38	97	40	59
Jan. 15.....	584	316	216	1	5	13	24	-----	56	268	208	33	38	97	40	60
Jan. 22.....	579	313	216	1	4	13	23	-----	56	266	206	31	37	98	40	60
<i>San Francisco (7 cities)</i>																
Dec. 31.....	2,367	1,007	371	14	13	41	387	1	180	1,360	1,009	7	71	738	193	351
Jan. 8.....	2,351	1,001	368	14	14	41	386	1	177	1,350	1,004	7	70	734	193	346
Jan. 15.....	2,344	998	366	14	11	42	387	1	177	1,346	1,002	7	68	733	194	344
Jan. 22.....	2,327	996	365	14	10	42	386	1	178	1,331	990	7	63	729	191	341
<i>City of Chicago*</i>																
Dec. 31.....	2,384	691	480	19	42	54	20	-----	76	1,693	1,315	294	146	762	113	378
Jan. 8.....	2,495	692	483	20	40	53	20	-----	76	1,803	1,423	400	146	762	115	380
Jan. 15.....	2,539	696	488	21	38	54	20	-----	75	1,843	1,464	441	147	761	115	379
Jan. 22.....	2,544	698	488	22	38	55	20	-----	75	1,846	1,467	444	147	761	115	379

\* Separate figures for New York City are shown in the immediately preceding table, and for the city of Chicago in this table. The figures for the New York and Chicago districts, as shown in this table, include New York City and Chicago, respectively.

# WEEKLY REPORTING MEMBER BANKS—BY FEDERAL RESERVE DISTRICTS

## RESERVES AND LIABILITIES

[In millions of dollars]

Re-serves with Federal Reserve Banks	Cash in vault	Balances with domestic banks	Demand deposits adjusted <sup>1</sup>	Demand deposits, except interbank				Time deposits, except interbank				Interbank deposits			Borrowings	Capital accounts	Federal Reserve district and date (1940-41)
				Individuals, partnerships, and corporations	States and political subdivisions	Certified and officers' checks etc.	U. S. Government <sup>2</sup>	Individuals, partnerships, and corporations	States and political subdivisions	Postal savings <sup>3</sup>	Domestic banks		Foreign banks				
											Demand	Time					
627	148	205	1,343	1,347	89	24	13	229	2	1	392		22		241	Boston (6 cities)	
677	149	197	1,371	1,342	77	19	12	229	2	1	403	1	22	1	247	Dec. 31	
680	147	200	1,371	1,356	77	21	12	230	2	1	410		22	1	247	Jan. 8	
682	145	194	1,375	1,342	83	21	9	230	2	1	406		24	1	247	Jan. 15	
																247	Jan. 22
6,928	112	250	11,153	11,291	545	441	47	1,059	48	7	3,997	16	634		1,627	New York (8 cities)*	
6,991	113	238	11,241	11,024	516	299	48	1,052	46	7	4,020	16	606		1,626	Dec. 31	
7,056	104	247	11,322	11,253	530	300	29	1,053	44	7	4,056	16	602		1,626	Jan. 8	
7,049	107	237	11,417	11,213	540	317	24	1,052	44	7	4,004	16	582		1,626	Jan. 15	
																1,626	Jan. 22
514	24	261	1,080	1,130	45	15	41	256	3		465	9	5		216	Philadelphia (4 cities)	
544	25	229	1,079	1,092	48	12	40	257	3		455	14	5		216	Dec. 31	
527	23	234	1,083	1,108	50	13	23	257	3		457	14	5		216	Jan. 8	
537	23	222	1,098	1,118	51	12	9	257	3		457	14	5		216	Jan. 15	
															217	Jan. 22	
761	50	380	1,566	1,591	101	30	43	727	18		466	37	1		388	Cleveland (10 cities)	
780	53	363	1,563	1,538	94	19	43	727	18		468	37	1		388	Dec. 31	
795	50	376	1,578	1,582	94	20	34	727	18		483	37	1		388	Jan. 8	
791	50	378	1,588	1,585	93	21	20	728	18		478	37	1		387	Jan. 15	
															388	Jan. 22	
229	25	237	560	561	56	17	35	198	3	1	342	6			99	Richmond (12 cities)	
261	28	252	597	586	52	13	35	199	3	1	347	6	1		99	Dec. 31	
249	24	253	587	580	53	12	27	200	3	1	351	5			100	Jan. 8	
256	27	251	592	583	57	18	19	201	3	1	358	6			99	Jan. 15	
															99	Jan. 22	
157	15	201	445	436	71	13	38	187	3	3	340	3	2		96	Atlanta (8 cities)	
153	16	207	442	431	65	8	39	185	3	3	340	3	2		96	Dec. 31	
153	15	218	458	451	68	7	27	185	3	3	339	3	2		96	Jan. 8	
153	16	223	459	447	73	7	20	185	3	3	351	3	2		96	Jan. 15	
															96	Jan. 22	
1,406	83	682	2,962	2,878	313	52	128	991	11	8	1,323	10	9		413	Chicago (12 cities)*	
1,396	86	628	2,990	2,834	299	41	126	992	11	8	1,344	10	8		413	Dec. 31	
1,437	80	613	3,033	2,915	296	42	112	992	13	8	1,379	10	8	1	411	Jan. 8	
1,451	80	615	3,097	2,942	312	36	89	993	13	8	1,356	10	8	1	412	Jan. 15	
															412	Jan. 22	
246	13	194	527	550	50	8	10	189	4	2	400	1			95	St. Louis (5 cities)	
254	14	198	533	538	48	7	10	189	4	2	408	1			95	Dec. 31	
262	12	196	541	559	46	8	8	189	4	2	413	1			95	Jan. 8	
269	13	197	541	552	50	8	7	189	4	2	424	1			95	Jan. 15	
															95	Jan. 22	
115	7	132	331	304	59	7	2	116		1	173	3	1		60	Minneapolis (8 cities)	
117	8	129	331	298	55	7	1	116		1	173	3	1		61	Dec. 31	
119	8	135	335	306	54	6	1	116		1	175	2	1		61	Jan. 8	
122	7	133	334	302	55	6	1	116		1	175	2	1		61	Jan. 15	
															60	Jan. 22	
200	18	295	545	529	75	20	12	141	3	1	430	6			107	Kansas City (12 cities)	
207	19	299	556	539	75	12	12	141	3	1	430	6			107	Dec. 31	
211	17	324	587	572	80	11	9	141	3	1	431	6			106	Jan. 8	
209	18	328	591	564	83	10	7	141	3	1	432	6			107	Jan. 15	
															107	Jan. 22	
150	12	282	508	473	55	34	30	127	8	1	287		1		89	Dallas (9 cities)	
149	13	283	520	497	55	12	30	127	8		279		1		89	Dec. 31	
153	12	293	542	526	54	10	23	126	8		279		1		89	Jan. 8	
147	13	291	531	519	54	14	16	127	8		285		1		89	Jan. 15	
															89	Jan. 22	
464	28	343	1,279	1,234	136	35	52	1,014	93		337	22	17		391	San Francisco (7 cities)	
481	28	347	1,271	1,211	137	26	52	1,010	93		339	22	17		388	Dec. 31	
500	27	386	1,266	1,258	96	26	44	1,060	90		348	22	16		389	Jan. 8	
505	25	351	1,275	1,248	99	25	40	1,018	88		343	22	16		390	Jan. 15	
															390	Jan. 22	
1,056	45	329	1,964	1,929	174	28	90	503	8	5	997		8		266	City of Chicago*	
1,021	45	296	1,990	1,924	160	21	90	502	8	5	1,016		7		266	Dec. 31	
1,054	42	275	2,021	1,980	154	22	84	501	10	5	1,044		7		263	Jan. 8	
1,071	42	284	2,083	2,017	162	20	68	501	10	5	1,029		7		263	Jan. 15	
															263	Jan. 22	

\* See note on preceding page.

<sup>1</sup> Demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection.

<sup>2</sup> U. S. Treasurer's time deposits, open account, are combined with postal savings (time) deposits.

**COMMERCIAL PAPER AND BANKERS' ACCEPTANCES OUTSTANDING**

[In millions of dollars]

End of month	Com- mer- cial paper out- stand- ing <sup>1</sup>	Dollar acceptances outstanding											
		Total out- stand- ing	Held by					Based on					
			Accepting banks			Federal Reserve Banks		Others	Im- ports into United States	Exports from United States	Dollar ex- change	Goods stored in or shipped between points in	
			Total	Own bills	Bills bought	For own ac- count	For ac- count of foreign corre- spond- ents					United States	Foreign coun- tries
1939—September.....	209	216	177	115	62	—	( <sup>2</sup> )	39	78	40	18	43	36
October.....	205	221	179	111	67	—	—	42	85	40	18	46	32
November.....	214	223	172	103	69	—	—	51	96	37	16	50	24
December.....	210	233	175	105	70	—	—	57	103	39	16	54	22
1940—January.....	219	229	179	111	68	—	—	50	101	38	16	51	23
February.....	226	233	188	123	65	—	—	45	95	44	15	51	27
March.....	233	230	184	121	63	—	—	46	90	47	14	49	30
April.....	239	223	178	118	61	—	—	45	86	45	13	46	33
May.....	234	214	171	113	58	—	—	43	78	47	12	41	34
June.....	224	206	166	112	54	—	—	40	79	43	13	36	34
July.....	232	188	152	103	49	—	—	38	75	32	13	35	32
August.....	245	182	148	103	44	—	—	34	80	24	11	38	29
September.....	251	177	142	100	42	—	—	35	80	22	11	35	28
October.....	252	187	149	96	53	—	—	38	91	20	11	37	28
November.....	232	197	159	99	60	—	—	38	98	20	9	41	29
December.....	218	209	167	100	67	—	—	42	109	18	10	44	27

<sup>1</sup> As reported by dealers; includes some finance company paper sold in open market.

<sup>2</sup> Less than \$500,000.

Back figures.—See Annual Report for 1937 (table 70).

**CUSTOMERS' DEBIT BALANCES, MONEY BORROWED, AND PRINCIPAL RELATED ITEMS OF STOCK EXCHANGE  
FIRMS CARRYING MARGIN ACCOUNTS**

[Member firms of New York Stock Exchange. Ledger balances in millions of dollars]

End of month	Debit balances				Credit balances					
	Customers' debit balances (net) <sup>1</sup>	Debit balances in partners' investment and trading accounts	Debit balances in firm investment and trading accounts	Cash on hand and in banks	Money bor- rowed <sup>2</sup>	Customers' credit balances <sup>1</sup>		Other credit balances		
						Free	Other (net)	In partners' invest- ment and trading accounts	In firm invest- ment and trading accounts	In capital accounts (net)
1935—December.....	1,258	75	135	179	930	286	79	24	10	410
1936—June.....	1,267	67	164	219	985	276	86	24	14	420
December.....	1,395	64	164	249	1,048	342	103	30	12	424
1937—June.....	1,489	55	161	214	1,217	266	92	25	13	397
December.....	985	34	108	232	688	278	85	26	10	355
1938—June.....	774	27	88	215	495	258	89	22	11	298
December.....	991	32	106	190	754	247	60	23	5	305
1939—June.....	834	25	73	178	570	230	70	21	6	280
December.....	906	16	78	207	637	266	69	23	7	277
1940—January.....	886	15	70	198	602	262	71	22	6	272
February.....	893	16	72	195	616	253	74	23	7	271
March.....	886	15	78	186	615	247	70	21	7	270
April.....	910	15	72	192	626	252	73	21	9	271
May.....	702	12	67	239	459	251	68	22	6	274
June.....	653	12	58	223	376	267	62	22	5	269
July.....	642	12	64	213	376	261	62	22	6	264
August.....	631	12	56	215	368	256	57	21	5	260
September.....	635	12	57	218	370	268	56	20	5	255
October.....	653	12	70	203	381	269	58	20	5	253
November.....	666	12	64	214	383	280	59	20	4	253
December.....	677	12	99	204	427	281	54	22	5	247

<sup>1</sup> Excluding balances with reporting firms (1) of member firms of New York Stock Exchange and other national securities exchanges and (2) of firms' own partners.

<sup>2</sup> Includes both money borrowed from banks and trust companies in New York City and elsewhere in the United States and also money borrowed from other lenders (not including member firms of national securities exchanges).

NOTE.—For explanation of these figures see "Statistics on Margin Accounts" in BULLETIN for September 1936. The article describes the method by which the figures are derived and reported, distinguishes the table from a "statement of financial condition," and explains that the last column is not to be taken as representing the actual net capital of the reporting firms.

Back figures.—See BULLETIN for March 1938, p. 196, and (for data in detail) Annual Report for 1937 (table 69).

**OPEN-MARKET RATES IN NEW YORK CITY**

[Per cent per annum]

Year, month, or week	Prevailing rate <sup>1</sup> on—			Average rate on—			Average yield of 3-to-5 year U. S. Treasury notes
	Prime commercial paper, 4 to 6 months	Prime bankers' acceptances, 90 days	Stock exchange time loans, 90 days	Stock exchange call loan renewals	U. S. Treasury 91-day bills		
					New issues offered within period	Dealers' quotation	
1938 average...	.81	.44	1.25	1.00	.053	.07	.83
1939 average...	.59	.44	1.25	1.00	.022	.05	.59
1940 average...	.56	.44	1.25	1.00	.014	.04	.50
1939—Dec.....	.66	.44	1.25	1.00	.012	.04	.51
1940—Jan.....	.66	.44	1.25	1.00	.001	.01	.47
Feb.....	.66	.44	1.25	1.00	.004	.02	.46
Mar.....	.66	.44	1.25	1.00	(?)	.02	.42
April.....	.66	.44	1.25	1.00	.003	.02	.45
May.....	.66	.44	1.25	1.00	.042	.06	.65
June.....	.66	.44	1.25	1.00	.071	.10	.76
July.....	.66	.44	1.25	1.00	.009	.05	.57
Aug.....	.66	.44	1.25	1.00	.019	.04	.58
Sept.....	.66	.44	1.25	1.00	.021	.05	.48
Oct.....	.66	.44	1.25	1.00	(?)	.02	.43
Nov.....	.66	.44	1.25	1.00	.003	.02	.34
Dec.....	.66	.44	1.25	1.00	(?)	.02	.35
Week ending:							
Dec. 7...	1/2-3/8	7/16	1 1/4	1.00	.001	.02	.34
Dec. 14...	1/2-3/8	7/16	1 1/4	1.00	(?)	.02	.33
Dec. 21...	1/2-3/8	7/16	1 1/4	1.00	(?)	.02	.37
Dec. 28...	1/2-3/8	7/16	1 1/4	1.00	(?)	.02	.37
Jan. 4...	1/2-3/8	7/16	1 1/4	1.00	(?)	.02	.40
Jan. 11...	1/2-3/8	7/16	1 1/4	1.00	(?)	.02	.43
Jan. 18...	1/2-3/8	7/16	1 1/4	1.00	(?)	.02	.41
Jan. 25...	1/2-3/8	7/16	1 1/4	1.00	(?)	.02	.43

<sup>1</sup> Monthly figures are averages of weekly prevailing rates.  
<sup>2</sup> Rate negative.

Back figures.—See Annual Report for 1937 (tables 43 and 44). Figures for Treasury bills and Treasury notes available on request.

**COMMERCIAL LOAN RATES**

**AVERAGES OF RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIES**

[Per cent per annum]

	Total 19 cities	New York City	7 other Northern and Eastern cities	11 Southern and Western cities
1934 average.....	3.45	2.45	3.71	4.32
1935 average.....	2.93	1.76	3.39	3.76
1936 average.....	2.68	1.72	3.04	3.40
1937 average.....	2.59	1.73	2.88	3.25
1938 average.....	2.53	1.69	2.75	3.26
1939 average <sup>1</sup> .....	2.78	2.07	2.87	3.51
1940 average <sup>1</sup> .....	2.63	2.04	2.56	3.38
<i>Monthly figures</i>				
1938—January.....	2.60	1.70	2.92	3.28
February.....	2.49	1.70	2.65	3.21
March.....	2.48	1.65	2.64	3.28
April.....	2.48	1.70	2.60	3.25
May.....	2.48	1.70	2.64	3.20
June.....	2.56	1.70	2.78	3.31
July.....	2.57	1.70	2.78	3.35
August.....	2.52	1.67	2.71	3.28
September.....	2.53	1.70	2.74	3.26
October.....	2.57	1.70	2.90	3.21
November.....	2.49	1.70	2.68	3.20
December.....	2.60	1.70	2.95	3.23
1939—January.....	2.64	1.73	2.97	3.32
February.....	2.52	1.70	2.69	3.26
<i>Quarterly figures<sup>1</sup></i>				
1939—March.....	2.95	2.13	3.05	3.77
June.....	2.91	2.15	3.05	3.62
September.....	2.68	2.04	2.78	3.31
December.....	2.59	1.96	2.59	3.32
1940—March.....	2.65	2.03	2.67	3.35
June.....	2.59	2.00	2.49	3.38
September.....	2.68	2.14	2.56	3.43
December.....	2.59	2.00	2.53	3.36

<sup>1</sup> Averages for 1939 and 1940 and quarterly figures are on revised basis and are therefore not strictly comparable with the earlier series of annual and monthly figures.

Back figures.—See November 1939 BULLETIN, pp. 963-969 for description and for back figures.

**BOND YIELDS<sup>1</sup>**

[Per cent per annum]

Year, month, or week	U. S. Treasury <sup>2</sup>	Municipal <sup>3</sup>	Corporate <sup>4</sup>							
			Total	By ratings				By groups		
				Aaa	Aa	A	Baa	Industrial	Railroad	Public utility
Number of issues.....	2-6	15	120	30	30	30	30	40	40	40
1938 average.....	2.56	2.91	4.19	3.19	3.56	4.22	5.80	3.50	5.21	3.87
1939 average.....	2.36	2.76	3.77	3.01	3.22	3.89	4.96	3.30	4.53	3.48
1940 average.....	2.21	2.50	3.55	2.84	3.02	3.37	4.75	3.10	4.30	3.25
1939—December.....	2.35	2.56	3.69	2.94	3.14	3.74	4.92	3.21	4.47	3.38
1940—January.....	2.30	2.54	3.63	2.88	3.08	3.69	4.86	3.14	4.39	3.35
February.....	2.32	2.60	3.60	2.86	3.05	3.68	4.83	3.12	4.37	3.33
March.....	2.25	2.58	3.58	2.84	3.04	3.65	4.80	3.09	4.37	3.29
April.....	2.25	2.56	3.54	2.82	2.99	3.59	4.74	3.05	4.33	3.24
May.....	2.38	2.81	3.65	2.93	3.08	3.65	4.94	3.20	4.46	3.30
June.....	2.39	2.85	3.72	2.96	3.10	3.70	5.11	3.25	4.57	3.33
July.....	2.28	2.54	3.57	2.88	3.01	3.57	4.80	3.15	4.32	3.23
August.....	2.25	2.49	3.55	2.85	3.03	3.55	4.76	3.12	4.30	3.23
September.....	2.18	2.44	3.50	2.82	3.01	3.52	4.66	3.10	4.23	3.19
October.....	2.10	2.32	3.46	2.79	3.01	3.48	4.56	3.06	4.15	3.18
November.....	1.97	2.18	3.40	2.75	2.96	3.40	4.48	2.98	4.07	3.14
December.....	1.89	2.07	3.36	2.71	2.92	3.36	4.45	2.93	4.03	3.13
Week ending:										
Jan. 4.....	1.92	2.06	3.36	2.72	2.91	3.36	4.43	2.92	4.00	3.14
Jan. 11.....	1.97	2.17	3.37	2.75	2.94	3.37	4.41	2.95	3.99	3.16
Jan. 18.....	1.98	2.14	3.36	2.74	2.95	3.36	4.38	2.96	3.96	3.16
Jan. 25.....	2.02	2.17	3.36	2.76	2.96	3.36	4.37	2.97	3.95	3.17

<sup>1</sup> Monthly and weekly data are averages of daily figures, except for municipal bonds, which are based on Wednesday figures.

<sup>2</sup> Average of yields of all outstanding bonds due or callable after 12 years.

<sup>3</sup> Standard Statistics Co.

<sup>4</sup> Moody's Investors Service, week ending Friday. Because of limited number of suitable issues, the industrial Aaa, Aa, and A groups have been reduced from 10 to 4, 10 to 3, and 10 to 9 issues respectively, and the railroad Aaa and Aa groups from 10 to 5 and 10 to 8 issues respectively.

Back figures.—See Annual Report for 1937 (table 80). Figures for U. S. Treasury bonds available on request.

**BOND PRICES<sup>1</sup>**

Year, month, or date	U. S. Treasury <sup>2</sup>	Municipal <sup>3</sup>	Corporate <sup>3</sup>			
			Total	Industrial	Railroad	Public utility
Number of issues.....	2-6	15	60	20	20	20
1938 average.....	102.5	113.7	78.9	82.9	58.6	95.3
1939 average.....	105.2	116.3	81.6	86.0	58.0	100.9
1940 average.....	107.2	121.2	82.0	87.5	57.9	100.6
1939—December.....	105.3	119.9	82.1	86.8	58.0	101.6
1940—January.....	106.0	120.2	82.4	87.3	58.2	101.8
February.....	105.7	119.1	82.2	87.3	57.8	101.6
March.....	106.7	119.7	82.1	87.3	57.2	101.8
April.....	106.7	119.8	82.5	87.5	58.2	101.7
May.....	104.9	115.3	79.4	85.3	53.5	99.3
June.....	104.8	114.6	78.5	84.7	52.0	98.7
July.....	106.3	120.4	81.2	86.3	57.1	100.2
August.....	106.7	121.2	81.5	86.8	57.5	100.2
September.....	107.7	122.3	82.7	87.8	59.7	100.6
October.....	108.8	124.6	83.6	89.2	61.0	100.6
November.....	110.7	127.3	83.9	90.3	60.9	100.5
December.....	111.8	129.3	84.0	90.2	61.1	100.7
Dec. 31.....	111.4	129.6	84.4	90.3	62.2	100.7
Jan. 8.....	110.7	127.4	85.0	90.5	63.4	101.2
Jan. 15.....	110.5	128.0	85.5	90.6	64.7	101.3
Jan. 22.....	109.9	127.4	85.6	90.5	65.0	101.3

<sup>1</sup> Monthly data are averages of daily figures except for municipal bonds, which are averages of Wednesday figures.  
<sup>2</sup> Prices derived from yield figures on basis of a 2½ per cent, 16 year bond. For description see November 1940 BULLETIN, pp. 1179-1180. Prices expressed in decimals. Weekly data are averages of daily figures for week ending on Saturday following date shown.  
<sup>3</sup> Prices derived from average yields, as computed by Standard Statistics Co.  
*Back figures.*—See Annual Report for 1937 (table 79). For U. S. Treasury bonds see November 1940 BULLETIN.

**STOCK MARKET**

Year, month, or date	Preferred <sup>1</sup>	Stock prices <sup>1</sup>				Volume of trading <sup>2</sup> (in thousands of shares)
		Common (index, 1926=100)				
		Total	Industrial	Railroad	Public utility	
Number of issues.....	20	420	348	32	40	
1938 average.....	135.6	83	99	26	73	1,100
1939 average.....	141.2	89	105	28	85	973
1940 average.....	140.1	84	97	27	82	766
1939—December.....	141.4	92	108	30	87	808
1940—January.....	143.0	93	109	30	88	678
February.....	142.9	92	107	29	88	654
March.....	141.8	92	108	29	87	740
April.....	142.3	93	109	29	88	1,131
May.....	138.2	83	97	25	81	1,681
June.....	133.2	73	85	23	75	708
July.....	136.9	76	87	24	80	310
August.....	137.3	78	89	25	80	317
September.....	139.1	81	94	27	81	553
October.....	140.4	81	95	27	80	599
November.....	141.9	82	96	28	79	1,044
December.....	143.9	80	94	26	78	814
Dec. 31.....	144.7	81	94	27	78	834
Jan. 8.....	145.3	82	96	28	79	716
Jan. 15.....	146.0	82	95	28	79	515
Jan. 22.....	145.2	80	93	28	78	477

<sup>1</sup> Standard Statistics Co. Monthly data are averages of Wednesday figures.  
<sup>2</sup> Average prices of industrial high-grade preferred stocks, adjusted to a \$7 annual dividend basis.  
<sup>3</sup> Average daily volume of trading in stocks on the New York Stock Exchange. Weekly figures are averages for the week ending Saturday.  
*Back figures.*—For stock prices, see Annual Report for 1937 (table 79).

**CAPITAL ISSUES**

(In millions of dollars)

Year or month	For new capital								For refunding								
	Total (new and re-fund-ing)	Total (domestic and foreign)	Domestic						Foreign <sup>3</sup>	Total (domestic and foreign)	Total	State and municipal	Domestic			Foreign <sup>3</sup>	
			Total	State and municipal	Federal agencies <sup>1</sup>	Corporate							Total	Bonds and notes	Stocks		
1931.....	4,038	3,095	2,860	1,235	75	1,551	1,239	311	235	944	893	21	51	821	789	32	51
1932.....	1,751	1,197	1,165	762	77	325	305	20	32	554	498	87	93	319	315	4	56
1933.....	1,063	720	708	483	64	161	140	120	12	343	283	37	26	219	187	32	60
1934.....	2,160	1,386	1,386	803	405	178	144	35	0	774	765	136	317	312	312	0	9
1935.....	4,699	1,457	1,409	855	150	404	334	69	48	3,242	3,216	365	987	1,864	1,782	81	26
1936.....	6,214	1,972	1,949	735	22	1,192	839	352	23	4,242	4,123	382	353	3,387	3,187	200	119
1937.....	3,937	2,138	2,094	712	157	1,225	817	408	44	1,799	1,680	191	281	1,209	856	352	119
1938.....	4,449	2,360	2,325	971	481	873	807	67	35	2,089	2,061	129	665	1,267	1,236	31	28
1939.....	5,842	2,289	2,239	931	924	333	287	97	50	3,553	3,465	195	1,537	1,733	1,596	137	88
1940.....	4,764	1,943	1,942	757	461	724	589	135	1	2,821	2,818	478	344	1,996	1,804	193	3
1939—Dec.....	335	*99	*99	68	0	31	*22	9	0	237	237	22	19	196	189	7	0
1940—Jan.....	287	94	94	59	0	35	*20	16	0	193	193	26	29	*138	102	36	0
Feb.....	*452	104	104	*57	1	*46	43	3	0	*348	*348	*115	22	211	*197	14	0
Mar.....	*242	71	*71	*35	6	31	16	15	1	*171	*171	49	*18	104	90	14	0
Apr.....	345	118	118	58	6	54	31	23	0	227	227	18	17	192	154	38	0
May.....	*251	122	122	30	3	89	80	10	0	*129	*129	20	*25	*84	*84	0	0
June.....	*227	*83	*83	*71	2	*10	8	2	0	*144	*144	*14	29	*101	*101	(*)	0
July.....	*691	*397	*397	62	289	*46	*44	2	0	294	294	20	48	226	223	3	0
Aug.....	*282	*130	129	61	0	68	53	15	1	*153	*153	*14	28	111	107	4	0
Sept.....	*229	*114	*114	*46	0	68	64	4	0	*116	*113	*24	26	62	61	1	3
Oct.....	*711	257	257	98	112	47	21	26	0	453	453	80	28	345	332	14	0
Nov.....	*440	263	263	*53	42	169	166	3	0	*177	*177	*25	59	92	66	26	0
Dec.....	606	190	190	129	0	61	45	16	0	416	416	73	14	328	286	43	0

\* Revised.  
<sup>1</sup> Includes publicly-offered issues of Federal credit agencies, but excludes direct obligations of U. S. Treasury.  
<sup>2</sup> Includes issues of noncontiguous U. S. Territories and Possessions.  
<sup>3</sup> Less than \$500,000.  
*Source.*—For domestic issues, *Commercial and Financial Chronicle*; for foreign issues, U. S. Department of Commerce. Monthly figures subject to revision.  
*Back figures.*—See Annual Report for 1937 (table 78)

**UNITED STATES GOVERNMENT DEBT—VOLUME AND KIND OF DIRECT OBLIGATIONS**

[On basis of daily statements of United States Treasury. In millions of dollars]

End of month	Total gross debt	Interest-bearing										Noninterest-bearing	
		Total interest bearing	Publicly-offered <sup>1</sup>						Ad-justed service issues <sup>3</sup>	Social se-curity issues <sup>4</sup>	All other <sup>5</sup>	Mat-ured debt	Other
			Total	Bonds			Notes	Bills					
				Pre-war	Treas-ury <sup>2</sup>	U. S. sav-ings							
1932—June	19,487	19,161	*18,816	753	13,460	-----	1,261	616	105	-----	240	60	266
1933—June	22,539	22,158	*21,732	753	13,417	-----	4,548	954	92	-----	284	66	315
1934—June	27,053	26,480	*26,006	753	15,679	-----	6,653	1,404	118	-----	356	54	518
1935—June	28,701	27,645	26,910	753	14,019	-----	62	10,023	2,053	156	580	231	825
1936—June	33,779	32,989	31,297	79	17,168	-----	316	11,381	2,354	1,071	601	169	620
1937—June	36,425	35,800	33,734	79	19,936	-----	800	10,617	2,303	926	560	119	506
1938—June	37,165	36,576	33,463	79	21,846	-----	1,238	9,147	1,154	868	644	141	447
1939—June	40,440	39,886	35,715	79	25,218	-----	1,868	7,243	1,308	839	820	142	411
1939—November	41,305	40,807	36,123	79	25,218	-----	2,140	7,232	1,454	791	911	98	400
December	41,942	41,445	36,826	79	26,881	-----	2,209	6,203	1,455	789	809	99	398
1940—January	42,110	41,601	36,957	79	26,896	-----	2,473	6,203	1,307	787	807	114	395
February	42,365	41,839	37,097	79	26,897	-----	2,610	6,203	1,308	785	805	132	394
March	42,540	41,983	37,127	79	26,908	-----	2,707	6,125	1,309	784	803	165	392
April	42,658	42,117	37,236	79	26,908	-----	2,818	6,125	1,306	782	816	160	391
May	42,808	42,253	37,285	79	26,908	-----	2,869	6,125	1,304	780	824	166	389
June	42,968	42,376	37,223	79	26,908	-----	2,905	6,383	1,302	797	829	205	386
July	43,771	43,186	37,957	79	27,226	-----	2,966	6,384	1,302	773	836	198	386
August	43,905	43,317	38,009	79	27,236	-----	3,008	6,384	1,303	771	815	205	383
September	44,073	43,480	38,045	79	27,235	-----	3,044	6,384	1,303	771	813	212	381
October	44,137	43,560	38,089	79	27,260	-----	3,084	5,660	1,307	769	825	197	380
November	44,273	43,707	38,130	79	27,960	-----	3,123	5,660	1,308	767	825	187	379
December	45,025	44,458	38,722	79	27,960	-----	3,195	6,178	1,310	765	824	189	377

<sup>1</sup> Excludes postal savings bonds, formerly sold to depositors in the Postal Savings System.

<sup>2</sup> Includes Liberty bonds.

<sup>3</sup> Includes adjusted service bonds of 1945 and special issues of adjusted service bonds and of notes to Government Life Insurance Fund series and of certificates to the adjusted service fund.

<sup>4</sup> Includes special issues to Federal old-age and survivors insurance trust fund, unemployment trust fund, and railroad retirement account.

<sup>5</sup> Includes postal savings bonds and special issues to retirement funds, to Postal Savings System and to Federal Deposit Insurance Corporation.

<sup>6</sup> Includes certificates of indebtedness not shown separately: 1932—\$2,726,000,000; 1933—\$2,108,000,000; 1934—\$1,517,000,000.

**MATURITIES OF PUBLICLY-OFFERED DIRECT OBLIGATIONS,  
DECEMBER 31, 1940**

[In millions of dollars]

Date maturing or callable	Maturing					Bonds call-able <sup>1</sup>
	Total	Bills	Notes	Bonds		
				U. S. Sav-ings	Other	
1941—Before April 1.....	2,532	1,310	677	-----	545	545
Apr. 1-June 30.....	504	-----	504	-----	-----	-----
July 1-Sept. 30.....	834	-----	-----	-----	834	834
Oct. 1-Dec. 31.....	204	-----	204	-----	-----	-----
1942—Jan. 1-Mar. 31.....	426	-----	426	-----	-----	-----
Apr. 1-Dec. 31.....	575	-----	575	-----	-----	-----
1943.....	1,330	-----	1,330	-----	-----	1,855
1944.....	1,214	-----	1,214	-----	-----	2,555
1945.....	3,363	-----	1,249	-----	173	1,941
1946.....	1,850	-----	-----	-----	315	1,534
1947.....	2,793	-----	-----	-----	410	2,383
1948.....	1,982	-----	-----	-----	495	1,487
1949.....	1,638	-----	-----	-----	819	819
1950.....	1,554	-----	-----	-----	982	571
1951.....	1,223	-----	-----	-----	1,223	3,500
1952.....	2,436	-----	-----	-----	2,436	-----
1953.....	2,904	-----	-----	-----	2,904	725
1954.....	2,663	-----	-----	-----	2,663	681
1955.....	1,480	-----	-----	-----	1,480	2,611
1956.....	1,170	-----	-----	-----	1,170	982
1958.....	-----	-----	-----	-----	-----	919
1959.....	982	-----	-----	-----	-----	982
1960.....	2,611	-----	-----	-----	2,611	1,485
1961.....	50	-----	-----	-----	50	50
1963.....	919	-----	-----	-----	-----	919
1965.....	1,485	-----	-----	-----	-----	1,485
Total.....	38,722	1,310	6,178	3,195	28,039	28,039

<sup>1</sup> Excludes U. S. savings bonds. Other bonds in the amount of \$2,606,000,000 not callable prior to maturity are shown as of date of maturity. Bonds that have been called are shown as maturing on date of call.

<sup>2</sup> Includes unclassified U. S. savings bonds.

**FULLY GUARANTEED OBLIGATIONS, BY AGENCIES<sup>1</sup>**

[In millions of dollars]

End of month	Total	Federal Farm Mortgage Corporation	Home Owners' Loan Corporation <sup>2</sup>	Recon-struction Finance Corporation	Com-mo-dity Credit Corporation	U. S. Hous-ing Authority
Dec..	3,063	980	1,834	249	-----	-----
1935—June..	4,123	1,226	2,647	250	-----	-----
Dec..	4,494	1,387	2,855	252	-----	-----
1936—June..	4,718	1,422	3,044	252	-----	-----
Dec..	4,662	1,422	2,988	252	-----	-----
1937—June..	4,665	1,422	2,987	255	-----	-----
Dec..	4,645	1,410	2,937	297	-----	-----
1938—June..	4,853	1,410	2,937	299	-----	-----
Dec..	4,992	1,388	2,888	509	206	206
1939—June..	5,450	1,379	2,928	820	206	114
1939—Oct..	5,448	1,279	2,823	820	409	114
Nov..	5,707	1,269	2,817	1,096	407	114
Dec..	5,703	1,269	2,813	1,096	407	114
1940—Jan..	5,699	1,269	2,809	1,096	407	114
Feb..	5,673	1,269	2,783	1,096	407	114
Mar..	5,663	1,269	2,770	1,096	407	114
Apr..	5,656	1,269	2,763	1,096	407	114
May..	5,535	1,269	2,641	1,096	407	114
June..	5,528	1,269	2,634	1,096	407	114
July..	5,526	1,269	2,631	1,096	407	114
Aug..	5,812	1,269	2,627	1,096	696	114
Sept..	5,808	1,269	2,623	1,097	696	114
Oct..	5,810	1,269	2,621	1,097	696	114
Nov..	5,919	1,269	2,613	1,097	696	226
Dec..	5,917	1,269	2,615	1,097	696	226

<sup>1</sup> Principal amount of obligations guaranteed as to interest and principal. Excludes obligations held by U. S. Treasury and reflected in the public debt. The total includes guaranteed debentures of the Federal Housing Administrator, amounting to \$12,900,000 on December 31, 1940.

<sup>2</sup> Excludes obligations guaranteed as to interest only. For August 1939 and subsequent months includes matured bonds not presented for retirement amounting to \$15,000,000 on December 31, 1940.



**SUMMARY OF TREASURY OPERATIONS**

[On basis of daily statements of United States Treasury. In millions of dollars]

Period	General and special accounts												Trust accounts etc., <sup>2</sup> excess of receipts (+) or expenditures (-)	Increase or decrease during period				
	Receipts						Expenditures (excl. debt retirements)							Excess of expenditures (-)	General fund balance <sup>3</sup>	Gross debt <sup>3</sup>		
	Income taxes	Miscellaneous internal revenue	Social security taxes	All other	Total receipts	Net receipts <sup>1</sup>	Interest on debt	National defense	Agricultural Adjustment Program	Unemployment relief	Transfers to trust accounts etc. <sup>1</sup>	All other					Total <sup>1</sup>	
<b>Fiscal year ending:</b>																		
June 1938...	2,640	2,279	755	567	6,242	5,855	926	1,028	362	1,914	220	2,789	7,239	-1,394	+306	-338	+740	
June 1939...	2,189	2,232	740	507	5,668	5,165	941	1,163	787	2,595	182	3,040	8,707	-3,542	+890	+622	+3,275	
June 1940...	2,125	2,345	838	617	5,925	5,387	1,041	1,559	1,020	1,919	208	3,251	8,998	-3,611	+136	-947	+2,528	
<b>6 months ending:</b>																		
Dec. 1938...	1,138	1,200	332	257	2,927	2,722	425	575	303	1,363	163	1,471	4,299	-1,577	+182	+868	+2,262	
Dec. 1939...	800	1,276	376	292	2,744	2,476	455	699	486	951	179	1,720	4,480	-2,004	+139	-362	+1,503	
Dec. 1940...	1,041	1,516	418	261	3,236	2,925	491	1,732	525	870	169	1,354	6,141	-2,216	+197	+38	+2,057	
1939—Oct....	38	198	36	50	322	279	68	115	97	145	10	285	721	-442	-1	-264	+178	
Nov....	34	191	130	52	407	364	12	118	117	147	10	243	648	-284	+267	+252	+269	
Dec....	319	171	29	50	569	521	190	125	102	162	10	243	832	-311	-16	+311	+637	
1940—Jan....	45	167	45	57	315	315	38	132	119	157	*5	272	712	-398	+37	-194	+167	
Feb....	63	154	178	49	444	444	19	129	128	145	10	238	668	-224	+36	+67	+256	
Mar....	665	192	30	46	934	799	146	143	105	173	-----	255	822	-22	+11	+164	+175	
Apr....	48	175	39	42	304	304	69	159	78	173	-----	20	284	783	-479	+58	-303	+118
May....	40	179	137	43	400	400	10	154	62	169	-----	4	248	647	-247	-83	-181	+150
June....	464	201	32	88	784	649	305	153	43	151	-----	-----	235	887	-237	-62	-139	+160
July....	50	237	39	41	367	331	20	177	54	151	-----	114	302	818	-487	+51	+367	+803
Aug....	38	346	139	43	566	447	20	200	76	142	-----	25	249	706	-259	+320	+196	+135
Sept....	432	213	29	37	711	711	148	219	75	139	-----	10	168	759	-48	-158	-39	+168
Oct....	44	237	38	47	365	333	73	287	103	145	-----	-----	261	869	-536	-24	-495	+64
Nov....	49	252	138	46	485	362	11	376	108	138	-----	20	164	817	-455	+216	-103	+136
Dec....	429	231	34	46	741	740	219	473	110	155	-----	215	1,172	-432	-209	+111	+752	

Period	Details of trust accounts, etc.										Details of general fund balance (end of period)						
	Old-age insurance trust fund and railroad retirement account			Unemployment trust fund			Net expenditures in checking accounts of Government agencies				All other		Total	In-crement on gold	Seigniorage	Work-ing balance	
	Net receipts	Investments	Benefit payments	Receipts	Investments	Other expenditures	Reconstruction Finance Corporation	Commodity Credit Corporation	United States Housing Authority	All other	Receipts	Expenditures					
<b>Fiscal year ending:</b>																	
June 1938...	550	461	85	763	560	191	*9	*184	1	*12	414	327	2,216	142	446	1,628	
June 1939...	639	516	120	838	395	442	*653	136	*60	*186	440	324	2,838	142	536	2,160	
June 1940...	703	573	129	959	443	514	*234	10	17	166	415	323	1,891	143	585	1,163	
<b>6 months ending:</b>																	
Dec. 1938...	293	210	57	402	192	214	*169	124	11	*69	240	183	3,084	142	492	2,449	
Dec. 1939...	345	268	61	452	242	207	*219	*18	54	108	228	182	2,476	143	565	1,768	
Dec. 1940...	387	284	85	572	235	338	78	*72	*9	*116	243	181	1,928	143	597	1,188	
1939—Oct....	53	43	10	54	7	24	15	19	16	*11	28	13	1,913	143	558	1,213	
Nov....	53	43	10	144	142	29	*297	27	*12	*7	20	14	2,166	143	561	1,462	
Dec....	58	43	10	29	*3	32	*5	11	16	*6	21	25	2,476	143	565	1,768	
1940—Jan....	10	-----	10	79	28	58	*20	*6	14	*25	24	17	2,282	143	568	1,571	
Feb....	10	-----	10	155	103	45	*5	*3	*11	7	20	2	2,350	143	573	1,634	
Mar....	135	135	11	30	*18	47	2	*4	17	*29	29	22	2,514	143	577	1,794	
Apr....	20	*5	12	53	18	45	*3	*4	*34	9	32	10	2,210	143	581	1,486	
May....	4	-----	12	145	81	58	*6	(*)	*17	107	20	17	2,030	143	584	1,303	
June....	179	175	12	46	*11	54	17	45	*5	*11	62	72	1,891	143	585	1,163	
July....	56	*5	13	59	13	57	25	10	25	*57	120	103	2,258	143	588	1,527	
Aug....	145	1	13	143	85	53	(*)	*144	*6	*32	18	15	2,454	143	590	1,720	
Sept....	11	148	14	67	*18	81	*13	*1	15	16	24	17	2,415	143	592	1,680	
Oct....	32	*5	15	107	31	84	*10	21	51	*13	29	17	1,920	143	595	1,183	
Nov....	143	*5	15	145	113	31	59	24	*103	*50	18	6	1,817	143	596	1,078	
Dec....	1	151	15	51	11	33	15	17	8	21	35	25	1,928	143	597	1,188	

<sup>1</sup> Beginning with July 1, 1940, net receipts represent total receipts less net social security employment taxes, which under the 1939 amendments to the Social Security Act are appropriated directly to the Federal old-age and survivors insurance trust fund. To make the figures for earlier periods comparable, transfers to this trust fund, formerly shown under expenditures, have been deducted from total receipts, from total expenditures, and from transfers to trust accounts.

<sup>2</sup> Details given in lower section table.

<sup>3</sup> For details, see preceding page.

<sup>4</sup> Less than \$500,000.

\* Excess of credits.

NOTE.—For explanation of table see BULLETIN for October, 1940, p. 1052

**GOVERNMENTAL CORPORATIONS AND CREDIT AGENCIES, NOVEMBER 30, 1940**

[Based on compilation by U. S. Treasury Department from reports received from organizations concerned. In millions of dollars]

	Reconstruction Finance Corporation and Public Works Administration	Home mortgage and housing agencies			Farm credit agencies				Tennessee Valley Authority	Insurance agencies	Other	Total					
		Home Owners' Loan Corporation	Other mortgage agencies	United States Housing Authority	Farm mortgage agencies	Other Farm Credit Adm. banks and corporations	Commodity Credit Corporation	Other				Nov. 30, 1940	Oct. 31, 1940	Nov. 30, 1939			
<i>Assets</i>																	
Loans and preferred stock:																	
Loans to financial institutions.....	224		186							60			469	441	430		
Preferred stock, etc.....	455	194	27			61							739	757	817		
Loans to railroads.....	485												515	512	497		
Home and housing mortgage loans.....		1,969	242	176									2,387	2,387	2,358		
Farm mortgage loans.....					2,508								2,508	2,517	2,605		
Other agricultural loans.....	(1)					291		289	186				772	785	1,116		
All other loans.....	2 447		(1)					3 441					1,291	1,214	1,112		
Total loans and preferred stock.....	1,611	2,163	454	176	2,508	353	289	628	60	438			8,680	8,613	8,936		
Cash.....	13	170	85	59	84	62	2	17	5	35	17		549	521	476		
U. S. Govt. direct obligations.....	49		39	5	82	92				429	5		699	704	743		
Obligations of Government credit agencies:																	
Fully guaranteed by U. S.....			12			10				105			128	130	131		
Other.....	8			2	4	12							24	30	39		
Accounts and other receivables.....	24	7	6		210	4	85	29	7	64	75		513	521	389		
Business property.....	(1)	3	(1)	128	6	(1)	8		345	1	110		601	597	543		
Property held for sale.....	43	364	1		91	(1)	543	(1)		41	29		1,113	1,094	678		
Other assets.....	3	(1)	(1)	(1)	9	21		5	(1)	11	160		210	188	129		
Total assets other than interagency.....	1,751	2,707	598	369	2,993	555	927	678	357	748	834		12,518	12,398	12,063		
<i>Liabilities</i>																	
Bonds, notes, and debentures:																	
Guaranteed by United States.....	1,097	2,618		226	1,270		696			13			5,919	5,808	5,708		
Other.....		(1)	201		9 988	202				1	12		1,422	1,354	1,352		
Other liabilities (including reserves)	312	68	31	5	108	8	131	219	8	250	97		1,237	1,243	1,004		
Total liabilities other than interagency.....	1,409	2,686	232	231	2,376	210	827	219	15	264	109		8,579	8,406	8,064		
Excess of assets over liabilities, excluding interagency transactions.....	343	21	367	138	617	345	100	460	342	483	725		3,939	3,992	3,999		
Privately owned interests.....			56		214	4				139			413	412	397		
U. S. Government interests.....	343	21	311	138	403	341	100	460	342	344	725		3,526	3,580	3,602		

<sup>1</sup> Less than \$500,000.      <sup>2</sup> Includes \$89,000,000 loans of Public Works Administration.

<sup>3</sup> Includes \$373,000,000 loans of Farm Security Administration.

<sup>4</sup> Includes \$244,000,000 loans of Rural Electrification Administration.

<sup>5</sup> Excludes Federal land bank bonds held by Federal Farm Mortgage Corporation.

<sup>6</sup> Includes, however, investments in securities of agencies (other than mentioned in footnote 5) and deposits of agencies with Reconstruction Finance Corporation.

NOTE.—For explanation of table, see BULLETIN for October 1938, p. 882.

**RECONSTRUCTION FINANCE CORPORATION LOANS AND INVESTMENTS**

[Amounts outstanding. In thousands of dollars]

	Dec. 31, 1939	June 30, 1940	July 31, 1940	Aug. 31, 1940	Sept. 30, 1940	Oct. 31, 1940	Nov. 30, 1940	Dec. 31, 1940
Loans to financial institutions.....	172,154	150,468	147,184	145,178	142,396	141,935	167,153	171,583
Loans on preferred stock of banks and insurance companies.....	33,029	56,952	56,924	56,769	56,627	56,578	56,470	52,947
Preferred stock, capital notes, and debentures.....	488,673	469,674	465,909	458,845	459,941	460,218	454,941	452,380
Loans to railroads (including receivers).....	448,792	475,856	506,623	507,627	470,039	469,769	472,596	473,881
Loans for self-liquidating projects.....	79,440	48,105	38,754	42,262	38,476	47,096	35,597	35,797
Loans to industrial and commercial businesses <sup>1</sup> .....	130,625	130,732	129,955	129,427	131,126	130,944	131,484	128,561
Loans to drainage, levee, and irrigation districts.....	83,998	83,596	83,299	83,223	83,360	83,409	83,507	83,460
Other loans.....	4,081	4,677	4,788	4,801	4,746	4,855	4,884	4,862
Securities purchased from Public Works Administration.....	120,808	111,065	107,066	110,090	116,216	115,930	115,224	115,699
Total loans and investments, other than interagency.....	1,561,599	1,531,124	1,540,502	1,538,222	1,502,926	1,510,735	1,521,857	1,519,170
Preferred stock of, and loans to Export-Import bank.....	45,000	74,000	74,000	74,000	74,000	74,000	99,000	99,000
Loans to Rural Electrification Administration.....	146,498	146,498	146,498	146,498	146,498	146,498	146,498	146,498
Capital stock of, and loans to R. F. C. Mortgage Co.....	57,081	59,050	58,628	60,212	61,160	62,806	64,115	67,110
Capital stock of, and loans to Fed. Natl. Mtg. Assn.....	53,729	73,863	76,470	78,976	81,039	84,559	87,077	90,380
Loans to Tennessee Valley Authority.....	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300
Capital stock of, and loans to National Defense Companies.....			1,000	2,000	10,395	24,277	33,387	44,503
Loans to Farm Security Administration.....			10,000	10,000	10,000	21,000	23,000	28,000
Total loans and investments.....	1,877,207	1,892,835	1,915,397	1,918,206	1,894,318	1,932,175	1,983,234	2,002,961

<sup>1</sup> Include national defense loans amounting to \$7,306,000 on December 31, 1940.

NOTE.—For explanation of table and back figures, see BULLETIN for April 1936, p. 220.

FARM CREDIT ADMINISTRATION

LOANS AND DISCOUNTS OUTSTANDING, BY INSTITUTIONS

[In thousands of dollars]

End of month	Farm mortgage loans by—		Federal intermediate credit bank loans to and discounts for—		Production credit associations	Regional agricultural credit corporations	Emergency crop and drought loans	Loans to cooperatives by—		
	Federal land banks	Land Bank Commissioner	Regional agricultural credit corporations, production credit associations, and banks for cooperatives <sup>1</sup>	Other financing institutions, except cooperatives				Federal intermediate credit banks	Banks for cooperatives, including Central Bank	Agricultural Marketing Act revolving fund
1934—December	1,915,792	616,825	99,675	55,672	60,852	87,102	111,238	33,969	27,851	54,863
1935—December	2,071,925	794,726	104,706	47,162	94,096	43,400	172,863	2,731	50,013	44,453
1936—December	2,064,153	836,779	129,872	41,017	105,212	25,288	165,369	1,641	69,647	53,754
1937—December	2,035,307	812,749	165,194	40,464	138,169	15,592	172,701	1,813	87,633	30,982
1938—December	1,982,224	752,851	168,392	33,545	148,037	11,081	171,489	920	87,496	23,723
1939—December	1,904,655	690,880	165,236	33,354	164,496	8,005	168,330	1,835	76,252	20,547
1940—January	1,900,408	687,191	161,753	33,620	153,949	7,904	167,957	1,756	73,238	20,427
February	1,896,507	685,507	165,106	34,738	160,003	7,926	170,020	2,002	71,772	20,038
March	1,890,432	677,717	176,007	36,326	173,840	7,888	176,045	1,754	69,311	19,763
April	1,886,272	673,696	185,373	37,921	186,276	7,904	179,801	1,603	67,464	18,537
May	1,882,516	670,723	190,961	38,377	194,662	7,845	180,938	1,315	63,564	18,137
June	1,880,408	668,850	196,408	40,033	200,415	7,768	181,218	897	62,177	18,200
July	1,874,608	665,073	199,238	42,161	203,693	7,614	180,824	1,217	65,111	15,311
August	1,871,457	662,592	202,503	42,416	202,796	7,416	179,984	763	67,473	14,789
September	1,866,697	659,017	197,451	40,901	194,558	7,010	177,906	352	73,132	15,739
October	1,861,739	655,403	190,773	34,882	180,219	6,202	172,993	431	79,156	16,724
November	1,855,945	651,600	188,463	33,738	173,331	5,991	170,092	1,228	77,325	17,022
December	1,851,218	648,296	186,933	34,102	172,312	5,885	168,438	1,490	74,741	16,461

<sup>1</sup> Some of the loans made by the regional agricultural credit corporations (prior to October 1935) and by the banks for cooperatives and most of the loans made by the production credit associations are discounted with the Federal intermediate credit banks. The amounts in this column are thus included in the three columns under those headings. Such loans are not always discounted in the same month in which the original credit is extended.

FEDERAL HOME LOAN BANK BOARD  
LOANS OUTSTANDING, BY INSTITUTIONS

[Loans in thousands of dollars]

End of month	Home mortgage loans by—			Federal home loan bank loans to member institutions <sup>2</sup>
	Home Owners' Loan Corporation	Federal savings and loan associations		
		Number of associations	Loans <sup>1</sup>	
1934—December	2,379,491	639	81,300	86,651
1935—December	2,897,162	1,023	348,000	102,791
1936—December	2,765,093	1,212	586,700	145,394
1937—December	2,307,647	1,328	853,500	200,092
1938—December	2,168,920	1,368	1,034,162	198,840
1939—August	2,050,792	1,392	1,186,784	159,470
September	2,054,865	1,394	1,206,887	163,687
October	2,049,421	1,394	1,231,685	168,664
November	2,043,288	1,401	1,252,559	168,822
December	2,038,186	1,410	1,271,161	181,313
1940—January	2,031,341	1,403	1,280,200	156,788
February	2,026,614	1,407	1,296,464	144,515
March	2,021,951	1,413	1,317,975	137,642
April	2,020,572	1,420	1,348,072	133,811
May	2,017,395	1,421	1,376,700	137,509
June	2,012,760	1,430	1,405,100	157,397
July	2,004,737	1,431	1,432,100	162,222
August	1,996,443	1,431	1,461,867	168,402
September	1,987,611	1,434	1,487,974	176,047
October	1,980,704	1,440	1,515,392	181,526
November	1,968,816	1,443	1,533,246	185,547
December	1,956,268	1,445	1,546,270	201,492

<sup>1</sup> Federal Home Loan Bank Board estimates for all Federal savings and loan associations.

<sup>2</sup> Excludes loans to other than member institutions which are negligible in amount.

POSTAL SAVINGS SYSTEM

[In millions of dollars]

End of month	Depositors' balances <sup>1</sup>	Assets					Cash reserve funds etc. <sup>2</sup>
		Total	Cash in depository banks	U. S. Government securities			
				Total	Direct obligations	Guaranteed obligations	
1935—June	1,205	1,236	385	777	630	147	74
1936—June	1,232	1,265	203	967	800	167	95
1937—June	1,268	1,307	136	1,100	933	167	71
1938—June	1,252	1,290	115	1,103	936	167	73
1939—June	1,262	1,304	68	1,157	1,011	146	78
1939—December	1,279	1,319	53	1,192	1,046	146	74
1940—January	1,290	1,331	50	1,197	1,051	146	84
February	1,297	1,340	48	1,194	1,048	146	97
March	1,301	1,343	45	1,200	1,054	146	97
April	1,303	1,345	44	1,214	1,068	146	87
May	1,299	1,342	43	1,224	1,078	146	74
June	1,293	1,337	43	1,224	1,078	146	69
July	1,297	1,339	42	1,224	1,078	146	73
August	1,297	1,340	41	1,224	1,078	146	75
September	1,295	1,339	40	1,224	1,078	146	74
October	1,296	1,339	—	—	—	—	—
November	1,298	—	—	—	—	—	—
December	1,304	—	—	—	—	—	—

<sup>1</sup> Preliminary.

<sup>2</sup> Outstanding principal, represented by certificates of deposit. Does not include accrued interest nor outstanding savings stamps.

<sup>3</sup> Includes working cash with postmasters, 5-per cent reserve fund and miscellaneous working funds with the Treasurer of the United States, accrued interest on bond investments, and accounts due from late postmasters.

Back figures.—See BULLETIN for August 1935, p. 502.





*Industrial Production, by Industries (Adjusted for Seasonal Variation)—Continued*

[Index numbers of the Board of Governors. 1935-39 average = 100]

Industry	1939		1940											
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
<b>Paper and Products</b> .....	134	135	123	114	110	116	127	132	130	124	120	122	125	-----
Paper and pulp.....	132	134	123	114	110	117	128	132	130	123	118	120	124	-----
Pulp.....	137	147	138	133	135	140	149	159	153	150	150	148	149	-----
Groundwood pulp.....	108	116	114	110	110	118	118	118	117	119	117	120	124	-----
Soda pulp.....	131	145	129	117	116	118	135	148	142	120	114	124	113	-----
Sulphate pulp.....	157	176	160	153	151	164	175	186	179	179	185	182	184	-----
Sulphite pulp.....	133	138	134	130	136	136	145	157	151	148	145	141	142	-----
Paper.....	131	132	121	111	106	113	125	128	126	118	113	116	120	-----
Paperboard.....	134	140	127	112	109	114	131	128	130	121	118	123	132	143
Fine paper.....	129	122	111	100	95	99	110	118	121	114	107	110	114	-----
Newsprint production.....	101	105	106	112	112	113	113	115	111	113	111	112	109	109
Printing paper.....	132	132	119	116	109	115	125	135	126	117	111	113	114	-----
Tissue and absorbent paper.....	138	140	119	119	105	119	123	137	131	121	125	124	118	-----
Wrapping paper.....	127	128	121	108	105	114	127	126	126	117	107	110	114	-----
Paperboard containers.....	144	138	120	112	111	115	125	128	128	-----	-----	-----	-----	-----
<b>Printing and Publishing</b> <sup>1</sup> .....	117	119	109	108	106	108	115	120	114	110	108	108	110	-----
Newsprint consumption.....	101	107	98	100	103	101	106	106	102	104	104	104	106	107
<b>Petroleum and Coal Products</b> .....	120	119	117	116	118	115	114	115	112	113	116	116	118	-----
Petroleum refining.....	117	116	114	115	117	114	113	112	108	109	112	112	114	-----
Gasoline.....	118	116	112	112	115	112	111	110	106	109	113	111	112	-----
Fuel oil.....	112	111	119	119	121	117	113	113	111	116	113	115	116	-----
Lubricating oil.....	125	129	126	124	124	120	118	122	113	98	102	109	115	-----
Kerosene.....	107	109	97	120	123	120	126	116	116	111	121	123	123	-----
Coke.....	140	139	137	123	118	119	123	132	139	139	142	144	146	147
Byproduct coke.....	137	137	137	124	119	120	123	131	137	136	139	141	143	142
Beehive coke.....	244	217	145	89	80	84	101	142	206	248	252	251	265	305
<b>Chemicals</b> .....	111	112	113	111	109	111	114	116	117	115	114	116	117	2122
<b>Rubber Products</b> .....	126	123	119	119	116	115	117	115	106	109	119	120	126	138
Rubber consumption.....	127	125	120	120	116	115	116	114	106	110	120	122	127	140
Tires and tubes.....	114	109	110	114	117	115	121	126	104	106	111	109	118	118
Pneumatic tires.....	115	111	112	116	118	115	122	128	106	106	112	110	120	118
Inner tubes.....	112	98	101	104	108	109	112	113	95	102	107	103	107	115
<b>Minerals—Total</b> .....	120	115	118	114	117	119	118	118	120	114	116	113	117	2114
<b>Fuels</b> .....	118	113	117	112	114	116	115	116	117	112	114	109	113	2109
Bituminous coal.....	119	106	119	103	109	120	122	116	121	122	119	98	112	2113
Anthracite.....	97	88	111	78	84	83	82	113	129	112	105	91	94	2105
Crude petroleum.....	120	118	116	118	120	118	116	116	114	108	114	115	115	2109
<b>Metals</b> .....	131	124	127	130	133	135	135	134	139	124	127	135	144	2141
Iron ore shipments.....	155	122	132	142	151	149	152	155	159	159	155	157	180	169
Copper.....	-----	-----	147	140	141	144	143	143	150	144	132	140	141	141
Lead.....	109	112	114	116	117	118	124	117	120	117	108	119	107	-----
Zinc.....	127	130	119	130	124	123	119	118	129	125	131	131	134	135
Gold.....	113	119	121	119	124	124	124	122	125	93	107	125	127	-----
Silver.....	109	116	101	120	113	127	125	114	122	88	109	113	136	-----

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

<sup>1</sup> Includes also printing paper production shown under "Paper."

NOTE.—For description and back figures see BULLETIN for August 1940, pages 753 to 771 and 825 to 882

**\* Revised Indexes**

1939

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.
<b>Textiles and Products</b> .....	107	107	105	102	105	109	112	111	113	119
Textile fabrics.....	106	105	104	100	102	105	108	109	113	118
Rayon deliveries.....	111	119	122	123	123	130	133	128	124	128
Manufactured dairy products.....	110	108	108	105	107	106	105	106	110	109
Ice cream.....	111	108	108	105	111	109	108	105	119	116
<b>Alcoholic Beverages</b> .....	-----	-----	-----	-----	-----	-----	-----	-----	95	106
Whiskey.....	-----	-----	-----	-----	-----	-----	-----	-----	50	57
Other distilled spirits.....	-----	-----	-----	-----	-----	-----	-----	-----	120	121



*Industrial Production, by Industries (Without Seasonal Adjustment)—Continued*

[Index numbers of the Board of Governors. 1935-39 average = 100]

Industry	1939		1940											
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
<i>Paper and Paper Products</i> .....	133	128	120	116	114	119	127	130	124	123	124	127	124	-----
Paper and pulp.....	131	128	122	118	114	120	128	131	123	121	120	124	124	-----
Pulp.....	137	143	139	137	138	144	150	157	147	148	147	149	150	-----
Groundwood pulp.....	110	121	118	114	118	132	131	120	104	101	102	112	127	-----
Soda pulp.....	131	140	129	121	119	122	135	147	133	120	115	124	113	-----
Sulphate pulp.....	157	167	161	158	154	164	175	184	175	179	185	186	184	-----
Sulphite pulp.....	135	134	134	134	139	138	145	154	144	148	145	143	143	-----
Paper.....	130	126	119	115	110	116	124	127	120	117	116	120	120	-----
Paperboard.....	134	125	122	115	113	116	123	128	123	123	125	130	132	127
Fine paper.....	125	120	112	106	102	108	114	116	110	107	102	110	110	-----
Newsprint production.....	104	106	106	111	112	113	114	116	108	110	111	112	112	110
Printing paper.....	131	131	119	119	114	119	127	132	118	113	110	114	113	-----
Tissue and absorbent paper.....	136	135	116	124	106	121	122	135	124	121	131	129	119	-----
Wrapping paper.....	127	125	121	112	108	115	124	123	122	116	108	113	114	-----
Paperboard containers.....	141	126	114	110	113	115	123	127	125	-----	-----	-----	-----	-----
<i>Printing and Publishing</i> <sup>1</sup> .....	119	120	106	109	111	114	119	119	103	102	108	113	112	-----
Newsprint consumption.....	106	109	93	99	107	108	110	107	88	91	105	111	111	109
<i>Petroleum and Coal Products</i> .....	121	118	116	115	114	115	115	116	113	114	118	118	119	-----
Petroleum refining.....	118	115	112	113	113	114	113	113	109	110	114	114	115	-----
Gasoline.....	119	114	108	109	109	111	111	112	109	112	116	114	113	-----
Fuel oil.....	113	113	122	120	119	115	113	112	109	114	114	116	117	-----
Lubricating oil.....	125	128	122	122	123	125	123	122	111	97	102	109	115	-----
Kerosene.....	111	111	102	121	125	123	126	113	110	107	119	123	126	-----
Coke.....	141	140	138	125	120	118	122	131	135	138	141	144	147	149
Byproduct coke.....	137	137	137	125	120	120	123	131	134	136	139	141	143	142
Beehive coke.....	269	253	170	120	100	76	76	116	171	198	209	259	292	357
<i>Chemicals</i> .....	113	114	111	111	113	114	113	110	110	112	116	120	120	123
<i>Rubber Products</i> .....	129	118	122	117	116	114	117	115	106	109	122	120	129	131
Rubber consumption.....	131	119	123	117	116	114	116	114	106	110	123	122	131	133
Tires and tubes.....	114	109	110	114	117	115	121	126	104	106	111	109	118	118
Pneumatic tires.....	115	111	112	116	118	115	122	128	106	106	112	110	120	118
Inner tubes.....	112	98	101	104	108	109	112	113	95	102	107	103	107	115
<i>Minerals—Total</i> .....	123	112	115	112	110	111	118	118	121	117	124	122	119	110
<i>Fuels</i> .....	120	115	120	116	114	113	113	111	111	109	115	112	115	112
Bituminous coal.....	135	117	132	121	104	101	103	100	107	112	124	110	128	125
Anthracite.....	99	93	128	86	86	89	90	104	101	83	100	97	96	111
Crude petroleum.....	116	116	114	117	121	121	119	116	114	111	114	114	111	106
<i>Metals</i> .....	141	93	88	89	87	95	148	161	179	164	171	184	147	97
Iron ore shipments.....	165	-----	-----	-----	-----	14	213	288	315	308	301	294	162	-----
Copper.....	-----	-----	144	142	144	150	141	140	133	135	136	146	147	146
Lead.....	116	118	114	116	115	119	122	116	112	114	112	117	114	-----
Zinc.....	128	134	121	132	130	127	119	116	121	118	127	131	135	139
Gold.....	130	119	114	109	103	109	118	98	134	101	121	156	146	-----
Silver.....	108	117	100	123	118	130	120	114	113	91	107	115	135	-----

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

<sup>1</sup> Includes also printing paper production shown under "Paper."

NOTE.—For description and back figures see BULLETIN for August 1940, pages 753 to 771 and 825 to 882.

\* Revised Indexes

1939

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Year
<i>Textiles and Products</i> .....	110	113	107	99	102	104	106	109	116	122	112
Textile fabrics.....	109	111	107	99	100	100	101	106	114	121	110
Rayon deliveries.....	108	117	116	114	110	119	131	137	143	142	128
Manufactured dairy products.....	71	78	92	105	145	161	152	141	113	86	107
Ice cream.....	56	64	83	101	151	174	181	171	129	84	110
<i>Alcoholic Beverages</i> .....	-----	-----	-----	-----	-----	-----	-----	-----	98	109	98
Whiskey.....	-----	-----	-----	-----	-----	-----	-----	-----	40	54	57
Other distilled spirits.....	-----	-----	-----	-----	-----	-----	-----	-----	164	321	111











### CONSTRUCTION CONTRACTS AWARDED, BY TYPES OF CONSTRUCTION

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in millions of dollars.]

Month	Total		Residential building		Nonresidential building								Public works and public utilities <sup>1</sup>	
					Factories		Commercial		Educational <sup>1</sup>		Other <sup>1</sup>			
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
January	251.7	196.2	80.2	77.4	7.1	12.9	17.3	15.9	31.7	6.1	28.9	17.7	86.5	66.3
February	220.2	200.6	79.0	74.9	9.5	15.4	13.5	20.2	21.8	8.1	24.7	26.9	71.6	55.2
March	300.7	272.2	125.2	121.7	13.0	21.8	17.4	23.1	27.6	9.3	39.8	19.6	77.7	76.7
April	330.0	300.5	114.4	135.4	17.5	23.2	21.3	24.0	21.1	17.4	34.8	24.0	121.0	76.3
May	308.5	328.9	133.8	145.9	13.0	23.2	19.5	26.1	16.4	15.3	27.8	25.6	97.9	92.8
June	288.3	324.7	111.9	135.3	15.8	15.2	26.8	33.1	12.5	14.3	37.8	29.4	83.6	97.5
July	299.9	398.7	109.3	140.4	17.4	49.5	22.9	38.9	19.4	16.5	28.7	34.1	102.1	119.3
August	312.3	414.9	127.2	153.0	10.4	39.6	21.1	28.6	13.8	14.4	24.6	36.6	115.3	142.8
September	323.2	347.7	129.7	152.4	20.7	38.0	26.6	27.1	10.1	9.8	24.9	26.4	111.1	94.0
October	261.8	383.1	118.3	148.5	16.8	47.1	22.6	29.4	9.5	18.6	23.8	41.2	70.8	98.2
November	299.8	380.3	116.6	152.8	18.5	79.0	20.4	24.9	9.7	8.5	29.2	35.0	105.5	79.1
December	354.1	456.2	88.7	159.3	15.3	77.3	17.4	27.1	7.7	8.9	17.4	69.3	207.7	114.3
Year	3,550.5	4,004.0	1,334.3	1,596.9	174.8	442.4	246.9	318.3	201.4	147.2	342.5	386.7	1,250.6	1,112.4

<sup>1</sup> Not strictly comparable with data for earlier years due to changes in classification.

### CONSTRUCTION CONTRACTS AWARDED, BY OWNERSHIP

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in millions of dollars.]

Month	Total						Public ownership <sup>1</sup>						Private ownership <sup>1</sup>					
	1935	1936	1937	1938	1939	1940	1935	1936	1937	1938	1939	1940	1935	1936	1937	1938	1939	1940
January	100	215	243	192	252	196	55	149	112	118	148	93	45	66	130	75	104	104
February	75	140	188	119	220	201	38	79	69	51	111	82	37	62	119	68	109	119
March	123	199	231	227	301	272	68	96	66	95	128	95	55	103	165	132	173	177
April	124	235	270	222	330	301	53	105	74	99	160	103	71	130	195	123	170	197
May	127	216	244	283	308	329	47	94	93	144	135	112	80	122	151	139	174	217
June	148	233	318	251	288	325	64	116	137	108	128	147	84	116	180	143	161	177
July	159	295	322	240	300	399	67	153	131	98	137	205	93	141	191	142	163	194
August	169	275	281	313	312	415	92	163	104	171	158	195	76	122	178	142	154	220
September	167	234	207	301	323	348	97	116	80	160	144	144	70	119	127	141	179	204
October	201	226	202	358	262	393	114	101	78	203	92	175	87	125	124	154	170	209
November	188	208	198	302	300	380	118	89	93	179	144	195	70	119	106	123	156	186
December	264	200	209	389	354	-----	196	82	115	279	225	-----	68	117	94	110	129	-----
Year	1,845	2,675	2,913	3,197	3,551	-----	1,007	1,334	1,152	1,705	1,708	-----	837	1,341	1,761	1,492	1,842	-----

<sup>1</sup> Back figures.—See BULLETIN for February 1933, p. 159. Data for years prior to 1932 not available.

### CONSTRUCTION CONTRACTS AWARDED, BY DISTRICTS

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in thousands of dollars.]

Federal Reserve district	1940		1939
	Dec.	Nov.	Dec.
Boston	39,627	731,803	19,616
New York	65,915	44,114	40,594
Philadelphia	17,709	21,037	13,573
Cleveland	28,851	48,823	29,750
Richmond	101,104	45,703	22,358
Atlanta	62,880	35,367	22,780
Chicago	47,943	70,767	35,529
St. Louis	30,952	31,697	134,744
Minneapolis	5,973	7,624	6,581
Kansas City	14,014	20,912	10,970
Dallas	41,221	22,500	17,603
Total (11 districts)	456,189	380,347	354,098

r Revised.

### COMMERCIAL FAILURES, BY DISTRICTS

[Figures reported by Dun & Bradstreet. Amounts in thousands of dollars.]

Federal Reserve district	Number		Liabilities			
	1940		1939	1940		1939
	Dec.	Nov.	Dec.	Dec.	Nov.	Dec.
Boston	89	67	75	863	847	2,189
New York	409	353	436	5,091	3,928	4,512
Philadelphia	86	74	66	642	700	489
Cleveland	43	57	38	1,425	950	636
Richmond	41	31	48	884	769	544
Atlanta	33	38	36	363	744	437
Chicago	167	155	189	1,214	2,845	1,573
St. Louis	40	44	39	727	534	392
Minneapolis	17	22	23	147	118	241
Kansas City	39	40	61	271	269	315
Dallas	26	26	17	380	3,145	243
San Francisco	96	117	125	1,302	1,723	1,672
Total	1,086	1,024	1,153	13,309	16,572	13,243

New series. Includes cases of discontinuances where loss to creditors was involved even though actual legal formalities were not invoked. Back figures, available for 1939 only, may be obtained from Dun and Bradstreet, Inc.

## MERCHANDISE EXPORTS AND IMPORTS

[In millions of dollars]

Month	Merchandise exports <sup>1</sup>					Merchandise imports <sup>1</sup>					Excess of exports				
	1936	1937	1938	1939	1940	1936	1937	1938	1939	1940	1936	1937	1938	1939	1940
January.....	199	223	289	213	370	187	240	171	178	242	11	-18	118	35	128
February.....	182	233	262	219	347	193	278	163	158	200	-11	-45	99	61	147
March.....	195	257	275	268	351	199	307	173	190	217	-4	-51	102	77	*134
April.....	193	269	274	231	*323	203	287	160	186	212	-10	-18	115	45	*111
May.....	201	290	257	249	*324	192	285	148	202	211	9	5	109	47	*112
June.....	186	265	233	236	*350	191	286	146	179	211	-5	-21	87	57	139
July.....	180	268	228	230	317	195	265	141	169	232	-15	3	87	61	*84
August.....	179	277	231	250	351	193	246	166	178	221	-14	31	65	74	130
September.....	221	297	246	289	295	216	233	168	182	195	5	63	79	107	100
October.....	265	333	278	332	344	213	224	178	215	207	52	108	100	117	137
November.....	226	315	252	292	328	196	223	176	235	224	30	92	76	57	104
December.....	230	323	269	368	*322	245	209	171	247	*253	-15	115	98	121	*69
Year.....	2,456	3,349	3,004	3,177	*4,022	2,423	3,084	1,960	2,318	*2,625	33	265	1,134	859	*1,396

<sup>1</sup> Preliminary.      \* Revised.

<sup>2</sup> Including both domestic and foreign merchandise.

<sup>3</sup> General imports, including merchandise entered for immediate consumption and that entered for storage in bonded warehouses.

Source.—Bureau of Foreign and Domestic Commerce.

Back figures.—See BULLETIN for February 1937, p. 152; July 1933, p. 431; and January 1931, p. 18.

### FREIGHT-CAR LOADINGS, BY CLASSES

[Index numbers; 1923-25 average=100]

	Total	Ccal	Coke	Grain	Live-stock	For-est prod-ucts	Ore	Mis-cel-lane-ous	Mer-chan-dise l.c.l.
<b>ADJUSTED *</b>									
1939—Nov.....	82	80	100	88	41	51	191	89	63
Dec.....	78	71	92	87	40	51	116	89	62
1940—Jan.....	78	83	90	73	39	47	114	86	62
Feb.....	73	68	65	75	40	44	107	83	61
Mar.....	69	66	70	75	39	43	105	77	60
Apr.....	70	75	73	79	37	43	102	74	59
May.....	72	78	73	74	38	45	96	77	60
June.....	75	81	91	74	38	45	100	82	60
July.....	75	83	105	80	35	46	96	80	61
Aug.....	76	85	108	74	38	49	96	82	61
Sept.....	77	80	99	79	42	51	106	84	61
Oct.....	77	65	97	81	45	55	117	89	62
Nov.....	83	76	104	78	43	56	192	94	62
Dec.....	84	74	99	77	40	59	134	97	63
<b>UNADJUSTED *</b>									
1939—Nov.....	83	87	100	83	50	50	105	91	64
Dec.....	73	79	101	75	39	44	29	81	60
1940—Jan.....	72	95	106	66	38	41	25	74	58
Feb.....	68	80	88	69	33	43	26	71	59
Mar.....	67	70	73	69	31	44	26	74	60
Apr.....	67	63	62	70	34	44	42	76	60
May.....	71	67	70	66	34	47	134	80	60
June.....	75	69	85	73	31	48	170	85	60
July.....	77	70	89	110	31	46	182	82	60
Aug.....	78	75	88	89	38	51	178	83	61
Sept.....	86	83	94	89	54	56	185	94	64
Oct.....	86	72	97	81	63	57	173	100	64
Nov.....	84	83	104	73	52	55	105	95	63
Dec.....	77	83	108	66	39	50	33	88	61

\* The terms "adjusted" and "unadjusted" refer to adjustment of monthly figures for seasonal variation.

Note.—For description and back data see pp. 522-529 of BULLETIN for June 1937. Based on daily average loadings. Basic data compiled by Association of American Railroads. Total index compiled by combining indexes for classes with weights derived from revenue data of the Interstate Commerce Commission.

### DEPARTMENT STORE SALES AND STOCKS

[Index numbers based on value figures; 1923-25 average=100]

	Adjusted * <sup>1</sup>				Unadjusted *			
	1937	1938	1939	1940	1937	1938	1939	1940
<b>SALES</b>								
Jan.....	93	90	88	92	72	70	69	71
Feb.....	95	88	88	90	76	70	69	71
Mar.....	93	86	88	89	90	77	82	86
Apr.....	93	83	88	89	89	86	88	86
May.....	93	80	87	89	95	80	87	89
June.....	93	82	86	91	90	79	83	87
July.....	92	83	87	92	65	58	60	64
Aug.....	93	83	88	98	72	65	69	77
Sept.....	93	85	90	97	100	91	97	105
Oct.....	95	86	92	94	103	92	99	101
Nov.....	90	87	93	100	101	99	106	114
Dec.....	89	88	95	101	156	168	179	179
Year.....					92	85	90	94
<b>STOCKS</b>								
Jan.....	74	71	67	68	66	63	60	61
Feb.....	76	70	68	71	72	67	65	68
Mar.....	76	70	68	70	78	71	69	71
Apr.....	76	69	67	69	79	71	69	71
May.....	76	69	66	68	78	71	68	70
June.....	76	68	67	67	73	65	64	64
July.....	77	67	67	68	69	61	60	61
Aug.....	78	67	67	69	74	65	65	66
Sept.....	77	67	68	70	80	70	71	73
Oct.....	76	67	69	71	85	74	77	79
Nov.....	75	67	71	72	86	78	82	83
Dec.....	72	66	68	71	68	62	64	66
Year.....					76	68	68	69

\* The terms "adjusted" and "unadjusted" refer to adjustment of monthly figures for seasonal variation.

Back figures.—Department store sales, see BULLETIN for August 1936, p. 631, for October 1938, p. 918 and for January 1941, p. 65; department store stocks, see BULLETIN for March 1938, p. 232.



**STATISTICS FOR FEDERAL RESERVE CHART BOOK—CURRENT SERIES**

	Chart book page	1940		1941			Chart book page	1940					
		Dec. 24	Dec. 31	Jan. 8	Jan. 15	Jan. 22		Oct.	Nov.	Dec.			
<b>WEEKLY FIGURES</b>		<i>Wednesday figures; in billions of dollars</i>					<b>MONTHLY FIGURES</b>		<i>Index numbers 1923-25=100</i>				
RESERVES, GOLD, AND CURRENCY							BUSINESS CONDITIONS						
Reserve Bank credit—total.	3, 5	2.34	2.27	2.24	2.25	2.26	Wholesale commodity prices: 4						
Bills discounted.....	5	(1)	(1)	(1)	(1)	(1)	United States:						
U. S. Gov't. securities...	5	2.18	2.18	2.18	2.18	2.18	All commodities.....	31	78.7	79.6	80.0		
Gold stock.....	3	21.93	22.00	22.03	22.07	22.09	Farm products.....	31	66.4	68.2	69.7		
Money in circulation.....	3, 9	8.82	8.73	8.63	8.54	8.54	Foods.....	31	71.1	72.5	73.5		
Treasury cash.....	3	2.21	2.21	2.20	2.20	2.20	Other commodities.....	31	83.5	84.1	84.1		
Treasury deposits.....	3	.48	.37	.22	.24	.26	England.....	32	115.1	118.5	119.6		
Member bank balances.....	3, 6	13.84	14.03	14.28	14.41	14.41	France.....	32					
Required reserves 6.....	6	7.40	7.41	7.45	7.52	7.55	Germany.....	32	82.3	82.4	82.5		
Excess reserves—total 7.....	7	6.42	6.61	6.78	6.91	6.91	Industrial production 8.....	35	129	132	137		
New York City 7.....	7	3.35	3.46	3.50	3.53	3.54	Durable manufactures.....	37	757.0	58.4	62.3		
Chicago 7.....	7	.43	.40	.37	.39	.38	Nondurable manufactures 8.....	37	54.3	56.0	57.4		
Reserve city banks 7.....	7	1.81	1.85	1.97	2.04	2.06	Minerals 9.....	37	17.2	17.8	17.3		
Country banks 7.....	7	.83	.90	.94	0.95	0.92	Factory employment 10.....	43	113.8	114.6	116.2		
<b>WEEKLY REPORTING MEMBER BANKS</b>													
Total, 101 cities:													
Loans and investments.....	14	25.60	25.53	25.61	25.67	25.68	Factory payrolls 11.....	43	116.2	116.5	122.8		
Investments.....	14	16.25	16.14	16.31	16.39	16.40	Freight-car loadings 12.....	45	77	83	84		
Loans.....	14	9.35	9.39	9.30	9.28	9.29	Department store sales 13.....	47	794	100	101		
Adjusted demand deposits.....	15	22.38	22.30	22.49	22.70	22.90	Department store stocks 14.....	47	71	72	71		
Time deposits.....	15	5.42	5.43	5.42	5.47	5.43	<i>In millions of dollars</i>						
U. S. Gov't. deposits.....	15	.48	.47	.47	.37	.28	Construction contracts awarded: 1						
Domestic bank balances.....	15	8.92	9.07	9.13	9.24	9.19	Total.....	41	389	454	492		
Foreign bank balances.....	15	.66	.69	.66	.66	.64	Residential.....	41	156	160	171		
New York City:													
U. S. Gov't. obligations.....	16	5.85	5.80	5.87	5.91	5.93	Other.....	41	233	294	320		
Other securities.....	16	1.38	1.38	1.39	1.38	1.39	Exports and imports:						
Commercial loans.....	16	1.91	1.91	1.92	1.92	1.93	Exports (incl. re-exports)....	49	344	328	322		
Brokers' loans.....	16	.39	.42	.35	.32	.33	General imports.....	49	207	224	253		
100 cities outside New York:													
U. S. Gov't. obligations.....	17	6.72	6.66	6.76	6.81	6.79	Excess of exports.....	49	137	104	79		
Other securities.....	17	2.30	2.30	2.29	2.29	2.29	Income payments:						
Commercial loans.....	17	3.11	3.11	3.12	3.12	3.13	Total 2.....	50	6,326	6,394	6,511		
<b>MONEY RATES AND SECURITY MARKETS</b>		<i>Averages of daily figures 3; per cent per annum</i>											
F. R. Bank discount rate, N. Y.....	19	1.00	1.00	1.00	1.00	1.00	Total unadjusted.....	50	6,681	6,237	6,367		
Commercial paper.....	19	.56	.56	.56	.56	.56	Salaries and wages 3.....	50	4,018	4,063	4,184		
Bankers' acceptances.....	19	.44	.44	.44	.44	.44	Other 4.....	50	2,308	2,311	2,327		
U. S. Treasury bills.....	21	.02	.02	.02	.02	.02	Cash farm income:						
U. S. Treasury notes.....	21	.37	.40	.43	.41	.43	Total 5.....	51	1,126	942	837		
U. S. Treasury bonds.....	21, 25	1.88	1.92	1.97	1.98	2.02	Crops 6.....	51	563	407	333		
Corporate Aaa bonds.....	25	2.72	2.72	2.75	2.74	2.76	Livestock and products 7.....	51	487	456	434		
Corporate Baa bonds.....	25	4.45	4.43	4.41	4.38	4.37	Government payments.....	51	76	79	70		
<b>Stock prices, total 4.....</b>		<i>Wednesday figures; in unit indicated</i>							<i>In billions of dollars</i>				
Industrial.....	27, 29	80	81	82	82	80	Central gold reserves:						
Railroad.....	27	93	94	96	95	93	United States.....	8	21.51	21.80	21.99		
Public utility.....	27	26	27	28	28	28	England.....	8	(1)	(1)	(1)		
Volume of trading 5 (mill. shares).....	29	1.06	.83	.72	.52	.48	France.....	8	72.00	72.00	72.00		
Brokers' loans (mill. dollars).....	29	545	584	500	462	465	Netherlands.....	8	.63	.63	0.63		
<b>BUSINESS CONDITIONS</b>		<i>Figures for week 3; in unit indicated</i>											
Wholesale commodity prices: 4													
All commodities.....	33	79.9	80.2	80.2	80.6	80.8	U. S. Gov't. interest-bearing debt—total.....	20	43.56	43.71	44.46		
Farm products.....	33	69.9	71.2	71.0	71.4	72.6	Bonds.....	20	31.12	31.16	31.23		
Foods.....	33	73.1	73.2	73.0	73.7	74.1	Notes.....	20	5.66	5.66	6.18		
Other commodities.....	33	84.5	84.4	84.4	84.5	84.4	Bills.....	20	1.31	1.31	1.31		
Steel plant operations (per cent of capacity) 10.....	38	80.8	95.9	95.1	95.9	96.5	Special issues.....	20	5.47	5.58	5.74		
Automobile production (thous. cars).....	38	81.3	76.7	115.9	124.0	121.9	<b>QUARTERLY FIGURES 7</b>						
Electric power production (mill. kw. hrs.).....	39	2,623	2,705	2,835	2,844	2,830	Domestic corporation security issues, total.....	28	531	582	1,043		
Total freight-car loadings (thous. cars).....	39	545.3	614.2	711.7	700.4	710.8	New.....	28	153	182	277		
									Refunding.....	28	378	400	766
									<i>Per cent per annum</i>				
									Customers' rates:				
									New York City.....	23	2.00	2.14	2.00
									7 other Northern and Eastern cities.....	23	2.49	2.56	2.53
									11 Southern and Western cities.....	23	3.38	3.43	3.36

2 Preliminary. 3 Revised. 4 Estimated.  
 5 Revised; see note p. 158 and table p. 166.  
 6 Less than \$5,000,000.  
 7 Averages of daily figures, see footnote 3.  
 8 Figures are shown under the Wednesday date included in the weekly period.  
 9 Index numbers, 1926=100.  
 10 Adjusted for seasonal variation, 1935-39=100.

11 Points in total index of industrial production.  
 12 Three-months moving average adjusted for seasonal variation.  
 13 Series revised for the period from January 1936, to November 1939, inclusive. Back figures may be obtained upon request.  
 14 Banking statistics for call report dates are shown in table on following page.  
 15 1941 data based on capacity as of December 31, 1940, and on total steel production instead of only production of open hearth and Bessemer steel.

NOTE.—Copies of this chart book can be obtained from the Board at a price of 50 cents each.





# CHANGES IN NUMBER OF BANKS AND BRANCHES IN THE UNITED STATES

[Figures for 1940 are preliminary]

	Total	Member banks		Nonmember banks			
		National	State	Other than mutual savings and private banks		Mutual savings	Private <sup>1</sup>
				Insured	Not insured		
<b>Number of Banks (Head Offices)</b>							
December 31, 1933.....	15,029	5,154	857	28,341		579	98
December 31, 1934.....	16,063	5,462	980	7,693	1,108	579	241
December 31, 1935.....	15,869	5,386	1,001	7,728	1,046	570	138
December 31, 1936.....	15,667	5,325	1,051	7,588	1,004	565	134
December 31, 1937.....	15,387	5,260	1,081	7,449	960	563	74
December 31, 1938.....	15,194	5,224	1,114	7,316	917	555	68
December 31, 1939.....	15,034	5,187	1,175	7,171	887	551	63
December 31, 1940.....	14,899	5,144	1,342	6,952	854	551	56
<b>Number of Branches</b>							
December 31, 1933.....	2,911	1,121	960	2700		125	5
December 31, 1934.....	3,133	1,243	981	2778		126	5
December 31, 1935.....	3,284	1,329	952	828	42	128	5
December 31, 1936.....	3,399	1,398	981	848	39	128	5
December 31, 1937.....	3,540	1,485	994	891	37	128	5
December 31, 1938.....	3,580	1,499	992	908	41	135	5
December 31, 1939.....	3,629	1,518	1,002	927	44	132	6
December 31, 1940, total.....	3,666	1,539	1,002	940	44	135	6
In head-office cities.....	1,716	676	761	159	6	113	1
Outside head-office cities.....	1,950	863	241	781	38	22	5
<b>Analysis of Bank Changes During 1940</b>							
Number of banks on December 31, 1939.....	15,034	5,187	1,175	7,171	887	551	63
Increase in number of banks:							
Primary organizations (new banks) <sup>6</sup> .....	+32	+3		+24	+5		
Reopenings of suspended banks.....	+2			10	+2		
Decreases in number of banks:							
Suspensions.....	-22	-1		-18	-3		
Voluntary liquidations <sup>7</sup> .....	-51	-4	-1	-27	-15		-4
Consolidations, absorptions, etc.....	-96	-41	-11	-39	-5		
Inter-class bank changes:							
Conversions:							
National into State.....		-16	+2	+14			
State into National.....		+16	-8	-8			
Private into State.....					+3		-3
Federal Reserve membership— <sup>8</sup>							
Admissions of State banks.....			+188	-182	-6		
Withdrawals of State banks.....			-3	+3			
Federal deposit insurance— <sup>9</sup>							
Admissions of State banks.....				+12	-12		
Withdrawals of State banks.....							
Net increase or decrease in number of banks.....	-135	-43	+167	-219	-33		-7
Number of banks on December 31, 1940.....	14,899	5,144	1,342	6,952	854	551	56
<b>Analysis of Branch Changes During 1940</b>							
Number of branches on December 31, 1939.....	3,629	1,518	1,002	927	44	132	6
Increase in number of branches:							
De novo branches.....	+46	+13	+2	+28		+3	
Banks converted into branches.....	+43	+21	+9	+12	+1		
Decreases in number of branches:							
Branches discontinued.....	-51	-23	-11	-17			
Unclassified.....	-1		-1				
Inter-class branch changes:							
From State to national.....		+10	-7	-3			
From nonmember to State member.....			+8	-8			
From uninsured to insured nonmember.....				+1	-1		
Net increase or decrease in number of branches.....	+37	+21		+13		+3	
Number of branches on December 31, 1940.....	3,666	1,539	1,002	940	44	135	6

<sup>1</sup> The figures for December 1934 include 140 private banks which reported to the Comptroller of the Currency under the provisions of Section 21(a) of the Banking Act of 1933. Under the provisions of the Banking Act of 1935, private banks no longer report to the Comptroller of the Currency and, accordingly, only such private banks as report to State banking departments are in the figures shown for subsequent years.

<sup>2</sup> Federal deposit insurance did not become operative until January 1, 1934.

<sup>3</sup> Number of banks comprises 53 insured and 498 uninsured; number of branches comprises 31 insured and 104 uninsured. The figures beginning with 1939 exclude one bank with 4 branches which theretofore was classified as an insured mutual savings bank but is now included with "Nonmember banks other than mutual savings and private banks."

<sup>4</sup> Number of banks comprises 1 insured and 55 uninsured; all branches were uninsured.

<sup>5</sup> Separate figures not available for branches of insured and not insured banks.

<sup>6</sup> Exclusive of new banks organized to succeed operating banks.

<sup>7</sup> Exclusive of liquidations incident to the succession, conversion and absorption of banks.

<sup>8</sup> Exclusive of conversions of national banks into State bank members, or vice versa, as such conversions do not affect Federal Reserve membership.

<sup>9</sup> Exclusive of conversions of member banks into insured nonmember banks, or vice versa, as such conversions do not affect Federal Deposit Insurance Corporation membership.

<sup>10</sup> Includes one bank which was not insured at time of suspension.

Back figures.—See Annual Report for 1939 (table 16) and BULLETIN for February 1939, p. 110.

# INTERNATIONAL FINANCIAL STATISTICS

	PAGE
Gold reserves of central banks and governments . . . . .	170
Gold production . . . . .	171
Gold movements . . . . .	171
International capital transactions of the United States . . . . .	172-176
Central banks . . . . .	177-180
Money rates in foreign countries . . . . .	181
Commercial banks . . . . .	182
Foreign exchange rates . . . . .	183
Price movements:	
Wholesale prices . . . . .	184
Retail food prices and cost of living . . . . .	185
Security prices . . . . .	185

Tables on the following pages include the principal available statistics of current significance relating to gold, international capital transactions of the United States, and financial developments abroad. The data are compiled for the most part from regularly published sources such as central and commercial bank statements and official statistical bulletins; some data are reported to the Board directly. Figures on international capital transactions of the United States are collected by the Federal Reserve Banks from banks, bankers, brokers, and dealers in the United States in accordance with the Treasury Regulation of November 12, 1934. Back figures may in most cases be obtained from earlier BULLETINS and from Annual Reports of the Board of Governors for 1937 and earlier years. Daily and monthly press releases giving daily and monthly average foreign exchange rates will be sent without charge to those wishing them. Other data on the following pages are not regularly released prior to publication.

# GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

[In millions of dollars]

End of month	United States	Argentina	Belgium	Brazil	British India	Bulgaria	Canada	Chile	Colombia	Czechoslovakia	Denmark	Egypt	France	Germany	Greece
1936—Dec.....	11,258	501	632	25	275	20	188	29	19	91	54	55	2,995	27	26
1937—Dec.....	12,780	489	597	32	274	24	184	30	16	92	53	55	2,564	28	24
1938—Dec.....	14,512	431	581	32	274	24	192	30	24	83	53	55	2,430	29	27
1939—Dec.....	17,644	466	609	40	274	24	214	30	21	56	53	55	2,709	1 29	28
1940—Jan.....	17,931	466	-----	41	274	24	211	30	23	56	53	55	2,709	-----	28
Feb.....	18,177	472	-----	42	274	24	213	30	24	56	53	55	2,709	-----	28
Mar.....	18,433	482	-----	42	274	24	211	30	23	56	53	55	2,000	-----	28
Apr.....	18,770	1403	-----	44	274	24	212	30	23	56	53	55	2,000	-----	28
May.....	19,209	403	-----	45	274	24	5	30	23	56	53	55	2,000	-----	28
June.....	19,963	403	4 734	46	274	24	8	30	22	56	53	55	2,000	-----	28
July.....	20,463	403	-----	46	274	24	8	30	18	56	53	-----	-----	-----	28
Aug.....	20,913	402	-----	47	274	24	8	30	15	56	53	-----	-----	-----	28
Sept.....	21,244	385	-----	48	274	24	8	30	15	56	53	-----	-----	-----	28
Oct.....	21,506	369	-----	49	-----	24	8	30	17	58	53	-----	-----	-----	28
Nov.....	21,801	353	-----	-----	-----	-----	5	30	19	-----	53	-----	-----	-----	28
Dec.....	21,995	-----	-----	-----	-----	-----	7	-----	17	-----	-----	-----	-----	-----	-----

End of month	Hungary	Iran (Persia)	Italy	Japan	Java	Mexico	Netherlands	New Zealand	Norway	Peru	Poland	Portugal	Rumania	South Africa	Spain
1936—Dec.....	25	25	208	463	60	46	491	23	98	20	75	68	114	203	5 718
1937—Dec.....	25	25	210	261	79	24	933	23	82	21	83	69	120	189	5 525
1938—Dec.....	37	26	193	164	80	29	998	23	94	20	85	69	133	220	-----
1939—Dec.....	24	26	144	164	90	32	692	23	94	20	6 84	69	152	249	-----
1940—Jan.....	24	26	-----	164	90	27	692	23	84	20	-----	69	152	253	-----
Feb.....	24	26	-----	164	90	23	692	23	84	20	-----	69	153	268	-----
Mar.....	24	-----	137	164	90	25	692	23	84	20	-----	69	153	272	-----
Apr.....	24	-----	-----	164	100	27	650	23	-----	20	-----	69	154	279	-----
May.....	24	-----	-----	164	100	28	646	23	-----	20	-----	69	155	298	-----
June.....	24	-----	-----	164	98	31	625	23	-----	19	-----	69	155	302	-----
July.....	24	-----	-----	164	103	33	627	23	-----	20	-----	69	156	305	-----
Aug.....	24	-----	-----	164	103	30	624	23	-----	20	-----	69	156	308	-----
Sept.....	24	-----	-----	164	109	25	634	23	-----	21	-----	69	156	314	-----
Oct.....	24	-----	-----	164	109	28	629	23	-----	-----	-----	69	157	323	-----
Nov.....	-----	-----	-----	164	129	32	627	23	-----	-----	-----	92	-----	351	-----
Dec.....	-----	-----	-----	-----	-----	47	-----	-----	-----	-----	-----	-----	-----	-----	-----

End of month	Sweden	Switzerland	Turkey	United Kingdom	Uruguay	Venezuela	Yugoslavia	B.I.S.	Other countries <sup>7</sup>	Government gold reserves <sup>1</sup> not included in previous figures				
										End of month	United States	United Kingdom	France	Belgium
1936—Dec.....	240	657	26	2,584	77	59	48	11	183	1937—Dec.....	-----	2 1,395	-----	81
1937—Dec.....	244	650	29	2,689	74	52	51	5	185	1938—Mar.....	-----	1,489	-----	-----
1938—Dec.....	321	701	29	2,690	69	52	57	14	142	June.....	3 44	-----	-----	62
1939—Dec.....	308	549	29	5 1	68	52	59	7	149	Sept.....	-----	759	-----	-----
1940—Jan.....	258	536	29	1	68	-----	60	10	138	Oct.....	-----	-----	5 103	-----
Feb.....	218	527	92	1	68	-----	61	10	148	Nov.....	-----	-----	130	-----
Mar.....	173	520	89	1	68	-----	61	10	150	Dec.....	80	-----	331	44
Apr.....	179	515	88	1	68	-----	62	9	155	1939—Jan.....	-----	-----	381	-----
May.....	189	501	88	1	68	-----	64	9	156	Feb.....	-----	-----	465	-----
June.....	199	493	88	1	68	-----	67	10	157	Mar.....	154	1,732	559	-----
July.....	173	488	86	1	68	10 90	68	10	158	Apr.....	-----	-----	455	-----
Aug.....	153	490	87	1	88	-----	69	10	158	May.....	-----	-----	477	-----
Sept.....	152	490	87	1	87	-----	71	9	158	June.....	85	-----	-----	17
Oct.....	150	500	87	1	86	-----	74	14	158	Sept.....	164	-----	-----	-----
Nov.....	157	501	-----	1	-----	-----	-----	-----	158	Dec.....	156	-----	-----	17
Dec.....	-----	502	-----	1	-----	-----	-----	-----	158	1940—Mar.....	145	-----	-----	-----
									158	June.....	86	-----	-----	17
									158	Sept.....	105	-----	-----	-----

<sup>2</sup> Preliminary.

<sup>3</sup> Revised to include gold reserves of Iceland.

<sup>4</sup> Figure for June 15, 1939.

<sup>5</sup> Beginning April 1940, reports on certain Argentine gold reserves no longer available.

<sup>6</sup> On May 1, 1940, gold belonging to Bank of Canada transferred to Foreign Exchange Control Board. Gold reported since that time is gold held by Minister of Finance.

<sup>7</sup> Figure reported in special semi-annual statement of National Bank of Belgium; change from previous December due largely to inclusion of gold formerly not reported.

<sup>8</sup> Figures shown for December 1936 and December 1937 are those officially reported on Aug. 1, 1936, and Apr. 30, 1938, respectively.

<sup>9</sup> Figure for July 31, 1939.

<sup>10</sup> These countries are: Albania, Algeria, Australia, Austria through Mar. 7, 1938, Belgian Congo, Bolivia, China, Danzig through Aug. 31, 1939, Ecuador, El Salvador, Estonia, Finland, Guatemala, Iceland, Latvia, Lithuania, Morocco, and Thailand (Siam). Figures for certain of these countries have been carried forward from last previous official report.

<sup>11</sup> Gold holdings of Bank of England reduced to nominal amount by gold transfers to British Exchange Equalization Account during 1939.

<sup>12</sup> Figure for end of March 1939.

<sup>13</sup> Increase due to inclusion of additional foreign gold reserves not previously reported.

NOTE.—For description of table and back figures see BULLETIN for September 1940, pp. 925-934 and pp. 1000-1007; details regarding special internal gold transfers affecting the reported figures through April 1940 appear on p. 926 in that issue.

<sup>1</sup> Reported at infrequent intervals or on delayed basis: U. S.—Exchange Stabilization Fund (Special A/c No. 1); U. K.—Exchange Equalization Account; France—Exchange Stabilization Fund and Rentes Fund; Belgium—Treasury.

<sup>2</sup> Figure for Sept. 1937; figure for Mar. 1937, first date reported, is \$934,000,000.

<sup>3</sup> First date reported.

NOTE.—For details regarding special gold transfers in 1939-40 between the British E. E. A. and the Bank of England, and between the French E. S. F. and the Bank of France, see BULLETIN for September 1940, p. 926.



# INTERNATIONAL CAPITAL TRANSACTIONS OF THE UNITED STATES

## NET CAPITAL MOVEMENT TO UNITED STATES SINCE JANUARY 2, 1935

[In millions of dollars. Minus sign indicates net movement from United States]

**TABLE 1.—TOTAL CAPITAL MOVEMENT**

From Jan. 2, 1935, through—	Total	Increase in foreign banking funds in U. S.			Decrease in U. S. banking funds abroad	Foreign securities: Return of U. S. funds	Domestic securities: Inflow of foreign funds	Inflow in brokerage balances
		Total	Central bank funds in N. Y. <sup>1</sup>	Other				
1935—Dec. 31.....	1,412.5	603.3	9.8	593.5	361.4	125.2	316.7	6.0
1936—Dec. 30.....	2,608.4	930.5	81.1	849.4	431.5	316.2	917.4	12.9
1937—Dec. 29.....	3,410.3	1,168.5	243.9	924.6	449.1	583.2	1,162.0	47.5
1938—Mar. 30.....	3,207.2	949.8	149.9	799.9	434.4	618.5	1,150.4	54.2
June 29.....	3,045.8	786.2	125.9	660.4	403.3	643.1	1,155.3	57.8
Sept. 28.....	3,472.0	1,180.2	187.0	993.2	477.2	625.0	1,125.4	64.1
Dec. (Jan. 4, 1939) <sup>r</sup> .....	3,844.5	1,425.4	238.5	1,186.9	510.1	641.8	1,219.7	47.6
1939—Mar. 29.....	4,197.6	1,747.6	311.4	1,436.2	550.5	646.7	1,188.9	63.0
June 28.....	4,659.2	2,111.8	425.3	1,686.5	607.5	664.5	1,201.4	74.1
Sept. 27.....	5,035.3	2,479.5	552.1	1,927.3	618.4	676.9	1,177.3	83.9
Nov. 8.....	4,916.4	2,411.5	560.2	1,851.3	597.3	690.4	1,137.3	79.9
Nov. 15.....	4,954.5	2,432.2	551.4	1,880.8	618.8	693.2	1,131.1	79.2
Nov. 22.....	4,916.4	2,399.3	504.0	1,895.3	615.3	694.3	1,130.6	76.9
Nov. 29.....	4,974.1	2,448.1	506.6	1,941.5	622.0	695.4	1,131.5	77.1
Dec. 6.....	4,967.8	2,438.7	502.7	1,936.1	626.8	699.0	1,127.3	75.9
Dec. 13.....	4,963.1	2,438.6	485.3	1,953.3	619.7	700.7	1,127.6	76.5
Dec. 20.....	5,007.6	2,470.2	512.7	1,957.5	619.6	711.8	1,127.9	78.1
Dec. 27.....	5,005.0	2,464.4	510.9	1,953.5	612.8	720.1	1,129.6	78.1
1940—Jan. 3.....	5,021.2	2,430.8	542.5	1,888.3	650.4	725.7	1,133.7	80.6
Jan. 10.....	5,064.9	2,473.5	558.5	1,915.0	644.5	731.7	1,133.4	81.7
Jan. 17.....	5,068.3	2,487.3	554.1	1,933.2	636.1	733.7	1,127.5	83.8
Jan. 24.....	5,073.6	2,490.0	561.9	1,928.2	640.1	736.1	1,123.7	83.6
Jan. 31.....	5,046.3	2,471.2	552.3	1,918.9	626.1	738.0	1,122.9	88.2
Feb. 7.....	5,036.6	2,463.0	527.4	1,935.6	623.3	741.0	1,122.1	87.3
Feb. 14.....	5,047.1	2,473.0	544.3	1,928.7	621.5	743.3	1,122.6	86.7
Feb. 21.....	5,041.5	2,457.1	523.9	1,933.3	627.0	745.5	1,123.8	88.1
Feb. 28.....	5,067.8	2,479.3	546.8	1,932.5	627.7	748.7	1,125.1	87.0
Mar. 6.....	5,040.8	2,437.6	509.2	1,928.4	638.5	752.4	1,123.8	88.4
Mar. 13.....	5,060.6	2,461.6	517.8	1,943.8	633.5	755.2	1,120.4	89.9
Mar. 20.....	5,105.2	2,500.2	537.4	1,962.8	638.7	757.2	1,118.9	90.2
Mar. 27.....	5,121.1	2,522.8	544.4	1,978.4	636.9	758.1	1,116.0	87.3
Apr. 3.....	5,133.5	2,539.0	539.1	1,999.9	631.6	761.6	1,112.5	88.7
Apr. 10.....	5,118.1	2,521.7	528.5	1,993.3	634.1	762.4	1,111.3	88.6
Apr. 17.....	5,152.1	2,538.9	533.1	2,005.8	644.9	764.7	1,114.2	89.4
Apr. 24.....	5,194.1	2,566.9	522.4	2,044.5	659.0	767.2	1,112.7	88.2
May 1.....	5,177.9	2,562.1	511.2	2,050.9	643.4	771.1	1,112.8	88.3
May 8.....	5,186.3	2,566.1	516.4	2,049.7	647.0	773.2	1,111.6	88.5
May 15.....	5,193.3	2,560.6	556.7	2,003.9	657.3	774.8	1,112.6	88.0
May 22.....	5,254.7	2,612.7	612.1	2,000.6	664.1	774.9	1,108.8	94.2
May 29.....	5,208.3	2,552.5	599.8	1,952.7	684.0	775.6	1,101.0	95.1
June 5.....	5,241.9	2,573.0	623.2	1,949.8	679.1	778.9	1,113.6	97.2
June 12.....	5,208.5	2,540.0	623.4	1,916.7	674.5	780.4	1,116.6	96.9
June 19.....	5,415.9	2,740.0	834.9	1,905.1	681.2	782.1	1,114.0	88.5
June 26.....	5,401.8	2,729.7	838.7	1,891.0	690.0	782.6	1,101.9	97.6
July 3.....	5,490.2	2,830.1	922.3	1,907.8	684.1	785.7	1,091.4	98.9
July 10.....	5,511.1	2,849.5	931.4	1,918.1	692.3	786.6	1,083.3	99.5
July 17.....	5,546.7	2,887.5	967.8	1,919.8	699.4	788.3	1,072.5	99.0
July 24.....	5,548.6	2,887.7	977.8	1,909.9	698.7	788.6	1,073.5	100.1
July 31.....	5,572.9	2,900.0	993.8	1,906.1	714.1	788.9	1,069.9	99.9
Aug. 7.....	5,665.2	2,941.2	<sup>2</sup> 945.0	<sup>2</sup> 1,996.2	764.8	789.7	1,070.0	99.6
Aug. 14.....	5,698.9	2,984.9	996.3	1,988.6	769.2	790.4	1,055.3	99.1
Aug. 21.....	5,739.0	3,022.5	1,018.5	2,004.0	774.0	790.6	1,052.7	99.1
Aug. 28.....	5,751.1	3,034.2	1,047.9	1,986.3	778.3	790.7	1,048.1	99.9
Sept. 4.....	5,752.0	3,040.7	1,054.7	1,986.0	773.1	790.6	1,047.1	100.5
Sept. 11.....	5,722.8	3,014.1	1,012.8	2,001.3	768.4	791.0	1,049.4	99.9
Sept. 18.....	5,807.1	3,087.2	1,107.7	1,979.5	773.2	791.4	1,054.8	100.6
Sept. 25.....	5,788.5	3,062.6	1,087.0	1,975.5	782.0	791.7	1,051.4	100.8
Oct. 2.....	5,805.6	3,092.8	1,112.3	1,980.5	773.6	793.3	1,044.3	101.6
Oct. 9.....	5,825.6	3,108.5	1,133.6	1,975.0	781.8	793.7	1,040.3	101.3
Oct. 16.....	5,796.5	3,086.3	1,129.9	1,956.4	780.9	794.1	1,034.3	100.9
Oct. 23.....	5,805.2	3,118.7	1,140.1	1,978.6	765.6	794.1	1,025.6	101.2
Oct. 30.....	5,794.1	3,112.5	1,158.9	1,953.6	765.7	794.6	1,020.6	100.7

<sup>r</sup> Revised.

<sup>1</sup> Including funds in accounts transferred from central bank to government names; for original explanation of funds included under this heading see BULLETIN for April 1939, p. 285.

<sup>2</sup> In the week ending August 7, a foreign central bank account amounting to \$55,000,000 was changed to a foreign private account.

NOTE.—Statistics reported by banks, bankers, brokers, and dealers. For back figures and description of the statistics, see BULLETIN for April 1939, pp. 284-296; April 1938, pp. 267-277; and May 1937, pp. 394-431.









## INTERNATIONAL CAPITAL TRANSACTIONS OF THE UNITED STATES OUTSTANDING SHORT-TERM ACCOUNTS, BY COUNTRIES

[Outstanding amounts in millions of dollars]

### TABLE 9.—SHORT-TERM FOREIGN ASSETS, BY COUNTRIES

Date	Total	United Kingdom	France	Netherlands	Switzerland	Germany	Italy	Other Europe	Total Europe	Canada	Latin America	Asia <sup>1</sup>	All other <sup>1</sup>
<i>Reported by Banks in New York City</i>													
1931—Dec. 30	1,103.3	166.2	29.5	20.9	12.6	467.2	18.7	149.2	864.3	58.1	136.5	41.8	2.6
1932—Dec. (Jan. 4, 1933)	949.4	89.4	67.6	14.2	6.4	433.7	11.5	96.1	719.0	43.9	158.2	24.8	3.5
1933—Dec. (Jan. 3, 1934)	907.1	197.9	65.0	18.1	12.5	258.1	16.8	83.9	652.3	34.7	159.2	54.6	6.3
1934—Nov. 28 <sup>2</sup>	827.1	201.3	94.1	15.9	8.5	178.8	10.7	60.2	569.5	84.4	124.4	46.2	2.6
<i>Reported by Banks in United States</i>													
1934—Dec. 5 <sup>3</sup>	1,137.8	266.4	108.2	19.2	8.3	239.6	26.5	81.3	749.5	91.2	170.7	118.1	8.3
Dec. (Jan. 2, 1935)	1,139.9	296.9	80.5	18.6	8.2	231.7	27.2	80.0	743.2	96.3	174.6	117.4	8.5
1935—Dec. 31	778.6	88.1	32.5	19.0	6.6	202.0	13.5	71.2	433.0	100.9	154.5	80.1	10.1
1936—Mar. (Apr. 1)	749.7	93.6	28.8	23.0	5.5	196.9	13.1	64.3	425.3	78.2	157.1	78.0	11.1
June (July 1)	690.9	81.9	23.5	21.4	4.2	186.2	12.8	57.6	387.6	77.8	142.1	72.1	11.4
Sept. 30	647.9	75.8	81.5	21.5	5.2	160.6	11.0	52.0	407.6	49.1	126.6	54.4	10.2
Dec. 30	672.6	114.1	16.8	21.9	5.4	165.1	10.9	57.8	392.1	59.4	141.1	67.2	12.9
1937—Mar. 31	693.1	99.7	15.8	17.1	4.9	162.2	13.0	58.1	370.7	71.7	135.3	100.0	15.5
June 30	637.7	75.6	13.2	13.7	3.5	143.9	14.8	55.2	319.9	87.8	132.0	83.6	14.5
Sept. 29	586.0	75.3	11.1	19.1	4.2	132.0	16.8	52.8	311.3	82.5	107.0	71.7	13.5
Dec. 29	655.0	84.8	13.5	23.0	5.5	126.1	20.8	52.9	326.5	118.0	114.4	78.9	17.2
1938—Mar. 30	669.7	120.6	11.4	23.5	4.8	112.0	18.1	51.0	341.4	93.3	113.5	104.1	17.4
June 29	700.8	141.4	16.2	25.2	5.9	102.6	16.1	49.0	356.4	87.6	116.6	126.4	13.8
Sept. 28	626.9	121.9	11.4	22.6	4.4	99.1	17.0	46.3	322.7	84.0	94.2	113.6	12.4
Dec. (Jan. 4, 1939) <sup>3</sup>	594.0	86.0	10.3	24.2	5.5	89.4	13.5	45.9	274.9	60.4	99.1	144.1	15.5
1939—Mar. 29	553.6	83.0	13.8	20.1	3.6	81.4	16.4	48.8	267.1	46.3	99.5	125.7	14.9
June 28	496.6	55.4	10.7	19.7	4.5	77.4	9.5	39.9	217.0	54.0	110.3	100.5	14.8
Sept. 27	485.7	66.0	8.7	9.6	2.9	67.1	12.2	41.6	208.1	49.7	108.5	104.0	15.1
Dec. (Jan. 3, 1940)	508.7	39.9	4.9	5.7	5.2	53.4	11.8	51.4	172.2	39.7	113.3	174.1	9.3
1940—Jan. 31	533.0	56.2	5.3	7.2	5.1	52.3	13.7	49.5	189.1	40.1	110.2	184.6	9.1
Feb. 28	531.4	44.7	5.4	5.7	5.5	51.8	15.5	49.3	177.9	44.2	109.8	190.3	9.2
Mar. (Apr. 3)	527.5	39.7	4.9	6.7	6.2	50.1	16.9	48.6	173.2	42.2	110.7	192.6	8.9
Apr. (May 1)	515.7	36.8	8.4	8.0	6.4	49.4	17.2	48.6	174.7	37.1	114.3	181.0	8.6
May 29	475.0	30.1	7.9	3.2	5.0	47.3	18.3	44.6	156.5	26.7	113.3	169.5	9.0
June (July 3)	475.0	32.0	6.2	2.6	3.8	47.3	14.2	41.0	147.2	35.3	117.0	167.9	7.7
July 31	444.9	28.2	4.5	1.9	2.5	46.6	9.6	36.6	130.0	31.3	116.3	159.8	7.5
Aug. (Sept. 4)	386.0	22.6	4.2	1.2	1.9	46.0	4.1	34.9	115.0	31.2	112.3	118.6	8.9
Sept. (Oct. 2)	385.5	20.2	3.5	1.1	1.5	45.6	2.8	34.8	109.4	30.8	113.1	125.7	6.4
Oct. 9	377.3	21.3	3.4	1.1	2.0	43.8	2.3	32.8	106.6	30.6	112.0	122.0	6.1
Oct. 16	378.2	19.9	3.6	1.0	1.4	44.1	3.5	32.7	106.2	31.4	112.9	121.4	6.2
Oct. 23	393.4	20.7	3.7	1.0	1.9	44.1	3.3	32.8	107.5	34.3	122.5	122.9	6.4
Oct. 30	393.4	19.6	3.7	1.0	1.9	44.0	3.3	33.3	106.8	32.4	123.1	124.9	6.3

Additional Detail Available from January 3, 1940<sup>4</sup>

Date	5 European countries					6 Latin American countries						4 Asiatic countries						
	Total	Belgium	Denmark	Finland	Norway	Sweden	Total	Argentina	Brazil	Chile	Cuba	Mexico	Panama and C. Z.	Total	China	Hong Kong	Japan	Philippine Islands
1940—Jan. 3	23.4	6.5	3.2	1.4	3.6	8.7	76.1	16.8	32.2	9.7	10.5	5.9	1.0	152.5	22.0	1.9	102.1	26.4
Jan. 31	22.2	7.2	3.7	1.2	3.7	6.5	71.5	12.9	31.2	9.6	10.4	6.5	.9	161.9	22.5	1.6	111.2	26.6
Feb. 28	20.4	7.4	2.9	.8	4.0	5.4	69.9	12.0	31.8	9.7	11.1	4.4	.9	168.0	25.4	3.2	111.2	28.2
Mar. (Apr. 3)	19.4	7.9	2.2	.8	4.0	4.5	71.4	12.5	33.0	9.4	10.7	4.7	1.1	182.6	26.1	1.7	125.9	28.9
Apr. (May 1)	17.6	8.1	1.4	1.0	3.4	3.7	73.9	12.4	34.4	9.7	11.2	5.0	1.2	169.8	23.9	1.8	115.6	28.5
May 29	14.1	5.1	1.1	1.5	2.4	4.2	73.9	16.4	32.1	9.5	9.8	5.0	1.1	160.1	24.5	1.9	103.2	30.5
June (July 3)	10.6	3.4	.7	1.5	1.5	3.4	77.5	16.7	33.7	9.7	11.4	4.8	1.3	155.2	30.2	1.6	90.6	32.7
July 31	9.1	2.9	.4	1.6	1.3	2.8	75.6	16.4	32.8	10.3	9.9	4.7	1.5	145.3	30.5	2.7	78.6	33.6
Aug. (Sept. 4)	7.7	1.6	.3	1.7	1.2	2.9	72.1	15.1	31.3	9.6	9.9	4.5	1.7	102.3	24.0	3.8	45.0	29.5
Sept. (Oct. 2)	7.5	1.7	.3	1.7	1.2	2.7	72.5	14.8	30.8	10.0	10.6	4.5	1.9	109.8	24.2	4.3	53.2	28.2
Oct. 9	7.1	1.7	.3	1.7	1.2	2.3	71.0	14.4	30.2	10.2	10.4	4.3	1.6	105.7	24.0	3.5	51.9	26.3
Oct. 16	7.1	1.7	.3	1.7	1.1	2.2	71.5	13.3	31.5	10.0	10.6	4.5	1.5	103.8	23.9	3.2	50.4	26.3
Oct. 23	7.6	2.2	.3	1.7	1.2	2.2	81.5	14.3	40.0	10.2	10.8	4.6	1.6	104.0	24.1	3.1	51.2	25.6
Oct. 30	7.6	2.2	.3	1.9	1.1	2.1	81.4	13.2	40.2	10.8	10.9	4.6	1.7	110.7	24.2	3.0	58.0	25.4

<sup>r</sup> Revised.

<sup>1</sup> Prior to Jan. 3, 1940, the figures shown under Asia represent the Far East only, the remaining Asiatic countries being included under "All other".

<sup>2</sup> Last report date on old basis.

<sup>3</sup> First report date on new basis.

<sup>4</sup> The figures in this supplementary table represent a partial analysis of the figures in the main table under the headings Other Europe, Latin America, and Asia.

**NOTE.**—The figures given in this table are not fully comparable throughout as a result of certain changes or corrections in the reporting practice of reporting banks which occurred on Aug. 12, 1936, and Oct. 18, 1939 (see BULLETIN for May 1937, p. 431, and April 1940, p. 363).

# CENTRAL BANKS

Bank of England (Figures in millions of pounds sterling)	Assets of issue dept.		Assets of banking department					Note circulation	Liabilities of banking department			
	Gold 1	Other assets 2	Cash reserves		Dis-counts and advances	Securi-ties	Deposits			Other liabilities		
			Coin	Notes			Bankers'		Public		Other	
1929—Dec. 25	145.8	260.0	2	26.3	22.3	84.9	379.6	71.0	8.8	35.8	17.9	
1930—Dec. 31	147.6	260.0	.6	38.8	49.0	104.7	368.8	132.4	6.6	36.2	18.0	
1931—Dec. 30	120.7	275.0	.6	31.6	27.3	133.0	364.2	126.4	7.7	40.3	18.0	
1932—Dec. 28	119.8	275.0	.8	23.6	18.5	120.1	371.2	102.4	8.0	33.8	18.0	
1933—Dec. 27	190.7	260.0	1.0	58.7	16.8	101.4	302.0	101.2	22.2	36.5	18.0	
1934—Dec. 26	192.3	260.0	.5	47.1	7.6	98.2	405.2	89.1	9.0	36.4	18.0	
1935—Dec. 25	200.1	260.0	.6	35.5	8.6	94.7	424.5	72.1	12.1	37.1	18.0	
1936—Dec. 30	313.7	200.0	.6	46.3	17.5	155.6	467.4	150.6	12.1	39.2	18.0	
1937—Dec. 29	326.4	220.0	.8	41.1	9.2	135.5	505.3	120.6	11.4	36.6	18.0	
1938—Dec. 28	326.4	230.0	.8	51.7	28.5	90.7	504.7	101.0	15.9	36.8	18.0	
1939—Dec. 27	326.4	580.0	1.0	25.6	4.8	176.1	554.6	117.3	20.7	42.0	17.9	
1940—Jan. 31	2	580.0	.8	52.5	3.1	143.9	527.7	98.1	39.7	44.3	18.0	
Feb. 28	2	580.0	1.0	49.0	2.8	149.4	531.2	99.4	45.7	38.9	18.1	
Mar. 27	2	580.0	1.1	37.1	6.1	157.2	543.1	98.0	43.1	42.2	18.2	
Apr. 24	2	580.0	1.0	43.1	4.9	153.5	537.1	103.4	40.7	40.6	17.7	
May 29	2	580.0	1.4	23.4	2.9	171.6	556.9	94.9	36.1	50.5	17.8	
June 26	2	630.0	1.5	28.1	4.7	174.6	602.2	82.7	58.0	50.3	17.9	
July 31	2	630.0	.9	20.7	3.3	174.4	609.5	106.3	22.7	52.3	18.0	
Aug. 28	2	630.0	.7	20.2	3.9	172.6	610.0	118.7	8.8	51.8	18.1	
Sept. 25	2	630.0	.8	25.5	3.5	169.7	604.8	116.0	13.5	51.9	18.1	
Oct. 30	2	630.0	.5	38.7	3.0	153.3	591.6	108.0	18.3	51.5	17.7	
Nov. 27	2	630.0	1.0	36.9	6.9	161.2	593.3	110.8	27.1	50.3	17.8	
Dec. 25	2	630.0	.9	13.3	4.0	199.1	616.9	135.7	12.5	51.2	17.9	

Bank of France (Figures in millions of francs)	Assets										Liabilities			
	Gold 1	For-foreign exchange	Domestic bills			Ad-vances to Gov-ernment 2	Loans on—		Other assets	Note circulation	Deposits		Other liabilities	
			Open market 3	Spe-cial 4	Other		Short-term Government securities	Other securities			Government	Other		
1929—Dec. 27	41,668	25,942	5,612	—	8,624	—	—	2,521	5,603	68,571	11,737	7,850	1,812	
1930—Dec. 26	53,578	26,179	5,304	—	8,429	—	—	2,901	6,609	76,436	12,624	11,698	2,241	
1931—Dec. 30	68,863	21,111	7,157	—	7,389	—	—	2,730	8,545	85,725	5,898	22,183	1,989	
1932—Dec. 30	83,017	4,484	6,802	—	3,438	—	—	2,515	9,196	85,028	2,311	20,072	2,041	
1933—Dec. 29	77,098	1,158	6,122	—	4,739	—	—	2,921	8,251	82,613	2,322	13,414	1,940	
1934—Dec. 28	82,124	963	5,837	—	3,971	—	—	3,211	8,288	83,412	3,718	15,359	1,907	
1935—Dec. 27	66,296	1,328	5,800	—	9,712	—	573	3,253	7,879	81,150	2,862	8,716	2,113	
1936—Dec. 30	60,359	1,460	5,640	1,379	8,465	17,698	715	3,583	8,344	89,342	2,089	13,655	2,557	
1937—Dec. 30	58,933	911	5,580	652	10,066	31,909	675	3,781	7,277	93,837	3,461	19,326	3,160	
1938—Dec. 29	87,265	821	7,422	1,797	7,880	20,627	443	3,612	14,442	110,935	5,061	25,595	2,718	
1939—May 25	92,266	754	8,164	2,276	4,774	20,577	78	3,401	14,264	121,361	4,573	17,570	3,020	
June 29	92,266	722	8,074	2,279	5,009	20,577	374	3,471	14,753	122,611	5,188	16,909	2,816	
July 27	92,266	722	8,316	2,275	5,000	20,577	472	3,461	14,458	123,239	5,468	16,058	2,781	
Aug. 31	97,266	218	9,396	1,708	5,009	20,577	2,412	3,805	16,016	142,359	3,304	18,038	2,708	
Sept. 28	97,266	212	9,734	1,958	14,830	22,777	930	3,661	16,482	144,562	2,342	18,022	2,926	
Oct. 26	97,266	85	10,038	2,007	8,298	25,473	336	3,576	17,100	144,379	2,004	14,790	3,006	
Nov. 30	97,266	120	10,565	1,626	5,206	30,473	454	3,581	17,769	149,370	1,953	12,392	3,346	
Dec. 28	97,267	112	11,273	2,345	5,149	34,673	174	3,482	16,438	151,322	1,914	14,751	2,925	
1940—Jan. 25	97,268	111	11,861	2,235	5,011	35,673	229	3,444	15,963	151,738	1,834	14,965	3,259	
Feb. 29	97,275	109	12,505	1,810	4,630	40,523	465	3,403	16,917	156,150	1,203	17,128	3,156	
Mar. 28	84,614	111	42,645	1,870	5,005	20,550	320	3,376	15,970	156,032	1,154	14,262	3,014	
Apr. 25	84,615	112	42,694	1,781	5,769	20,900	228	3,411	15,666	156,285	1,171	14,681	3,038	
May 30	84,616	102	44,083	1,889	14,473	32,600	2,320	3,716	16,694	170,853	1,046	25,782	2,811	
June 10	84,616	108	44,173	1,518	11,885	36,250	2,534	3,822	18,865	174,469	1,049	25,405	2,848	

1 Effective Mar. 1, 1939, gold valued at current prices instead of legal parity (see BULLETIN for April 1939, p. 271).  
 2 Securities and silver coin held as cover for fiduciary issue, which has been fixed at £630,000,000 since June 12, 1940; for information concerning previous status of fiduciary issue see BULLETIN for November 1939, p. 1024, and April 1939, p. 339.  
 3 On Jan. 6, 1939, £200,000,000 of gold (at legal parity) transferred from Bank to Exchange Equalization Account; on Mar. 1, 1939, about £5,500,000 (at current price) transferred from Exchange Account to Bank; on July 12, 1939, £20,000,000 of gold transferred from Exchange Account to Bank; on Sept. 6, 1939, £279,000,000 transferred from Bank to Exchange Account.  
 4 Gold revalued in Feb. 1940, Nov. 1938, July 1937, and Oct. 1936. For further details see BULLETIN for May 1940, pp. 406-407; January 1939, p. 29; September 1937, p. 853; and November 1936, pp. 878-880.  
 5 Negotiable bills of Caisse Autonome, bills bought under authority of decree of June 17, 1938 (see BULLETIN for August 1938, p. 650) and, from Mar. 28, 1940, 30,000,000 francs of negotiable Treasury bills received in return for gold transferred to Exchange Stabilization Fund on Mar. 7, 1940.  
 6 Bills and warrants endorsed by National Wheat Board (law of Aug. 15, 1936—see BULLETIN for October 1936, pp. 785-786), and bills redis-counted for account of Banques Populaires (law of Aug. 19, 1936—see BULLETIN for October 1936, p. 788).  
 7 Includes advances granted under authority of Conventions between Bank of France and Treasury of June 18, 1936, June 30, 1937, Mar. 22, 1938, and Apr. 14, 1938, as modified by Convention of Nov. 12, 1938; Convention of Sept. 29, 1938, approved by decree of Sept. 1, 1939; and Convention of Feb. 29, 1940 (see BULLETIN for May 1940, pp. 406-407). In the period since June 10, 1940, the last date for which the Bank of France has rendered a statement, further Conventions have authorized additional advances as follows: Convention of June 12 authorized 25,000,000 francs for general purposes; Convention of Aug. 25 authorized 50,000,000 francs to meet the costs of the German army of occupation; Conventions of Oct. 29, Dec. 12, and Jan. 20, 1941, increased the authorized advances for meeting occupation costs to 65,000,000, 73,000,000, and 85,000,000 francs, respectively. Total authorizations now outstanding, including those issued prior to June 10, amount to 155,000,000 francs.  
 8 On Apr. 20, and again on Aug. 3, 1939, 5,000,000,000 francs of gold transferred from Exchange Stabilization Fund to Bank of France; on Mar. 7, 1940, 30,000,000,000 francs of gold transferred from Bank of France to Exchange Stabilization Fund.

NOTE.—For further explanation of table see BULLETIN for July 1935, p. 463, and February 1931, pp. 81-83.

Central Banks—Continued

Reichsbank (Figures in millions of reichsmarks)	Assets						Liabilities			
	Reserves of gold and foreign exchange		Bills (and checks), including Treasury bills	Security loans	Securities		Other assets	Note circulation	Deposits	Other liabilities
	Total reserves	Gold <sup>1</sup>			Eligible as note cover	Other				
1929—Dec. 31.....	2,687	2,283	2,848	251	-----	92	656	5,044	755	736
1930—Dec. 31.....	2,685	2,216	2,572	256	-----	102	638	4,778	652	822
1931—Dec. 31.....	1,156	984	4,242	245	-----	161	1,065	4,776	755	1,338
1932—Dec. 31.....	920	806	2,806	176	-----	398	1,114	3,560	540	1,313
1933—Dec. 30.....	396	386	3,226	183	-----	322	735	3,645	640	836
1934—Dec. 31.....	84	79	4,066	146	-----	445	319	3,901	984	1,001
1935—Dec. 31.....	88	82	4,552	84	-----	349	315	4,285	1,032	923
1936—Dec. 31.....	72	66	5,510	74	-----	221	303	4,980	1,012	953
1937—Dec. 31.....	76	71	6,131	60	-----	106	286	5,493	1,059	970
1938—Dec. 31.....	76	71	8,244	45	-----	557	298	8,223	1,527	1,091
1939—Dec. 30.....	78	-----	11,392	30	-----	804	393	11,798	2,018	1,378
1940—Jan. 31.....	77	-----	11,143	33	-----	374	401	11,505	1,628	1,382
Feb. 29.....	77	-----	11,825	37	-----	172	367	11,877	1,559	1,422
Mar. 30.....	78	-----	12,242	31	-----	144	394	12,176	1,760	1,509
Apr. 30.....	78	-----	12,188	31	-----	221	364	12,480	1,714	1,338
May 31.....	77	-----	12,569	31	-----	142	363	12,594	1,470	1,253
June 29.....	77	-----	12,611	25	-----	143	454	12,785	1,854	1,266
July 31.....	78	-----	12,613	28	-----	114	408	12,750	1,620	1,248
Aug. 31.....	77	-----	12,891	31	-----	56	419	13,026	1,608	1,287
Sept. 30.....	78	-----	13,206	16	-----	50	422	12,847	1,795	1,314
Oct. 31.....	78	-----	13,069	31	-----	56	425	12,937	1,610	1,352
Nov. 30 <sup>2</sup> .....	78	-----	13,532	26	-----	( <sup>2</sup> )	51	13,198	1,706	( <sup>2</sup> )
Dec. 31 <sup>2</sup> .....	76	-----	15,419	38	-----	( <sup>2</sup> )	( <sup>2</sup> )	14,033	2,561	( <sup>2</sup> )

<sup>2</sup> Preliminary.

<sup>1</sup> Not shown separately on Reichsbank statement after June 15, 1939.

<sup>2</sup> Figures not yet available.

NOTE.—For explanation of above table see BULLETIN for July 1935, p. 463, and February 1931, pp. 81-83.

Central Bank (Figures as of last report date of month)	1940			1939	Central Bank (Figures as of last report date of month)	1940			1939
	Dec.	Nov.	Oct.	Dec.		Dec.	Nov.	Oct.	Dec.
<b>National Bank of Albania</b> (thousands of francs):			(Mar.) <sup>1</sup>		<b>National Bank of Belgium</b> (millions of belgas):			(June) <sup>1</sup>	
Gold.....			7,567	7,567	Gold.....			4,329	3,594
Foreign assets.....			65,135	64,939	Other gold and foreign exchange.....			<sup>2</sup> 70	635
Loans and discounts.....			10,315	5,311	Discounts.....			1,170	977
Other assets.....			7,829	8,814	Loans.....			511	228
Note circulation.....			28,419	26,316	Other assets.....			1,036	1,494
Other sight liabilities.....			46,830	44,513	Note circulation.....			6,690	5,599
Other liabilities.....			15,598	15,802	Demand deposits—Treasury.....			14	30
<b>Central Bank of the Argentine Republic</b> (millions of pesos):					Other.....			273	174
Gold reported separately.....			1,120	1,224	Other liabilities.....			139	124
Other gold and foreign exchange.....			216	171	<b>National Bank of Bohemia and Moravia</b> (millions of koruny):				
Negotiable Government bonds.....			209	281	Gold <sup>3</sup> .....			1,430	1,602
Rediscounted paper.....			21	-----	Foreign exchange.....			751	799
Other assets.....			217	192	Discounts.....			294	900
Note circulation.....			1,164	1,191	Loans.....			263	995
Deposits—Member bank.....			394	428	Other assets.....			( <sup>4</sup> )	5,749
Government.....			148	175	Note circulation.....			6,265	6,345
Other.....			3	7	Demand deposits.....			1,126	1,054
Foreign exchange sold forward.....			8	14	Other liabilities.....			( <sup>4</sup> )	2,648
Other liabilities.....			65	53	<b>Central Bank of Bolivia</b> (thousands of bolivianos):			(Sept.) <sup>1</sup>	
<b>Commonwealth Bank of Australia</b> (thousands of pounds):					Gold at home and abroad.....			99,445	93,308
Issue department:					Foreign exchange.....			72,596	63,889
Gold and English sterling.....		16,705	16,082	16,030	Loans and discounts.....			229,345	110,316
Securities.....		54,051	54,298	50,023	Securities—Government.....			430,388	414,704
Banking department:					Other.....			13,640	8,520
Coin, bullion, and cash.....		3,878	3,668	4,979	Other assets.....			20,671	69,691
London balances.....		55,124	50,983	28,923	Note circulation.....			441,316	368,760
Loans and discounts.....		29,747	30,767	19,163	Deposits.....			340,594	310,773
Securities.....		38,278	41,386	50,863	Other liabilities.....			84,176	80,894
Deposits.....		118,746	119,279	95,322	<b>National Bank of Bulgaria</b> (millions of leva):				
Note circulation.....		61,919	61,619	57,275	Gold.....			2,006	2,006
<b>Bank of Belgian Congo</b> (millions of Belgian francs):			(Jan.) <sup>1</sup>		Net foreign exchange in reserve.....			4	4
Gold.....			171	171	Foreign exchange.....			1,472	1,782
Foreign (gold) exchange.....			5	5	Loans and discounts.....			2,749	1,870
Loans and discounts.....			617	634	Government debt.....			3,373	3,393
Other assets.....			526	490	Other assets.....			2,756	1,475
Note circulation.....			421	410	Note circulation.....			6,262	4,245
Deposits.....			735	712	Deposits.....			3,119	3,834
Other liabilities.....			164	177	Other liabilities.....			2,980	2,450

<sup>2</sup> Revised.

<sup>1</sup> Latest month for which report is available for this institution.

<sup>2</sup> Foreign exchange only; total gold holdings now included in item "Gold".

<sup>3</sup> Gold revalued Sept. 28, 1940, at 0.0358 gram fine gold per koruny.

<sup>4</sup> Figures not yet available.



*Central Banks—Continued*

Central bank (Figures as of last report date of month)	1940			1939	Central bank (Figures as of last report date of month)	1940			1939
	Dec.	Nov.	Oct.	Dec.		Dec.	Nov.	Oct.	Dec.
<b>Bank of Lithuania</b> (millions of litu):			(Aug.)		<b>South African Reserve Bank—Cont.</b>				
Gold			67	53	Other assets	34,448	36,969	20,716	
Foreign exchange			11	7	Note circulation	23,534	20,962	20,747	
Loans and discounts			182	163	Deposits	49,802	52,352	33,905	
Other assets			83	61	Other liabilities	4,547	4,162	4,397	
Note circulation			187	166	<b>Bank of Sweden</b> (millions of kronor):				
Deposits			111	82	Gold	345	331	679	
Other liabilities			46	35	Foreign assets (net)	801	774	301	
<b>Netherlands Bank</b> (millions of guild- ders):					Domestic loans and investments	674	700	645	
Gold <sup>1</sup>			1,123	1,014	Other assets	849	900	509	
Silver (including subsidiary coin)			15	11	Note circulation	1,399	1,437	1,422	
Foreign bills				2	Demand deposits	455	404	424	
Discounts			119	77	Other liabilities	815	865	288	
Loans			219	243	<b>Swiss National Bank</b> (millions of francs):				
Other assets			131	85	Gold <sup>2</sup>		2,164	2,262	
Note circulation			1,378	1,152	Foreign exchange		876	362	
Deposits—Government					Discounts		171	105	
Other			175	229	Loans		39	90	
Other liabilities			54	49	Other assets		272	663	
<b>Reserve Bank of New Zealand</b> (thousands of pounds):					Note circulation		2,150	2,050	
Gold			2,802	2,802	Other sight liabilities		1,097	789	
Sterling exchange reserve			8,823	8,718	Other liabilities		274	642	
Advances to State or State un- dertakings	26,618	28,006	22,656	22,656	<b>Central Bank of the Republic of Turkey</b> (thousands of pounds):				
Investments	3,772	3,772	3,358	3,358	Gold		108,348	36,840	
Other assets	1,241	837	490	490	Foreign Exchange—Free			58	
Note circulation	20,584	20,201	19,292	19,292	In clearing accounts		25,546	11,359	
Demand deposits	20,171	21,784	16,434	16,434	Loans and discounts		346,506	224,489	
Other liabilities	2,501	2,361	2,297	2,297	Securities		194,693	198,898	
<b>Bank of Norway</b> (millions of kroner):			(Mar.)		Other assets		31,644	35,314	
Gold			186	207	Note circulation		392,357	296,761	
Foreign assets			102	99	Deposits—Gold		78,250		
Total domestic credits and securities			435	411	Other		98,865	77,235	
Discounts			( <sup>3</sup> )	230	Other liabilities		137,266	132,963	
Loans			( <sup>3</sup> )	78	<b>Bank of the Republic of Uruguay</b> (thousands of pesos):				
Securities			( <sup>3</sup> )	103	Issue department:				
Other assets			( <sup>3</sup> )	66	Gold and silver		86,235	86,235	
Note circulation			599	575	Note circulation		93,108	93,256	
Demand deposits—Government			9	7	Banking department:				
Other			112	87	Gold <sup>4</sup>		49,866	21,453	
Other liabilities			( <sup>3</sup> )	112	Notes and coin		47,678	46,934	
<b>Central Reserve Bank of Peru</b> (thousands of soles):					Advances to State and gov- ernment bodies		41,574		
Gold and foreign exchange			54,583	50,117	Other loans and discounts		92,672	112,491 <sup>5</sup>	
Discounts			20,965	24,446	Other assets		73,103	106,385	
Government loans			129,839	104,915	Deposits		100,025	90,145	
Other assets			13,842	4,028	Other liabilities		204,867	197,118	
Note circulation			136,723	131,886	<b>National Bank of the Kingdom of Yugoslavia</b> (millions of dinars):				
Deposits			55,656	35,400	Gold		2,485	1,988	
Other liabilities			26,850	16,221	Foreign exchange		472	731	
<b>Bank of Portugal</b> (millions of escudos):					Loans and discounts		1,692	2,223	
Gold			1,232	920	Government debt		3,073	3,067	
Other reserves (net)			565	536	National defense bills		5,907	558	
Non-reserve exchange			641	280	Other assets		2,928	3,755	
Loans and discounts			454	453	Note circulation		12,924	9,698	
Government debt			1,033	1,036	Other sight liabilities		2,816	1,718	
Other assets			1,093	1,256	Other liabilities		816	907	
Note circulation			2,768	2,550	<b>Bank for International Settle- ments</b> (thousands of Swiss gold francs <sup>6</sup> ):				
Other sight liabilities			1,242	1,131	Gold in bars		41,854	22,608	
Other liabilities			1,009	1,010	Cash on hand and on current account with banks		39,979	50,415	
<b>National Bank of Rumania</b> (mil- lions of lei):					Sight funds at interest		15,167	11,788	
Gold <sup>4</sup>			32,038	20,768	Rediscountable bills and accept- ances (at cost)		143,587	160,348	
Special exchange accounts			5,157	5,177	Time funds at interest		21,393	9,960	
Loans and discounts			26,584	23,813	Sundry bills and investments		221,334	218,910	
Special loans <sup>5</sup>			775	1,229	Other assets		2,345	5,674	
Government debt			9,974	10,059	Demand deposits (gold)		33,242	10,298	
Other assets			14,887	13,252	Short-term deposits (various currencies):				
Note circulation			63,125	48,800	Central banks for own ac- count		28,857	46,471	
Demand deposits			14,680	10,366	Other		3,050	3,142	
Other liabilities			11,611	15,132	Long-term deposits: Special ac- counts		229,001	229,644	
<b>South African Reserve Bank</b> (thou- sands of pounds):					Other liabilities		191,511	190,147	
Gold	42,615	39,838	30,204	30,204					
Foreign bills	817	664	7,995	7,995					
Other bills and loans	3	4	134	134					

\* Revised.

<sup>1</sup> Latest month for which report is available for this institution.

<sup>2</sup> Gold revalued Mar. 31, 1940, at 0.4978 gram fine gold per guilder.

<sup>3</sup> Figures not yet available.

<sup>4</sup> Gold revalued May 19, 1940, at 0.0043 gram fine gold per leu.

<sup>5</sup> Agricultural and urban loans in process of liquidation.

<sup>6</sup> Gold revalued May 31, 1940, at 0.2053 gram fine gold per franc.

<sup>7</sup> Additional foreign gold reserves first reported in July 1940.

<sup>8</sup> Includes advances to State and government bodies.

<sup>9</sup> See BULLETIN for December 1936, p. 1025.

# MONEY RATES IN FOREIGN COUNTRIES

## DISCOUNT RATES OF CENTRAL BANKS

[Per cent per annum]

Date effective	Central bank of—							Central bank of—	Rate Jan. 28	Date effective	Central bank of—	Rate Jan. 28	Date effective
	United Kingdom	France	Germany	Belgium	Netherlands	Sweden	Switzerland						
In effect Sept. 15, 1936	2	3	4	2	3	2½	2	Albania.....	5½	Mar. 21, 1940	Japan.....	3.29	Apr. 7, 1936
Sept. 25		3						Argentina.....	3½	Mar. 1, 1936	Java.....	3	Jan. 14, 1937
Oct. 2		5						Belgium.....	2	Jan. 25, 1940	Latvia.....	5	Feb. 17, 1940
Oct. 9		2½						Bohemia and Moravia.....	3½	Oct. 1, 1940	Lithuania.....	6	July 15, 1939
Oct. 16		2									Mexico.....	3	Mar. 1, 1937
Oct. 20					2½			Bolivia.....	6½	Aug. 9, 1938	Netherlands	3	Aug. 29, 1939
Nov. 26							1½	British India.....	3	Nov. 28, 1935	New Zealand.....	2	May 27, 1940
Dec. 3					2			Bulgaria.....	5	Dec. 1, 1940	Norway.....	3	May 13, 1940
Jan. 28, 1937		4						Canada.....	2½	Mar. 11, 1935	Peru.....	5	Aug. 1, 1940
June 15		6						Chile.....	3-4½	Dec. 16, 1936	Portugal.....	4-4½	Aug. 11, 1937
July 7		5						Colombia.....	4	July 18, 1933			
Aug. 4		4						Denmark.....	4	Oct. 16, 1940	Rumania.....	3	Sept. 12, 1940
Sept. 3		3½						Ecuador.....	7	May 26, 1938	South Africa	3½	May 15, 1933
Nov. 13		3		4				El Salvador.....	3	Mar. 30, 1939	Spain.....	4	Mar. 29, 1939
May 10, 1938		2½			3			Estonia.....	4½	Oct. 1, 1935	Sweden.....	3½	May 17, 1940
May 13								Finland.....	4	Dec. 3, 1934	Switzerland.....	1½	Nov. 26, 1936
May 30								France.....	2	Jan. 4, 1939	Turkey.....	4	July 1, 1938
Sept. 23		3						Germany.....	3½	Apr. 9, 1940	United Kingdom.....	2	Oct. 26, 1939
Oct. 27		2½						Greece.....	6	Jan. 4, 1937	U. S. S. R.....	4	July 1, 1936
Nov. 25		2						Hungary.....	3	Oct. 22, 1940	Yugoslavia.....	5	Feb. 1, 1935
Jan. 4, 1939								Italy.....	4½	May 18, 1936			
Apr. 17				4									
May 11				3									
July 6				2½									
Aug. 24	4												
Aug. 29					3								
Sept. 23	3												
Oct. 26	2												
Dec. 15							3						
Jan. 25, 1940				2									
Apr. 9			3½										
May 17							3½						
In effect Jan. 28, 1941	2	2	3½	2	3	3½	1½						

Corrected.  
 1 Not officially confirmed.  
 Changes since Dec. 31: none.

## OPEN MARKET RATES

[Per cent per annum]

Month	United Kingdom				Germany		Netherlands		Sweden	Switzerland
	Bankers' acceptances 3 months	Treasury bills, 3 months	Day-to-day money	Bankers' allowance on deposits	Private discount rate	Day-to-day money	Private discount rate	Money for 1 month	Loans up to 3 months	Private discount rate
1929—Nov.....	5.35	5.30	5.15	4-3½	6.89	7.79	4.26	4.17	5½-7	3.32
1930—Nov.....	2.18	2.15	2.01	1	4.79	5.48	1.31	1.29	3½-5½	1.16
1931—Nov.....	5.75	5.55	4.96	4	8.00	8.69	1.59	1.73	6-7½	1.77
1932—Nov.....	.89	.82	.73	½	3.87	4.80	.37	1.00	3½-5½	1.50
1933—Nov.....	1.05	.94	.75	½	3.87	5.18	.45	1.00	3-5	1.50
1934—Nov.....	.45	.29	.68	½	3.63	4.21	.63	1.00	2½-4½	1.50
1935—Nov.....	.57	.55	.75	½	3.01	3.07	3.15	3.00	2½-5	2.44
1936—Nov.....	.56	.55	.75	½	3.00	2.79	.85	1.55	2½-5	1.46
1937—Nov.....	.59	.58	.75	½	2.88	2.65	.13	.50	2½-5	1.00
1938—Nov.....	.66	.67	.75	½	2.88	2.58	.14	.50	2½-5	1.00
1939—Nov.....	1.96	1.18	1.00	½	2.65	2.19	1.75	2.41	2½-5	1.25
1939—Dec.....	1.23	1.24	1.03	½	2.63	2.39	2.25	2.75	3-5	1.25
1940—Jan.....	1.10	1.09	1.02	½	2.50	2.03	1.85	2.64	3-5	1.25
Feb.....	1.04	1.02	1.00	½	2.50	2.08	1.58	2.50	3-5	1.25
Mar.....	1.03	1.02	.99	½	2.50	2.16	1.35	2.49	3-5	1.25
Apr.....	1.03	1.03	1.00	½	2.38	1.90	1.68	2.75	3-5	1.25
May.....	1.03	1.02	1.00	½	2.38	1.98	1.20	3.21	3½-5½	1.41
June.....	1.03	1.02	1.00	½	2.38	1.98	(?)	(?)	3½-5½	1.50
July.....	1.03	1.02	1.00	½	2.38	1.73	(?)	2.83	3½-5½	1.50
Aug.....	1.03	1.02	1.00	½	2.31	1.77	(?)	3.00	3½-5½	1.50
Sept.....	1.03	1.03	1.00	½	2.25	2.03	2.25	2.68	3½-5½	1.50
Oct.....	1.03	1.02	1.00	½	2.25	1.87	2.25	2.75	3½-5½	1.31
Nov.....	1.03	1.02	1.00	½						1.25

<sup>1</sup> Figures are for period May 1-9, inclusive.

<sup>2</sup> No figures available.

NOTE.—For figures for other countries and references to explanation of table see BULLETIN for September 1940, p. 1018.

## COMMERCIAL BANKS

United Kingdom <sup>1</sup> (Figures in millions of pounds sterling)	Assets							Liabilities			
	Cash reserves	Money at call and short notice	Bills discounted	Treasury deposit receipts <sup>2</sup>	Securities	Loans to customers	Other assets	Deposits			Other liabilities
								Total	Demand <sup>3</sup>	Time <sup>3</sup>	
<b>10 London clearing banks</b>											
1932—December.....	207	127	408	-----	472	778	208	1,983	991	983	216
1933—December.....	213	119	311	-----	565	740	237	1,941	1,015	900	244
1934—December.....	216	151	255	-----	594	759	247	1,971	1,044	910	251
1935—December.....	221	159	322	-----	605	784	231	2,091	1,140	924	231
1936—December.....	236	187	316	-----	630	894	238	2,238	( <sup>4</sup> )	( <sup>4</sup> )	232
<b>11 London clearing banks <sup>5</sup></b>											
1932—December.....	244	195	322	-----	660	890	249	2,315	1,288	1,012	245
1937—December.....	244	163	300	-----	635	984	256	2,350	1,284	1,026	252
1938—December.....	243	160	250	-----	635	971	263	2,254	1,256	997	269
1939—November.....	245	142	353	-----	611	1,000	242	2,345	1,303	1,042	248
December.....	274	174	394	-----	609	1,015	290	2,441	1,398	1,043	256
1940—January.....	242	154	388	-----	610	1,010	267	2,410	1,373	1,036	261
February.....	247	149	353	-----	609	1,007	259	2,366	1,347	1,019	258
March.....	249	142	336	-----	611	1,014	273	2,363	1,355	1,008	260
April.....	254	153	338	-----	618	991	260	2,354	1,351	1,003	261
May.....	257	144	409	-----	633	972	260	2,413	1,382	1,031	261
June.....	270	166	364	-----	636	983	235	2,469	1,443	1,026	264
July.....	262	146	415	26	658	940	271	2,454	1,465	989	264
August.....	273	148	430	26	682	927	255	2,451	1,486	995	260
September.....	288	144	401	92	697	948	287	2,597	1,570	1,027	260
October.....	270	137	373	180	723	948	284	2,601	1,635	1,026	254
November.....	285	140	339	236	743	941	274	2,702	1,671	1,031	256

Canada (10 chartered banks. End of month figures in millions of Canadian dollars)	Assets						Liabilities				
	Entirely in Canada			Security loans abroad and net due from foreign banks	Securities	Other assets	Note circulation	Deposits payable in Canada excluding interbank deposits			Other liabilities
	Cash reserves	Security loans	Other loans and discounts					Total	Demand	Time	
1932—December.....	211	103	1,104	155	778	439	115	1,916	538	1,378	760
1933—December.....	197	106	1,036	134	861	432	121	1,920	563	1,357	725
1934—December.....	228	103	977	155	967	449	124	2,035	628	1,407	718
1935—December.....	228	83	945	141	1,155	485	111	2,180	694	1,486	745
1936—December.....	240	114	791	161	1,394	507	103	2,303	755	1,548	790
1937—December.....	255	76	862	162	1,411	510	96	2,335	752	1,583	785
1938—December.....	263	65	940	166	1,463	474	88	2,500	840	1,660	782
1939—November.....	295	56	1,102	157	1,665	475	89	2,809	1,074	1,735	851
December.....	292	53	1,088	132	1,646	490	85	2,774	1,033	1,741	842
1940—January.....	290	48	1,073	134	1,654	466	82	2,755	1,005	1,751	827
February.....	273	57	1,104	140	1,638	476	86	2,772	1,113	1,659	829
March.....	265	52	1,115	166	1,599	451	88	2,724	1,063	1,661	836
April.....	281	54	1,072	180	1,592	488	94	2,743	1,071	1,672	840
May.....	300	44	1,063	194	1,617	475	91	2,785	1,142	1,643	818
June.....	272	39	1,067	184	1,583	469	93	2,706	1,098	1,609	814
July.....	277	39	1,053	166	1,576	454	89	2,674	1,062	1,613	802
August.....	291	38	1,062	162	1,569	440	90	2,689	1,055	1,634	783
September.....	319	37	1,102	178	1,563	474	88	2,800	1,145	1,655	786
October.....	310	41	1,138	177	1,520	467	88	2,778	1,178	1,600	786
November.....	313	41	1,128	174	1,513	457	88	2,758	1,132	1,626	781

France (4 large banks. End of month figures in millions of francs)	Assets					Liabilities				
	Cash reserves	Due from banks	Bills discounted	Loans	Other assets	Deposits			Own acceptances	Other liabilities
						Total	Demand	Time		
1932—December.....	9,007	1,766	22,014	7,850	1,749	37,759	36,491	1,268	295	4,331
1933—December.....	5,870	1,416	19,848	8,309	1,827	32,635	31,773	862	273	4,362
1934—December.....	5,836	1,421	18,304	8,159	1,717	30,943	30,039	904	193	4,301
1935—December.....	3,739	2,484	16,141	8,025	1,900	27,553	26,859	694	337	4,399
1936—December.....	3,100	2,975	17,582	7,631	1,957	28,484	27,955	529	473	4,289
1937—December.....	3,403	4,116	18,249	7,624	2,134	30,348	29,748	600	661	4,517
1938—December.....	3,756	4,060	21,435	7,592	1,940	33,578	33,042	537	721	4,484
1939—December.....	4,599	3,765	29,546	7,546	2,440	42,443	41,872	571	844	4,609
1940—January.....	4,066	4,080	29,808	7,756	1,745	42,850	42,302	548	938	3,667
February.....	4,293	3,993	30,810	7,579	1,849	43,737	43,195	542	1,034	3,753
March <sup>6</sup> .....	4,110	3,920	34,123	7,499	1,961	46,608	46,064	544	1,105	3,901

<sup>1</sup> Averages of weekly figures through August 1939; beginning September 1939 figures refer to one week near end of month.

<sup>2</sup> Represents six-month loans to the Treasury at 1½ per cent, callable by the banks in emergency under discount at the bank rate.

<sup>3</sup> Through December 1937 excludes deposits in offices outside England and Wales, which are included in total.

<sup>4</sup> Beginning 1936, figures on this basis available only for all 11 banks—see footnote 5.

<sup>5</sup> District Bank included beginning in 1936.

<sup>6</sup> No figures available since March 1940.

NOTE.—For other back figures and explanation of tables, and for figures for German commercial banks, see BULLETIN for August 1939, p. 699; June 1935, pp. 388-390; and October 1933, pp. 641-646.





## PRICE MOVEMENTS IN PRINCIPAL COUNTRIES

### WHOLESALE PRICES—ALL COMMODITIES

[Index numbers]

Year or month	United States	Canada	United Kingdom	France	Germany	Italy	Japan	Netherlands	Sweden	Switzerland
	(1926=100)	(1926=100)	(1930=100)	(1913=100)	(1913=100)	(1928=100)	(October 1900=100)	(1926-30=100)	(1935=100)	(July 1914=100)
1926-----	100	100	<sup>1</sup> 124	695	134	-----	237	106	<sup>1</sup> 126	144
1930-----	86	87	100	554	125	85	181	90	<sup>1</sup> 103	126
1931-----	73	72	88	500	111	75	153	76	<sup>1</sup> 94	110
1932-----	65	67	86	427	97	70	161	65	<sup>1</sup> 92	96
1933-----	66	67	86	398	93	63	180	63	<sup>1</sup> 90	91
1934-----	75	72	88	376	98	62	178	63	<sup>1</sup> 96	90
1935-----	80	72	89	338	102	68	186	62	100	90
1936-----	81	75	94	411	104	76	198	64	102	96
1937-----	86	85	109	581	106	89	238	76	114	111
1938-----	79	79	101	<sup>2</sup> 653	106	95	251	72	111	107
1939-----	77	75	103	<sup>2</sup> 681	107	<sup>2</sup> 97	278	74	115	111
1940-----	79	-----	137	-----	110	-----	311	-----	-----	-----
1939—December-----	79	82	122	( <sup>3</sup> )	108	( <sup>4</sup> )	314	85	132	125
1940—January-----	79	83	125	-----	108	-----	320	86	136	128
February-----	79	83	128	-----	108	-----	317	88	138	130
March-----	78	83	129	-----	109	-----	312	88	140	132
April-----	79	83	132	-----	110	-----	314	88	141	134
May-----	78	82	134	-----	110	-----	312	89	142	135
June-----	78	82	134	-----	110	-----	308	( <sup>5</sup> )	143	139
July-----	78	82	140	-----	111	-----	306	-----	146	141
August-----	77	83	140	-----	111	-----	306	-----	146	146
September-----	78	83	141	-----	111	-----	308	-----	148	152
October-----	79	83	143	-----	111	-----	310	-----	154	166
November-----	80	84	147	-----	111	-----	310	-----	-----	-----
December-----	80	-----	148	-----	111	-----	312	-----	-----	-----

<sup>1</sup> Approximate figure, derived from old index (1913=100).

<sup>2</sup> Average based on figures for 8 months for France, 7 months for Italy.

<sup>3</sup> No data available since August 1939, when figure was 674.

<sup>4</sup> No data available since July 1939, when figure was 96.

<sup>5</sup> No data available since May 1940.

Sources.—See BULLETIN for January 1941, p. 84; April 1937, p. 372; March 1937, p. 276; and October 1935, p. 678.

### WHOLESALE PRICES—GROUPS OF COMMODITIES

[Indexes for groups included in total index above]

Year or month	United States (1926=100)			United Kingdom (1930=100)		France (1913=100)		Germany (1913=100)			
	Farm products	Foods	Other commodities	Foods	Industrial products	Farm and food products	Industrial products	Agricultural products	Provisions	Industrial raw and semi-finished products	Industrial finished products
1926-----	100	100	100	-----	-----	581	793	129	132	130	150
1930-----	88	91	85	100	100	526	579	113	113	120	150
1931-----	65	75	75	89	87	542	464	104	96	103	136
1932-----	48	61	70	88	85	482	380	91	86	89	118
1933-----	51	61	71	83	87	420	380	87	75	88	113
1934-----	65	71	78	85	90	393	361	96	76	91	116
1935-----	79	84	78	87	90	327	348	102	84	92	119
1936-----	81	82	80	92	96	426	397	105	86	94	121
1937-----	86	86	85	102	112	562	598	105	96	96	125
1938-----	69	74	82	97	104	641	663	106	91	94	126
1939-----	65	70	81	98	106	<sup>1</sup> 653	<sup>1</sup> 707	108	<sup>1</sup> 93	95	126
1940-----	68	71	83	-----	-----	-----	-----	111	-----	99	129
1939—December-----	68	72	84	118	124	( <sup>2</sup> )	( <sup>2</sup> )	108	( <sup>2</sup> )	97	127
1940—January-----	69	72	84	122	127	-----	-----	108	-----	98	127
February-----	69	71	83	126	129	-----	-----	108	-----	98	127
March-----	68	70	83	124	131	-----	-----	110	-----	99	128
April-----	69	72	83	126	135	-----	-----	111	-----	98	128
May-----	68	71	83	128	136	-----	-----	112	-----	98	128
June-----	66	70	82	130	136	-----	-----	112	-----	98	129
July-----	67	70	82	134	142	-----	-----	112	-----	98	130
August-----	66	70	82	136	142	-----	-----	112	-----	99	131
September-----	66	72	82	140	142	-----	-----	111	-----	99	131
October-----	66	71	84	143	142	-----	-----	110	-----	99	131
November-----	68	73	84	143	149	-----	-----	111	-----	99	131
December-----	70	74	84	-----	-----	-----	-----	111	-----	100	131

<sup>1</sup> Average based on figures for 8 months.

<sup>2</sup> No data available since August 1939, when figures were 616 and 726 respectively for France, and 92 for Germany.

Sources.—See BULLETIN for March 1935, p. 180, and March 1931, p. 159.

Price Movements—Continued

RETAIL FOOD PRICES  
[Index numbers]

COST OF LIVING  
[Index numbers]

Year or month	RETAIL FOOD PRICES						COST OF LIVING						
	United States <sup>1</sup> (1935-39 =100)	United Kingdom (July 1914 =100)	France (July 1914 =100)	Germany (1913-14 =100)	Netherlands (1911-13 =100)	Switzerland (June 1914 =100)	Year or month	United States <sup>1</sup> (1935-39 =100)	United Kingdom (July 1914 =100)	France (1930 =100)	Germany (1913-14 =100)	Netherlands (1911-13 =100)	Switzerland (June 1914 =100)
1932.....	87	126	536	116	119	125	1932.....	98	144	91	121	141	138
1933.....	84	120	491	113	120	117	1933.....	92	140	87	118	139	131
1934.....	94	122	481	118	124	115	1934.....	96	141	83	121	140	129
1935.....	100	125	423	120	118	114	1935.....	98	143	78	123	136	128
1936.....	101	130	470	122	120	120	1936.....	99	147	86	125	132	130
1937.....	105	139	601	122	127	130	1937.....	103	154	102	125	137	137
1938.....	98	141	702	122	130	130	1938.....	101	156	117	126	139	137
1939.....	95	141	<sup>2</sup> 742	123	130	132	1939.....	99	158	<sup>4</sup> 122	126	140	138
1940.....	<sup>2</sup> 97						1940.....	<sup>2</sup> 100	184				
1939-December.....	95	157	( <sup>5</sup> )	123	137	138	1939-December.....	100	173	( <sup>5</sup> )	126	146	142
1940-January.....	95	157		124	138	139	1940-January.....		174		127	146	144
February.....	97	161		124	140	139	February.....		177		127	148	145
March.....	96	161		126	141	140	March.....	100	179		129	149	145
April.....	96	158		127	( <sup>7</sup> )	142	April.....		178		129	149	147
May.....	97	159		129		143	May.....		180		130	149	148
June.....	98	158		129		145	June.....	101	181		131	( <sup>5</sup> )	150
July.....	97	168		131		145	July.....		187		132		151
August.....	96	164		133		146	August.....		187		133		151
September.....	97	166		130		149	September.....	100	187		133		153
October.....	96	169		127		152	October.....	<sup>2</sup> 100	189		130		157
November.....	96	172		126			November.....	<sup>2</sup> 100	192		130		<sup>2</sup> 159
December.....	97						December.....	101	195				

<sup>2</sup> Preliminary.  
<sup>1</sup> Revised series. Monthly data back to 1935 for retail foods and quarterly data back to 1933 for cost of living may be obtained from the Bureau of Labor Statistics.  
<sup>2</sup> Revised index from March 1936 (see BULLETIN for April 1937, p. 373).  
<sup>3</sup> Average based on figures for 8 months.  
<sup>4</sup> Average based on two quarterly quotations.  
<sup>5</sup> No data available since August 1939, when figure was 749.  
<sup>6</sup> No data available since May 1939, when figure was 123.  
<sup>7</sup> No data available since March 1940.  
<sup>8</sup> No data available since May 1940.  
Sources.—See BULLETIN for October 1939, p. 943, and April 1937, p. 373.

SECURITY PRICES

[Index numbers except as otherwise specified]

Year or month	Bonds					Common stocks				
	United States (average price) <sup>1</sup>	United Kingdom (December 1921=100)	France (1913=100)	Germany (average price)	Netherlands <sup>2</sup>	(1926=100)				Netherlands (1930=100)
						United States	United Kingdom	France	Germany	
Number of issues.....	60	87	36	139	8	420	278	300	329	100
1926.....	97.6	110.0	57.4			100.0	100.0	100.0	100.0	
1932.....	69.5	113.2	88.6	<sup>3</sup> 67.1	94.8	48.6	67.9	105.2	<sup>3</sup> 50.3	46
1933.....	73.4	119.7	81.3	82.5	105.3	63.0	78.6	99.6	61.7	52
1934.....	84.5	127.5	82.1	90.7	113.4	72.4	85.7	83.3	71.1	55
1935.....	88.6	129.9	83.5	95.3	107.8	78.3	86.3	79.7	82.9	55
1936.....	97.5	131.2	76.3	95.8	109.1	111.0	97.0	77.2	91.6	66
1937.....	93.4	124.6	75.1	98.7	<sup>2</sup> 101.8	111.8	96.3	97.4	102.6	104
1938.....	78.9	121.3	77.3	99.9	105.9	83.3	80.8	89.7	100.1	96
1939.....	81.6	112.3	<sup>4</sup> 84.9	99.0	90.9	89.2	75.9	<sup>4</sup> 98.2	94.1	90
1940.....	82.0	118.3				83.6	70.8			
1939-December.....	82.1	112.4	( <sup>5</sup> )	99.0	77.2	91.8	75.7	( <sup>5</sup> )	97.8	84.3
1940-January.....	82.4	117.6		99.1	77.9	92.7	75.7		101.0	85.4
February.....	82.2	119.9		99.6	76.7	91.5	77.1		103.1	84.7
March.....	82.1	119.8		99.9	76.4	91.5	77.9		106.6	85.7
April.....	82.5	119.4		100.2	74.2	92.9	77.4		109.3	83.9
May.....	79.4	116.8		100.7	( <sup>6</sup> )	83.0	73.1		112.2	( <sup>7</sup> )
June.....	78.5	113.4		100.8		73.3	64.9		112.6	
July.....	81.2	116.4		100.8		76 <sup>1</sup>	63.5		112.8	
August.....	81.5	117.8		100.9		77.5	65.6		115.9	
September.....	82.7	117.9		101.0		80.9	66.2		120.8	94.3
October.....	83.6	119.2		101.7		81.4	68.1		125.1	
November.....	83.9	119.9		101.9		82.1	70.2		127.7	
December.....	84.0	121.0				80.4	70.2			

<sup>1</sup> Prices derived from average yields for 60 corporate bonds as published by Standard Statistics Co.  
<sup>2</sup> Indexes of reciprocals of average yields. For old index, 1929-1936, 1929=100; average yield in base year was 4.57 per cent. For new index beginning January 1937, January-March 1937=100; average yield in base period was 3.39 per cent.  
<sup>3</sup> Exchange closed from July 13 to Sept. 2, 1931, and from Sept. 19, 1931, to Apr. 11, 1932. Index for 1931 represents average of months January-June; index for 1932 represents average of months May-December.  
<sup>4</sup> Average based on figures for 8 months.  
<sup>5</sup> No data available since August 1939, when figures were 82.9 and 94.0 for bonds and common stocks, respectively.  
<sup>6</sup> No data available since April 1940.  
<sup>7</sup> No data available May-August.  
Sources.—See BULLETIN for November 1937, p. 1172; July 1937, p. 698; April 1937, p. 373; June 1935, p. 394; and February 1932, p. 121.

# Federal Reserve Publications

Copies of the publications and releases listed below may be obtained from Board of Governors of the Federal Reserve System, Washington, D. C.

## CURRENT RELEASES

### DAILY

Foreign Exchange Rates (for previous day).

### WEEKLY

#### Monday:

Condition of Reporting Member Banks in 101 Leading Cities.  
Bank Debits.

#### Tuesday:

Money Rates—Open-Market Rates in New York City. (Also monthly).

#### Thursday:

Condition of the Federal Reserve Banks.  
Assets and Liabilities of Reporting Member Banks in Central Reserve Cities. (Also a part of statement of Condition of Reporting Member Banks in 101 Leading Cities released on following Monday).

#### Friday:

Weekly Department Store Sales.

### MONTHLY

Federal Reserve Bulletin—released the first part of the month; subscription price \$2.00 per annum, single copies 20 cents, in the United States, its insular possessions, Canada, Mexico, the Central American countries, and most South American countries; elsewhere, \$2.60 per annum, single copies 25 cents.

Brokers' Balances—released about the 20th of the month.

Federal Reserve Inter-District Collection System (Par List)—including list of State bank members. Semi-annual issues, January-July, and monthly supplements—released about 7th of the month.

National Summary of Business Conditions—released about the 18th of the month.

Business Indexes—released about the 18th of the month.

Bank Debits—released between the 6th and 12th of the month.

Foreign Exchange Rates—released about the 1st of the month.

Department Store Sales by Federal Reserve Districts and by cities. Released about the 22nd of the month.

### QUARTERLY

Member Bank Call Report—3 or 4 times a year depending upon number of calls for condition reports. Released about two months after call date.

### ANNUALLY

List of Stocks Registered on National Securities Exchanges. Supplements issued each quarter. 25 cents for list and supplements.

Bank Debits—released ordinarily in February. Annual Report. Issued early in year; covers preceding calendar year.

## BOOKS AND PAMPHLETS

(Partial List)

THE FEDERAL RESERVE SYSTEM—ITS PURPOSES AND FUNCTIONS. Obtainable in cloth binding at 50 cents a copy and in paper cover without charge. 128 pages.

FEDERAL RESERVE CHART BOOK. Charts on Bank Credit, Money Rates, and Business. Data available as of June 14, 1940, are plotted on the latest edition. Price 50 cents per copy.

FEDERAL RESERVE INDUSTRIAL PRODUCTION CHART BOOK. 115 Charts. October, 1940. Price \$1.00 per copy.

DIGEST OF RULINGS—to October 1, 1937. Digests of Board rulings, opinions of the Attorney General and court decisions involving construction of the Federal Reserve Act, together with compilation showing textual changes in the Act. Price \$1.25 per copy. 683 pages.

CONSTITUTIONALITY OF LEGISLATION PROVIDING A UNIFIED COMMERCIAL BANKING SYSTEM FOR THE UNITED STATES. Opinion of the Board's General Counsel. 21 pages. March 1933.

PROBLEMS OF BANKING AND BANK SUPERVISION. Excerpts from the 1938 Annual Report. 33 pages.

MONETARY MEASURES AND OBJECTIVES. Three statements by the Board on objectives of monetary policy, on proposals to maintain prices at fixed levels through monetary action, and on legislative proposals relating to monetary measures and objectives. 8 pages. July 1937, April 1939, and May 1939.

THE HISTORY OF RESERVE REQUIREMENTS FOR BANKS IN THE UNITED STATES. 20 pages. November 1938.

SUPPLY AND USE OF MEMBER BANK RESERVE FUNDS. Explanation of analysis of sources of member bank reserve funds and uses to which such funds are put. 31 pages. July 1935.

ANALYSES OF THE BANKING STRUCTURE—As of December 31, 1935. Number, deposits, and loans and investments of banks classified by size of bank and town and by other factors. 33 pages. August 1937.

THE PAR COLLECTION SYSTEM OF THE FEDERAL RESERVE BANKS, by George B. Vest—reprint of article, 8 pages, February 1940.

OWNERSHIP AND UTILIZATION OF THE MONETARY GOLD STOCK—reprint of article, 3 pages, May and June 1940.

NEW FEDERAL RESERVE INDEX OF INDUSTRIAL PRODUCTION—reprint of article, 77 pages, August 1940.

THE GOLD STOCK—reprint of article, 2 pages, September 1940.

MEASUREMENT OF PRODUCTION—reprint of article, 16 pages, September 1940.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS—reprint of article, 18 pages, September 1940.

DEVELOPMENT OF FEDERAL RESERVE BANKING, by M. S. Szymczak—reprint of article, 8 pages, December 1940.

ECONOMIC PREPAREDNESS FOR DEFENSE AND POST DEFENSE PROBLEMS, by Marriner S. Eccles—reprint of article, 8 pages, January 1941.

SPECIAL REPORT TO THE CONGRESS, December 31, 1940. 2 pages, January 1941.

# BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

MARRINER S. ECCLES, *Chairman*  
RONALD RANSOM, *Vice Chairman*

M. S. SZYMCZAK  
JOHN K. MCKEE

CHESTER C. DAVIS  
ERNEST G. DRAPER

LAWRENCE CLAYTON, *Assistant to the Chairman*  
ELLIOTT THURSTON, *Special Assistant to the Chairman*  
CHESTER MORRILL, *Secretary*  
LISTON P. BETHEA, *Assistant Secretary*  
S. R. CARPENTER, *Assistant Secretary*  
FRED A. NELSON, *Assistant Secretary*  
WALTER WYATT, *General Counsel*  
J. P. DREIBELBIS, *Assistant General Counsel*  
GEORGE B. VEST, *Assistant General Counsel*  
B. MAGRUDER WINGFIELD, *Assistant General Counsel*  
E. A. GOLDENWEISER, *Director, Division of Research and Statistics*  
WOODLIEF THOMAS, *Assistant Director, Division of Research and Statistics*  
LEO H. PAULGER, *Chief, Division of Examinations*  
R. F. LEONARD, *Assistant Chief, Division of Examinations*  
C. E. CAGLE, *Assistant Chief, Division of Examinations*  
EDWARD L. SMEAD, *Chief, Division of Bank Operations*  
J. R. VAN FOSSEN, *Assistant Chief, Division of Bank Operations*  
J. E. HORBETT, *Assistant Chief, Division of Bank Operations*  
CARL E. PARRY, *Chief, Division of Security Loans*  
PHILIP E. BRADLEY, *Assistant Chief, Division of Security Loans*  
O. E. FOULK, *Fiscal Agent*  
JOSEPHINE E. LALLY, *Deputy Fiscal Agent*

## FEDERAL OPEN MARKET COMMITTEE

MARRINER S. ECCLES, *Chairman*  
CHESTER C. DAVIS  
WILLIAM A. DAY  
ERNEST G. DRAPER  
JOHN K. MCKEE  
ROBERT S. PARKER  
RONALD RANSOM  
GEORGE J. SCHALLER  
JOHN S. SINCLAIR  
M. S. SZYMCZAK

CHESTER MORRILL, *Secretary*  
S. R. CARPENTER, *Assistant Secretary*  
WALTER WYATT, *General Counsel*  
J. P. DREIBELBIS, *Assistant General Counsel*  
E. A. GOLDENWEISER, *Economist*  
JOHN H. WILLIAMS, *Associate Economist*  
R. G. ROUSE, *Manager of System Open Market Account*

## FEDERAL ADVISORY COUNCIL

Boston District	
New York District	GEORGE L. HARRISON
Philadelphia District	WILLIAM F. KURTZ
Cleveland District	B. G. HUNTINGTON
Richmond District	ROBERT M. HANES
Atlanta District	RYBURN G. CLAY
Chicago District	EDWARD E. BROWN <i>President</i>
St. Louis District	S. E. RAGLAND
Minneapolis District	LYMAN E. WAKEFIELD
Kansas City District	W. DALE CLARK
Dallas District	R. E. HARDING
San Francisco District	PAUL S. DICK

WALTER LICHTENSTEIN, *Secretary*

**CHAIRMEN, DEPUTY CHAIRMEN, AND SENIOR OFFICERS OF FEDERAL RESERVE BANKS**

Federal Reserve Bank of—	Chairman and Federal Reserve Agent	Deputy Chairman	President	First Vice President	Vice Presidents
Boston.....	Frederic H. Curtiss ..	Henry S. Dennison....	Roy A. Young .....	William W. Paddock....	William Willett <sup>1</sup>
New York.....	Beardsley Ruml.....	Edmund E. Day.....	Allan Sproul.....	Leslie R. Rounds.....	Ray M. Gidney L. Werner Knok Walter S. Logan James M. Rice Robert G. Rouse John H. Williams
Philadelphia...	Thomas B. McCabe ..	Alfred H. Williams....	John S. Sinclair .....	Frank J. Drinnen.....	W. John Davis Ernest C. Hill Clarence A. McIlhenny <sup>1</sup>
Cleveland.....	George C. Brainard ..	Reynold E. Klages....	Matthew J. Fleming....	Frank J. Zurlinden.....	William H. Fletcher Reuben B. Hays William F. Taylor <sup>1</sup> George H. Wagner
Richmond.....	Robert Lassiter .....	William G. Wysor .....	Hugh Leach.....	John S. Walden, Jr.....	John G. Fry George H. Keesee <sup>1</sup>
Atlanta.....	Frank H. Neely.....	Joe Frank Porter.....	Robert S. Parker.....	William S. McLarin, Jr...	Malcolm H. Bryan Harry F. Conniff
Chicago.....	Frank J. Lewis.....	Clifford V. Gregory ..	George J. Schaller.....	Howard P. Preston .....	James H. Dillard William H. Snyder <sup>1</sup> Clifford S. Young
St. Louis.....	William T. Nardin....	Oscar G. Johnston .....	William McC. Martin ..	F. Guy Hitt.....	Olin M. Attebery Clarence M. Stewart <sup>1</sup>
Minneapolis...	Walter C. Coffey.....	Roger B. Shepard.....	John N. Peyton.....	Oliver S. Powell.....	Ernest W. Swanson Harry I. Ziemer <sup>1</sup>
Kansas City...	Robert B. Caldwell ..	John J. Thomas.....	George H. Hamilton .....	Carroll A. Worthington..	James W. Helm <sup>1</sup> Harold G. Leedy
Dallas.....	James H. Merritt.....	Jay Taylor.....	Robert R. Gilbert.....	Ethan B. Stroud.....	Robert B. Coleman William J. Evans Walter O. Ford <sup>1</sup>
San Francisco..	Raymond C. Force....	St. George Holden.....	William A. Day.....	Ira Clerk.....	Cecil E. Earhart <sup>1</sup> William M. Hale Richard B. West

<sup>1</sup> Cashier.

<sup>1</sup> Also cashier.

**MANAGING DIRECTORS OF BRANCHES OF FEDERAL RESERVE BANKS**

Federal Reserve Bank of—	Managing Director	Federal Reserve Bank of—	Managing Director
New York:		Minneapolis:	
Buffalo Branch.....	Robert M. O'Hara	Helena Branch.....	Robert E. Towle
Cleveland:		Kansas City:	
Cincinnati Branch.....	Benedict J. Lazar	Denver Branch.....	Joseph E. Olson
Pittsburgh Branch.....	Percy A. Brown	Oklahoma City Branch.....	George H. Pipkin
Richmond:		Omaha Branch.....	Lloyd H. Earhart
Baltimore Branch.....	W. Robert Milford	Dallas:	
Charlotte Branch.....	William T. Clements	El Paso Branch.....	Joseph L. Hermann
Atlanta:		Houston Branch.....	William D. Gentry
Birmingham Branch.....	Paul L. T. Beavers	San Antonio Branch.....	Miers Crump
Jacksonville Branch.....	George S. Vardeman, Jr.	San Francisco:	
Nashville Branch.....	Joel B. Fort, Jr.	Los Angeles Branch.....	W. Norman Ambrose
New Orleans Branch.....	Lewis M. Clark	Portland Branch.....	David L. Davis
Chicago:		Salt Lake City Branch.....	Winnie L. Partner
Detroit Branch.....	Harlan J. Chalfont	Seattle Branch.....	Clarence R. Shaw
St. Louis:			
Little Rock Branch.....	Arthur F. Bailey		
Louisville Branch.....	Charles A. Schacht		
Memphis Branch.....	William H. Glasgow		