

FEDERAL RESERVE BULLETIN



JULY 1940

Review of the Month—Treasury Financial Operations

*From the Board's Correspondence—The Currency
Function of the Federal Reserve Banks*

*Annual Reports of Foreign Central Banks—Switzerland
and Argentina*

Earnings and Expenses of Member Banks

The Problem of Manufacturing Capacity

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

Contents

	PAGE
Review of the Month—Treasury Financial Operations	633-638
The Problem of Manufacturing Capacity, by George Terborgh	639-646
From a Legal Standpoint:	
Stock Deposited with Broker for Him to Lend	647-649
Executive Order and Regulations on Transfers of French Property	649
General Rulings and General Licenses Issued by Secretary of the Treasury ..	649-654
Financial Transactions under Neutrality Act of 1939	654
From the Board's Correspondence:	
The Currency Function of the Federal Reserve Banks	655-657
Current Events	657
Foreign Banking Laws and Reports:	
Annual Report of the Swiss National Bank	658-664
Annual Report of the Central Bank of the Argentine Republic	664-676
Canadian Financial Measures	677-678
National Summary of Business Conditions	679-680
Financial, Industrial, Commercial Statistics, United States (<i>See p. 681 for list of tables.</i>)	681-718
Earnings and Expenses of Member Banks	719-721
International Financial Statistics (<i>See p. 723 for list of tables.</i>) ..	723-741
Federal Reserve Publications	742
Board of Governors and Staff; Open Market Committee and Staff; Federal Ad- visory Council	743
Senior Officers of Federal Reserve Banks; Managing Directors of Branches ...	744

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FEDERAL RESERVE BULLETIN

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Treasury Financial Operations

Recent national defense legislation, which provides for larger expenditures and increased taxes, has considerably modified the Government's fiscal outlook. On the basis of estimates presented at the hearings in June on the 1940 Revenue Bill and subsequent tax legislation, the budget deficit for the fiscal year 1941 may be about \$3,600,000,000. This figure excludes the contemplated repayment of capital funds by certain Government corporations. Some of the national defense legislation is still under consideration by Congress and this estimate is, therefore, subject to change. The above estimate compares with a corresponding figure of \$2,400,000,000 estimated in the January Budget Message, including the new taxes then recommended, and with about \$3,600,000,000 in each of the past two years. Fiscal operations of the Treasury for the fiscal years 1937-1940 are shown in the table on the next page.

To meet the deficit in the fiscal year 1941, the Treasury will have available substantial amounts from net receipts in the old-age insurance and unemployment insurance trust funds and from the repayment of capital funds by certain Government corporations, and other funds will be raised by the sale of United States savings bonds. On the basis of past experience and announced plans, receipts from these sources may exceed \$2,500,000,000. The extent to which additional funds will be raised by offering direct obligations in the open market will depend principally on what the deficit and the receipts from the sources mentioned above turn out to be,

as well as on Treasury policy about its working balance.

The principal change in expenditures for 1941 will be the greatly increased outlays for national defense. On the basis of legislation enacted by July 2, total appropriations, together with contract authorizations for the Army and Navy for the fiscal year 1941, aggregate over \$5,000,000,000, an amount more than two and one-half times as large as the defense funds voted by Congress for the fiscal year 1940. The national defense legislation also contains a number of provisions designed to expedite the program. It authorizes the award of Army and Navy contracts by direct negotiation with private manufacturers instead of by the customary practice of competitive bidding. The Government is permitted to make advance payments from national defense appropriations to contractors for supplies or construction in amounts not exceeding 30 per cent of the contract price. Funds are provided for construction by the Government of plant and equipment and for training of personnel. The Reconstruction Finance Corporation is given power to make loans to business concerns or to Government-owned corporations for plant expansion or construction and for other purposes related to the national defense program.

To meet these larger expenditures Congress authorized the temporary issuance of \$4,000,000,000 of special national defense obligations above the statutory debt limit of \$45,000,000,000. Increased taxes enacted under the new Revenue Act are estimated to yield \$1,000,000,000 on a full-year basis but,

owing to the lag in the collection of certain taxes, receipts during the fiscal year 1941 will be considerably less than this amount. The law provides for the lowering of the personal exemption to \$2,000 for married and \$800 for single individuals, an increase in surtax rates in the \$6,000-\$100,000 net income brackets, and an increase of 1 per cent in the corporate tax rate. In addition a "defense tax" to be in effect for 5 years was enacted to provide for a 10 per cent increase in all income taxes and varying increases in most of the miscellaneous internal revenue taxes. Imposition of an excess profits tax was also considered by Congress, but was postponed for later action. On July 1 the President recommended to Congress the enactment of a steeply-graduated excess profits tax.

For the fiscal year which ended on June 30, 1940, the Federal Government had an excess Treasury receipts of expenditures over receipts of \$3,600,000,000, excluding debt retirements but including transfers to trust accounts. This deficit was about the same as in the preceding fiscal year. To meet its requirements the Treasury issued \$1,500,000,000 of publicly-offered direct obli-

ferred direct and guaranteed debt was almost \$1,300,000,000 less, the difference being accounted for largely by the reduction in the working balance.

Total expenditures in the fiscal year 1940 increased by about \$330,000,000 to a total of \$9,540,000,000, including transfers to trust accounts which are largely invested in special issues of Treasury obligations. As shown in the table below, expenditures for national defense showed a steady rise during the year to a total of \$1,560,000,000, an increase of \$400,000,000 over the preceding year. Outlays for the Agricultural Adjustment program also increased substantially to a record total and there were smaller increases in several other groups of expenditures. These increases were partly offset by a reduction of about \$670,000,000 in expenditures for the Work Projects Administration and the National Youth Administration, which were lower throughout the year than in 1939.

TREASURY EXPENDITURES, 1938-1940¹
[In millions of dollars]

	Total	National defense	AAA	Social security	WPA and NYA	Interest on debt	Transfers to trust accounts ²	All other
1938-1939:								
July-Sept.....	2,196	283	116	78	559	176	227	757
Oct.-Dec.....	2,308	292	187	87	621	249	141	732
Jan.-March.....	2,225	285	208	78	546	167	157	782
April-June.....	2,481	303	276	82	513	349	161	797
1939-1940:								
July-Sept.....	2,413	331	169	96	401	185	283	949
Oct.-Dec.....	2,335	358	317	84	371	271	164	770
Jan.-March.....	2,337	403	352	102	396	202	140	742
April-June.....	2,452	466	183	82	404	384	159	774
Fiscal year totals:								
1938-1939.....	9,210	1,163	787	325	2,240	941	685	3,069
1939-1940.....	9,537	1,559	1,020	364	1,572	1,041	747	3,234

¹ General and special accounts on basis of Daily Treasury Statement, excluding debt retirements.

² Including expenditures for retirement funds, old-age insurance trust fund and railroad retirement account.

³ Including Treasury payment of \$120,000,000 to Commodity Credit Corporation for restoration of capital impairment.

TREASURY FINANCIAL OPERATIONS, 1937-1940
[In millions of dollars]

	Fiscal years			
	1937	1938	1939	1940
Budget accounts:				
Receipts.....	5,294	6,242	5,668	5,925
Expenditures.....	8,442	7,626	9,210	9,537
Deficit.....	-3,149	-1,384	-3,542	-3,612
Trust and other accounts, net receipts (+) or expenditures (-):				
Change in publicly-offered direct debt.....	+2,437	-271	+2,252	+1,508
Change in guaranteed debt.....	-53	+188	+597	+79
Change in working balance ¹	-168	-429	+532	-997

¹ 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.

gations, of which \$1,040,000,000 were United States Savings bonds, and reduced its working balance by \$1,000,000,000. The remainder was covered by net receipts in trust funds and other Treasury accounts. As shown in the table, although the deficit in the fiscal year 1940 was close to that of the preceding fiscal year, the increase in the publicly-off-

Total receipts in 1940 aggregated about \$5,930,000,000, an increase of over \$250,000,000 as compared with 1939. Revenue collections in 1940 were the largest of any recent fiscal year except 1938, when income taxes reflected the high incomes of the calendar years 1936 and 1937. Receipts from taxes which reflect relatively promptly changes in

business conditions, including most of the miscellaneous internal revenue taxes, customs, and social security taxes, increased throughout the year. Miscellaneous receipts also increased considerably, partly due to the payment to the Treasury in June of \$44,000,000 by the Commodity Credit Corporation because of appreciation in its assets during the year ended March 31, 1940. Income tax collections for the year as a whole were somewhat lower than in the preceding year; a decline in these receipts during the first half of the fiscal year, July-December 1939, reflecting calendar year 1938 incomes, was largely offset by increased receipts during January-June 1940, when collections were based upon the higher incomes of the calendar year 1939.

TREASURY RECEIPTS BY QUARTERS, 1938-1940¹
[In millions of dollars]

	Total	In- come taxes	Social Secur- ity taxes ²	Misc. inter- nal revenue	Cus- toms	All other
1938-1939:						
July-Sept.....	1,509	579	166	636	80	48
Oct.-Dec.....	1,418	559	167	563	83	46
Jan.-March.....	1,463	611	228	497	76	50
April-June.....	1,278	440	180	535	79	44
1939-1940:						
July-Sept.....	1,447	409	182	715	88	52
Oct.-Dec.....	1,298	391	195	561	89	62
Jan.-March.....	1,693	773	254	514	90	62
April-June.....	1,488	552	208	555	81	92
Fiscal year totals:						
1938-1939.....	5,668	2,189	740	2,232	319	188
1939-1940.....	5,925	2,125	838	2,345	349	268

¹ General and special accounts on basis of Daily Treasury Statement.
² Including taxes under Social Security Act, on carriers and their employees, and railroad unemployment insurance contributions.
³ Includes \$44,000,000 payment to the Treasury by the Commodity Credit Corporation because of appreciation in its assets for the year ended March 31, 1940.

During the fiscal year 1940, the publicly-offered direct debt was increased by about \$1,350,000,000, exclusive of \$150,000,000 of Treasury bonds sold directly to Treasury trust and investments accounts during the period December-March. Of the total increase, \$1,040,000,000 represented United States savings bonds, and the direct debt traded in the open market increased by only about \$300,000,000. As shown in the table, the increase in this type of debt occurred during the period July-December

1939, when new issues of Treasury bonds exceeded retirements of notes. In the period January-June 1940 there were no new cash sales of such obligations but a reduction of \$300,000,000, owing to the retirement of \$150,000,000 of Treasury bills in January and to small cash payments of Treasury notes and bonds maturing during the period and not exchanged for new issues. The amount of guaranteed debt increased by less than \$100,000,000 during the year as a whole with a decrease in the latter half. Sales of new notes by the Reconstruction Finance Corporation and the Commodity Credit Corporation were offset largely by redemptions of maturing bonds of the Home Owners' Loan Corporation and the Federal Farm Mortgage Corporation. Changes in the debt structure during the fiscal year 1940 are shown in the following table:

UNITED STATES GOVERNMENT INTEREST-BEARING OBLIGATIONS, DIRECT AND GUARANTEED
[In millions of dollars]

	Out- stand- ing June 30, 1940	Increase or decrease		
		Total, fiscal year 1940	Janu- ary- June 1940	July- De- cember 1939
Publicly-offered direct obligations:				
Treasury and pre-war bonds.....	26,633	+1,336	-326	+1,662
Treasury notes.....	6,383	-360	+180	-1,040
Treasury bills.....	1,302	-5	-152	+147
U. S. Savings bonds.....	2,905	+1,037	+696	+341
Securities issued to Gov't agencies and trust funds.....	4,775	+1,005	+543	+462
Other direct obligations.....	379	-22	-10	-12
Total direct obligations.....	42,376	+2,491	+931	+1,559
Guaranteed obligations.....	5,529	+79	-174	+253

¹ Includes adjusted service bonds of 1945 issued to veterans and postal savings bonds formerly issued to depositors in the postal savings system.

During January-June 1940 refunding operations were carried out for about \$1,090,000,000 of Treasury notes and bonds due or callable in June. The holders of 1½ per cent notes were offered ¾ per cent notes maturing in 5 years, while holders of 3¾ per cent bonds were offered 1 per cent, 3¼-year notes. Approximately \$720,000,000 of the maturing notes and \$280,000,000 of the called bonds were presented for conversion. The net result was a moderate decline in the amount of

Treasury bonds outstanding and a somewhat smaller increase in notes. In January there was a reduction of \$150,000,000 in the amount of Treasury bills outstanding. The total amount of so-called open-market direct and guaranteed obligations outstanding showed a decline of almost \$500,000,000 in the half-year period.

While the available supply of United States Government securities decreased in the first half of this year, New York City banks increased their holdings of such obligations by over \$600,000,000 in the period.

Holdings of banks in other leading cities outside New York decreased by \$190,000,000, and those of country banks also declined up to the end of March, the latest date for which figures are available. According to available information, the amount of Government obligations held by life insurance companies has increased since the first of the year and it is not likely that savings banks, which have been gaining deposits, reduced their security holdings. Business corporations may have reduced their holdings of Treasury bills as banks acquired additional bills in the period. It would appear that individuals sold some open-market issues on balance during the period; while at the same time individuals as a group acquired substantial amounts of United States savings bonds.

New York City banks substantially increased their holdings of Treasury bonds in the first quarter of the year and of Treasury bills and notes in the second quarter. Chicago banks accumulated Treasury bills during the early weeks of the year but sold a large part of them to customers prior to the April I Illinois tax date. Declines in portfolios of other reporting member banks were principally in bonds. Reflecting the refunding of the 1940-43 bonds on June 15, reporting member bank holdings of Government bonds declined by about \$150,000,000 during the week ended June 19 and holdings of notes showed a slightly smaller increase.

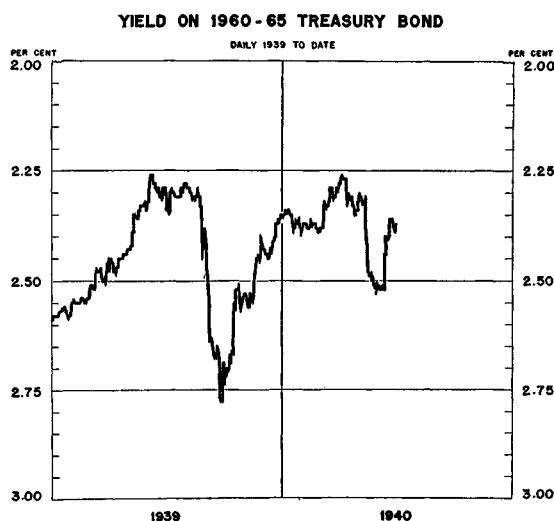
Recent fluctuations in the United States Government security market have reflected largely the influence of war developments in Europe. Prices on June 10 were sharply below this year's high of April 2, with the declines largely concentrated on a few days. Declines occurred following the invasion of Denmark and Norway on April 9 and the invasion of Belgium and Holland about a month later. Of the total decline of 4½ points in the United States Treasury 1960-65 bonds from April 2 to June 10, 1 point occurred on April 9 and 3 points from May 10 to May 14. The market was steady from the middle of May until June 10, and turned strong on June 11. By June 28 the 1960-65 bonds had shown a gain of 2¾ points.

The yield on the 1960-65 bonds on June 28 was 2.36 per cent, compared with 2.26 per cent at the all-time high in prices on June 5, 1939. Within this period, however, wide fluctuations occurred. After the peak on June 5 of last year, prices showed a tendency to decline gradually until about the middle of August, when the momentum of the decline began to increase as the prospect of war in Europe became more imminent. By the end of August prices were about 2¾ points below the peak; with the outbreak of war on September 1 the market broke sharply on a large volume of offerings and an almost complete absence of buying. The low was reached on September 21, when the 1960-65's were about 9 points below the peak of June 5.

The subsequent recovery to April 2, 1940, about offset the previous losses. After September 21 prices were relatively stable for a few days before beginning a sharp rise, which continued until early in January 1940. A slight reaction occurred in January, followed by a relatively stable market until the end of February. Early in March prices resumed their sharp upward movement, after the Treasury's announcement of the new financing, and reached a peak on April 2. As previously mentioned, the decline after April 2

occurred largely on the days of renewed expansion of war in Europe. In contrast to conditions at the opening of hostilities last September, however, offerings in April and May were not large and buyers were present in the market at practically all times.

The yield on the 1960-65 bonds increased by about $\frac{1}{2}$ of 1 per cent during the severe decline from June to September 1939—from 2.26 to 2.78 per cent—and declined by the same amount from September 1939 to April 1940. From April to early June the yield increased by $\frac{1}{4}$ of 1 per cent to 2.52 per cent and then declined to 2.36 per cent on June 28, which was only $\frac{1}{8}$ of 1 per cent above the all-time low. These changes are shown on the chart.



Source: Treasury Department. Daily figures; latest is for June 27.

In the early part of September 1939, accompanying rapidly falling prices, increasing offerings, and a scarcity of buyers, the Federal Open Market Committee made substantial purchases, with a view to preventing the development of disorderly conditions in the market. The aggregate amount of securities purchased by the System from August 28 to September 25 was \$473,000,000, about three-fourths of which were bonds due

or callable after 5 years. Subsequent advances in Government security prices were rapid at times and from November to early April a total of \$95,000,000 of securities was sold.

During the recent decline in the market from the peak on April 2, the System again entered the market on several days. In striking contrast to the situation in September, however, offerings were not large and for the most part were not pressing on the market for any price that they would bring. Buying on a scale-down was present at almost all times. Prices lost only about one-half as much as in September, and purchases by the System for the purpose of maintaining orderly conditions in the market were only \$10,000,000 for the period. With the sharp increase in prices after June 10, the System sold about \$25,000,000 of Government securities.

Industrial activity increased sharply in May and June, following little change in April and a considerable decline earlier in the year. The most marked increases were

Recent business developments

reported in the iron and steel and the cotton and woolen textile industries where declines had been greatest in the first quarter. In the machinery and chemical industries, and also in mining, activity continued at or near the high rates maintained since last winter, while in the aircraft and shipbuilding industries there was further expansion. The Board's seasonally adjusted index of industrial production, which had declined from a peak of 128 last December to 102 in April, rose to 106 in May, and preliminary data indicate a further rise to about 115 in June.

National income payments declined somewhat after the turn of the year but during the spring months changes were largely seasonal in character and in June there was probably an increase. Distribution of commodities to consumers has advanced recently, following some reduction during the first four months of this year and a temporary sharp decline in the latter half of May.

In the construction industry contract awards for private residential building have risen to the highest level in the past decade, and the amount of private nonresidential building has also increased. Publicly-financed construction this year has been at a lower level than in other recent years.

Prices of basic industrial materials, particularly metals and textiles, advanced in the early part of June, accompanying a substantial increase in buying; subsequently, as the volume of buying declined, quotations for certain of these materials were lowered. Prices of most foodstuffs showed little change during June. In general basic foodstuffs are currently at about the same level as a year ago, while industrial materials are considerably higher.

The free sterling market in New York has been vitally affected by a new series of regulations announced by the British exchange control authorities on June

New British exchange regulations

7. These regulations went into effect in the United Kingdom immediately, with certain interim exceptions, and are gradually being introduced in the remaining sterling area countries in the form of orders by the local authorities. The object of the new measures is eventually to eliminate most of the sources of supply and demand of free sterling.

When the new regime is fully established, all payments of a current nature by residents of the sterling area to residents of the United States, including payments for American exports, for financial and commercial services rendered by residents in this country, for interest and dividends due to residents here, etc., will normally be effected only in dollars so that no supply of free sterling can arise from such transactions. Also the sale in British markets of foreign-owned securities is to be suspended, although cash balances maintained there by non-residents will still be saleable without restriction in the free sterling market. Conversely, all merchandise exports from the sterling area to this country

will have to be paid for in dollars or in pounds sterling purchased with dollars at the official rate, while the British authorities have undertaken negotiations with the New York banks to obtain their cooperation in a plan designed to direct through official market channels most other commercial and financial payments of a current nature from this country to the sterling area.

It was also announced that the British authorities are planning to proceed at once with the negotiation of bilateral payments agreements on an official sterling basis with all the remaining countries with which the sterling area maintains trade relations, excluding Switzerland, which as a free currency country will be dealt with on the same basis as the United States. It is anticipated that these agreements will effectively isolate the sterling exchange markets in these countries from the free sterling markets in the United States and Switzerland.

In view of the extensive curtailment which has been, or promises to be, effected in the sources of supply and demand in the free sterling market, this market should lose much of its economic significance. It is impossible, however, to appraise adequately the new position of free sterling until all the projected measures have materialized and full details thereof are available. On June 6 the market, anticipating official action of some sort on free sterling, drove the rate strongly upward from around \$3.20 to \$3.80. Since the announcement of the new regulations, the rate has fluctuated from day to day in an erratic manner, having touched a low of \$3.54 on June 20 and a high of \$4.01 on June 27.

Meanwhile, the free rate on the French franc closely followed the movements of free sterling until June 17, when dealings in French francs in the New York market were suspended following issuance of an Executive Order on that date with respect to the transfer of French-owned property in this country.*

* For text of this and related Orders, see p. 649.

The Problem of Manufacturing Capacity

by

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THE last quarter of 1939 saw a level of industrial activity roughly comparable with the peak of 1929, but accompanied by a large surplus of unemployed labor, estimated by the conventional methods at eight or nine million workers. During this period a considerable number of manufacturing industries appear to have operated at or near "capacity." This situation suggests a present deficiency of capacity in many lines relative to the amounts that would be needed if productive activity as a whole were to rise high enough to provide reasonably full employment for our labor force.

These deficiencies do not imply a lack of the basic elements from which productive capacity is created, such as natural resources, manpower, technical knowledge, organizing ability, and the like. These we have in abundance. We have also an abundance of funds to finance new capacity. What the deficiencies do imply, however, is the necessity for making many adjustments in our productive facilities, both by adapting existing capacity to new demands and by creating additional capacity, before we can realize the level of production made possible by our present labor force.

It must be evident that this problem of adjustment has been greatly aggravated by the recent intensification of the war in Europe and by the launching of a huge defense program in this country. The development overnight of a tremendous demand for articles not hitherto produced by American industry, or produced in relatively insignificant amounts, has created capacity problems incomparably more numerous and urgent than those attending a more normal expansion of production.

An analysis of these problems on an industry-by-industry and product-by-product basis is now being undertaken for certain lines by the National Defense Advisory Com-

mission. Detailed studies of this sort are, however, beyond the scope of this article, which is confined entirely to a discussion of certain *general* aspects of the problem of capacity. That such a discussion may be timely and of some value, even though largely in the nature of philosophizing, is indicated by the wide prevalence of misconceptions on the subject.

The discussion falls into two parts, the first dealing with capacity for a single product and the second with manufacturing capacity in general.

Capacity for a Single Product

It is a popular notion that for each and every article produced in this country we have at this moment a definite, measurable, productive capacity. Our capacity is so many automobiles, so many radio sets, so many mousetraps per day or per week. This conception is usually derived from an exclusive preoccupation with *mechanical* factors of production. Present capacity is considered equivalent to the maximum output practically attainable from the *present* mechanical facilities of the industry.

Mechanical limits to production.—Even from this exclusively mechanical standpoint, the measurement of capacity presents many difficulties. The industry in question may operate normally on a single-shift basis. Should capacity be reckoned on this basis or under continuous operation? Production may have a characteristic seasonality. Should this be fully allowed for? There may be some unused obsolete machinery in going plants. Other plants may be obsolete and idle in their entirety. Should this out-of-date capacity be counted? There are many plants, now producing other articles, that could be switched to the production of the article in question by a very minor retooling and re-

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.

arrangement of machinery. Should this readily convertible capacity be included? The answers to these questions may give estimates of capacity varying within the widest limits.

Consider, for example, the question of multiple-shift operations. Outside the continuous-process industries where three-shift operation is dictated by technical requirements, the steel industry for example, American manufacturing plants operate normally a single shift in the overwhelming majority of cases.¹ If the plant capacity of a one-shift industry is computed on a three-shift basis, we at once almost treble it, while limiting the likelihood of capacity operations to rare instances in which the demand for the product trebles before additional capacity can be mobilized.

Again, consider the question of the conversion and transfer of facilities from mechanically similar lines of production. If we include as a part of our capacity for producing an article the facilities that can be readily mobilized in this way, we can find literally thousands of items for which there are no serious mechanical limitations to production within any range of expansion likely to be encountered. Take the merchandise displayed in a variety store, for example. The fabrication of most of the items utilizes machinery and equipment that is readily convertible to any of a variety of similar products. In effect, it can draw on a mechanical "pool." Through the mobilization of facilities currently devoted to other and less profitable items, output can be expanded rapidly to almost any figure. What is our mechanical capacity to produce mousetraps? Doubtless if something occurred to create sufficient demand the country could be inundated with them in a month. The amount of machinery and floor space that happened to be devoted to mousetraps at the outset would be of little or no significance.

This is, of course, an extreme case, but it illustrates a principle of general applicability. Mechanical capacity does not constitute a fixed "ceiling" to production. It is typically a ceiling that begins to lift before it is reached. For a product like mousetraps, it may recede so fast that its restraining effect, if any, is but momentary. For a product like

steel ingots, it can recede only slowly, and may be restrictive for an extended period. Between these two extremes lie the great bulk of manufactured products. Their mechanical capacity has neither the almost instant expansibility that comes from access to a large pool of quickly convertible facilities, nor the rigidity that comes from the use of heavy and highly specialized equipment that cannot be augmented by conversion from other lines. It is expansible through the process of conversion, but only gradually and within limits.

If we exclude from our estimates of mechanical capacity the facilities that can be mobilized by transfer and conversion from mechanically similar lines of production (including those mobilized by the farming out of operations to contractors) we obtain a result that is meaningless for a vast number of manufactured commodities, and that is of questionable significance for many more. If, on the other hand, we include these facilities, we derive a measure of capacity that *grows with time*. How much time should we allow for in an estimate that purports to represent the *present* capacity of the industry? This question leads to another: If we include in present capacity the facilities that can be added by conversion within a certain period, should we not also include *new* plant and equipment that can be added during the same interval?

The solution to these puzzling questions lies in viewing capacity dynamically rather than statically. The volume of physical facilities that happens at this moment to be devoted to the production of a given article may mean much or little, depending on the technological factors involved; what is important in all cases, however, is how rapidly and how far these facilities will be expanded in response to increasing mechanical requirements of production. Will they keep pace with requirements or lag behind? The thing to emphasize is the *movement of capacity through time*, not its magnitude at a single moment.

Non-mechanical limits to production.— Even if we take simply the mechanical facilities currently assigned to the production of an article, we find that their full capacity is seldom immediately available. Unless these facilities are already operating at capacity, a number of time-consuming adjustments are necessary before maximum output is reached, such as the hiring and training of additional

¹ A special tabulation from 1937 census returns, covering 1200 establishments in the machine tool, motor vehicle, railway equipment, and explosives fields, shows 93 per cent reporting a one-shift day as "normal."

workers, the organization of extra shifts, the placement of contracts with suppliers, and so on. These adjustments may take a year, a month, or only a week, but until they are accomplished the existing mechanical capacity is only partially available.

These non-mechanical impediments to the expansion of output are, while they last, just as truly a limitation of the effective capacity of the industry as a mechanical deficiency would be. They are, in fact, the limitations that become effective *first* in most industries when production falls behind demand. Thus in the typical case of a one-shift industry, it may take months to organize and man the two additional shifts required to attain the full limits of mechanical capacity.

The process of pushing out the human and organizational limits to production, especially if it goes so far as the multiple-shifting of normally one-shift industries, is likely to be accompanied by the process of pushing out the mechanical capacity itself. Consider, for example, the responses that a representative manufacturing industry makes to a radically increased demand for its product. Existing producers put part-time workers on a full-time basis; renovate their idle equipment and put it in service; run their plants overtime; put on extra shifts; acquire and convert to their production floor space and equipment formerly used for other purposes; erect new buildings and install new machinery; farm out operations to contractors. New producers enter the business, converting facilities from other lines of production, or installing new capacity, or both. Adjustments calculated to realize the maximum capacity of the mechanical facilities that were in the industry at the outset (reconditioning of equipment, overtime work, extra shifts) are simultaneous with adjustments calculated to bring in additional facilities (transfer of equipment from other uses, installation of new units, additional farming out of work). The latter adjustments are likely to proceed fast enough in most cases to prevent a general three-shift utilization either of the original facilities or of those subsequently added.

Effective capacity.—Since the expansion of the production of an article in response to increased demand is impeded by both mechanical and non-mechanical factors, should we not define effective capacity in terms broad enough to include both types? Instead of making it the maximum output that would

be obtainable from existing mechanical facilities if nothing stood in the way, let us make it the output that would actually be forthcoming, under certain specified conditions of demand, *with all supply conditions as they really are*. It might be represented by a line, the successive points on which show the amounts of production forthcoming, under the given conditions, after increasing intervals of time. In this way we allow for the effect of *all* limitations on output, whether mechanical, human, or organizational, and for the effect of all measures taken to overcome these limitations, including the creation of new plant capacity.

The only valid test of effective capacity is performance. Moreover, it is performance *under specific circumstances*. There may be as many estimates of capacity as there are possible combinations of conditions, both of supply and of demand. To take an example on the supply side, the capacity in question may depend on the general level of productive activity at the time. The general level of activity affects the abundance of the available skilled labor, the availability of mechanical facilities suitable for conversion, the rapidity with which new equipment can be procured and installed, the ease with which operations can be farmed out to contractors, and numerous other factors. Thus it may be possible, while general activity is low, to double the output of a given article in six months without an advance in its price, while in a period of active business a rise of 50 per cent from the same starting point may require the inducement of a substantially higher price. It is a question of the competition for the factors of production that must be mobilized to effect the increase in output.²

The dependence of effective capacity on demand conditions is equally evident. Let us suppose present supply conditions for pig iron, and an unlimited demand at \$100 a ton, starting tomorrow morning and continuing indefinitely. The output (effective capacity) a month from now will be one thing, six months hence another, a year hence still another. All three figures, however, will be different if the demand is unlimited at \$50 a ton, and different again if the price is \$25. There are in most industries adjustments to increase output which are feasible only if the

² It is not only the level of general activity that must be considered in appraising effective capacity for the manufacture of a particular item; the pattern or distribution of activity may be equally important, a point that will be discussed later.

price is high. It is possible to pay labor for a large amount of overtime, to run an uneconomical third shift, to put into service obsolete high-cost capacity, or otherwise to expand production at a high marginal cost, but not unless the price permits. If it is too low, such devices for increasing output will be used sparingly or not at all. Not only does price determine the feasibility of bringing in high-cost production; it affects the rapidity and intensity of other adjustments to expand output. No estimate of effective capacity can be valid, therefore, that does not specify the conditions of demand to which it applies.

The practical problem—The most important practical question about the effective capacity of the country to manufacture a given product may be stated as follows. Does it appear that the production of the article would fail to expand fast enough to keep pace with the greatest increase in demand that is likely to occur, and keep pace, moreover, without encountering such an increase in marginal costs as to result in economically injurious price advances?³

By suggesting the test of the ability of production to keep pace with demand, we do not mean to imply that it must always be rigidly matched with the current flow of orders. This is neither necessary nor probable. The flow of orders is often affected by speculative movements. What is important is that *deliveries* of unfinished goods to producers shall permit the purchasers to meet their current operating requirements, thus avoiding a constriction of production further down the line, and that the flow of finished goods to distributors shall permit them to meet consumer demand. There is ordinarily enough give-and-take in inventories along the line to allow temporary disparities between demand and output in particular stages of manufacture. The ability of output to keep up with demand must be interpreted for the present purpose with this qualification in mind.

If we can predict the rate at which demand for a particular article will rise and the extent of its advance, the level and pattern of industrial activity at the time, the adjust-

ments that will be made to expand output, and, finally, the output that will actually be forthcoming, we can say whether the effective capacity of the industry in question is too low. We can say, moreover, how long it will be too low. Unless the problem is formulated in some such way, it is difficult to see how it can be solved.

Manufacturing Capacity in General

It frequently occurs that demand for a single article of manufacture expands several fold in a comparatively short time, and that producers enlarge its output correspondingly, either by mobilizing labor and mechanical equipment theretofore idle or, lacking such idle resources, by diverting manpower and facilities from other lines less able to compete for them. A current example is the manufacture of aircraft, which has quadrupled in less than three years. For manufacturing as a whole, however, the case is somewhat different. Output may rise very rapidly while there is idle manpower and mechanical capacity available, and while activity in non-manufacturing lines is also rising, but the advance is likely to encounter resistance when further gains become possible only through a net *diversion* of productive resources from non-manufacturing industry.

Human vs. mechanical limits to production.—It is not always recognized that the limited supply of labor that can be attracted to manufacturing against the competition of non-manufacturing employments constitutes the only *general* "ceiling" to effective manufacturing capacity. While mechanical bottlenecks may interpose sporadic and temporary barriers to the expansion of output, they yield to correction, given time, as do bottlenecks attributable to a scarcity of certain types of skilled labor. They are limited to special situations. Serious *general* shortages of mechanical capacity in manufacturing are almost inconceivable, for reasons that will be discussed shortly. General labor shortages, on the contrary, applying not only to manufacturing but to other fields, are not only possible but have recurred at intervals throughout our industrial history.

The improbability of a serious general shortage of mechanical capacity arises from the fact that the expansion of production is almost certain to be checked by a general labor shortage *before* it develops more than

³ Two observations are in order here. First, not all price advances on rising volume are attributable to higher costs for the added margin of production. They often reflect merely a shift from a buyers' to a sellers' market, and so far as they are of this character they may prove nothing as to the adequacy of capacity. Second, price advances or insufficient production may be attributable to supply conditions for agricultural and mineral raw materials, and hence may not indicate a shortage of effective *manufacturing capacity*, which is the subject of this article.

sporadic and occasional shortages of equipment. The supply of manpower gives out first. Why should this be so? Two reasons may be suggested: the inflexibility of the labor supply relative to the supply of mechanical facilities, and the normal surplus of mechanical over human capacity.

The total "normal" labor force of the country is growing currently at a little over one per cent annually. While the rate of growth of manufacturing manpower *after a condition of full general employment is reached* may be greater or less than the rate for the labor force as a whole, it is likely to be slow relative to the rate at which most mechanical facilities, which are freely reproducible, can be enlarged.⁴ Even if mechanical capacity were less readily expansible than it is, however, there would still be small likelihood of any severe *general* shortage because of the large excess of mechanical equipment always existing in the majority of industries over the amount required to absorb the manpower allocated to such equipment under conditions of maximum manufacturing employment. This "excess" of mechanical capacity arises principally from two circumstances: (1) the practice of one-shift operation, and (2) competitive duplication of facilities.

Effects of one-shift operation.—As previously pointed out, the vast majority of manufacturing industries operate normally on a one-shift basis. Why this should be so, it is not necessary to discuss here. Basically, it goes back to the disinclination of people to work nights and their lower efficiency in such employment. In any event, a one-shift industry can by means of additional shifts double or nearly treble its output—if the necessary labor can be mobilized. We have thus in multiple-shifting a safety valve against shortages of capacity on the mechanical side. Granted that this expedient is undesirable for long-continued use, it is nevertheless a potent safeguard against temporary emergencies, pending a sufficient enlargement of the physical facilities to permit a restoration of a one-shift schedule. If we reckon the mechanical capacity of one-shift industries on the basis of three-shift or even of two-shift operations, we will find that the number of workers required to man fully the existing manufacturing plant is always vastly in excess of the maximum available. By the

⁴ References to "full employment" in this article must be interpreted by practical standards, since we have never reached a condition of literally full employment even in boom times.

same token, the great majority of manufacturing industries will have excess mechanical capacity, so reckoned, when the maximum of manufacturing manpower is reached.

Effects of competitive duplication.—Even if we excluded from consideration the possibility of additional shifts, we would probably still find for the majority of manufacturing lines a mechanical capacity greater than would be utilized under conditions of full employment.⁵ This is in part the effect of competition on the creation of facilities. The struggle for business among competitive manufacturing producers results typically in a distribution of the market that differs from the distribution of mechanical capacity. This is not an occasional or temporary condition; on the contrary it is chronic and perennial, an inevitable by-product of competition itself.

As a general rule, the total capacity of an industry is fully occupied only after a rapid rise of demand which has not allowed time for the expansion of facilities by strong producers, or in a period when a boom demand is considered for some reason transient, hence not justifying such an expansion. Before demand reaches a level which calls into use all the available capacity, favored producers have usually been turning away business. Their normal reaction when they are refusing orders, and when the prospect is that they will continue to do so, is to add to their capacity. Additional capacity may also be introduced by new firms entering the business for the first time. In ordinary circumstances such additions occur when the total demand for the industry's product falls short of the level needed to utilize fully all the capacity available; hence the industry may go along for years, even for decades, without once reaching a complete use of its mechanical facilities.

The full utilization of the mechanical equipment of a competitive industry must be regarded as a temporary and self-limiting condition. It will ordinarily set in motion responses calculated to restore a margin of

⁵ A study by The Brookings Institution concludes that in 1929, a year of exceptionally full employment, the mechanical facilities of manufacturing were used on the average at 83 per cent of their capacity. In other words, the average unused margin was 20 per cent of production. *America's Capacity to Produce*, p. 308. These estimates of mechanical capacity exclude the possibility of working overtime, or of putting on extra shifts. Moreover, plants standing idle throughout the year are not counted, usual seasonal patterns of operation are fully accepted as a limitation, and no allowance is made for the possibility of augmenting capacity by the conversion of facilities from mechanically similar lines of production, or by the farming out of operations to contractors.

unused capacity, the attainment of which represents a return to "normalcy." The most fundamental barrier to the full use of plant is just this persistent tendency of capacity to keep a jump ahead of production.

The present situation.—In the present situation, our problem is not the limitation of the expansion of manufacturing production by the exhaustion of the available labor supply, though we may sometime reach that condition; it is rather limitations of less general incidence that may impede and distort production *on the way up* to a full-employment level. We refer to shortages of particular types of mechanical equipment, or of particular labor skills, occasioned by the expansion of output in the affected industries at a more rapid rate than current adjustments can accommodate.

Local shortages of this character are relatively rare during periods of low general activity, though they may be acute so far as they go. They occur in the case of new products (the current shortage of nylon capacity is an example), or in case of an abrupt increase in demand for established goods (the present deficiency in aircraft output, for instance), but for the overwhelming majority of commodities demand moves in a range within which output can respond quickly and satisfactorily. The danger of bottlenecks is greater, however, when general activity is high, especially when it is moving upward from a high level. When this is the case, there are sure to be many products for which demand is penetrating at a rapid rate into new territory where it is difficult for production to keep pace. An upward movement of general activity from a level already high is bilateral in its effects: it multiplies the instances in which it is necessary for the output of particular products to expand rapidly into difficult territory, and it increases the obstacles to such expansion by reducing the availability of the human and mechanical resources that must be mobilized to effect it.

It must be recognized that the *rate* at which we can expand manufacturing production into high ground, without encountering serious shortages of capacity on the way, has been greatly affected by the depression. This is attributable to the fact that the highest level of activity heretofore reached (129 in the Board's adjusted index, in December 1939) is far below the level made possible by our present labor force (various estimates

range up to 170 in the index).⁶ It is clear that any approach to this level will carry a large number of manufacturing industries far beyond their previous highs into territory for which they have not been prepared by recent experience. To penetrate new territory in production is more difficult, and requires more adjustments, than to reoccupy an area previously traversed.

Because we have the manpower at hand for an output of say 160 or 170 in the index of manufacturing production, but have never topped 130, the workers that would have to be added to produce the margin above 130 are for the most part unskilled. They will have to be trained, to some extent at least, before they can be productive. This takes time. Because the existing mechanical equipment in manufacturing has never been adjusted to the high level of activity made possible by our present manpower, much expansion will be necessary before it can be attained. This again takes time. If we are to approach this level without precipitating serious economic maladjustments from shortages of effective capacity, the approach must be sufficiently gradual to permit a timely correction of these shortages as we proceed. An immediate realization of our production potential is quite out of the question.

The frequency of bottlenecks and deficiencies in the flow of production depends not only on the general level and movement of manufacturing activity but also on its pattern or distribution. This in turn depends on the distribution of demand. If we were able to specify a pattern of demand calculated to concentrate the increase of output in those lines where it is most readily expansible, we might find, for example, that we could quite comfortably attain in six months a certain level in the aggregate of activity as measured by the Board's index of manufacturing production, while at the same time it would be easy to specify a distribution of demand that would preclude the attainment of that level within the period because of prohibitive shortages of effective capacity in certain areas.

The present defense program may be cited in this connection as a factor tending unavoidably to distort demand from its normal pattern and to create disparities between de-

⁶ The principal difficulty in making an estimate is the uncertainty as to the proportion of the usable labor surplus that would be available to manufacturing on a rise in general economic activity sufficient to absorb the surplus.

mand and the existing capacity to produce. The program has already developed acute shortages of specific types of armament-making capacity, attributable both to mechanical deficiency and to a scarcity of certain kinds of skilled labor. Some of these shortages will persist for many months. Moreover, difficulties are not limited entirely to industries engaged in the fabrication of military equipment, but extend to certain lines like machine tools that must be relied on to supply the specialized equipment needed to make this fabrication possible.

To what extent the defense program will be instrumental in developing shortages of capacity outside these special situations will depend not only on the extent of the program—a matter not yet fully determined—but also on the rapidity with which it is executed. While the additional military production now contemplated will represent only a small fraction of our total industrial output, it promises to be relatively important in certain sectors of manufacturing, metal-working for instance. An aggressive prosecution of the program will set up an intensified competition for the skilled labor and specialized mechanical facilities used to produce the goods required, and is likely to result in at least a temporary reduction of the effective capacity of some industries which are not directly concerned with defense procurement, but which employ the same types of labor and machinery. This impairment of effective capacity may or may not be of importance at current levels of activity, but will be felt if these industries should have occasion to increase their output rapidly while the defense program is an expanding phase. A sudden and concentrated increase in demand such as this program involves can have widespread repercussions even at a time when there is no *general* shortage of labor or mechanical facilities.

If the defense program is instrumental in bringing out shortages of capacity outside the industries directly engaged in military production and the industries substantially affected by the competition of this production for special labor skills and machinery, it will be because of its indirect effect in stimulating economic activity elsewhere, and in raising the level of industrial output as a whole. If our own armament expenditure, coupled, say, with heavy exports of military and other materials, should develop a boom in this country

with sufficient rapidity, we would then have capacity troubles in many places and in a wide variety of industries, long before we had reached the level of production made possible by a full employment of our labor force.

As stated at the outset, it is not the purpose here to attempt to identify specifically the industries and products most likely to give trouble. A few broad observations may be in order, however. Apart from difficulties in the production of specifically military materials, where many shortages of capacity are inevitable regardless of the movement of manufacturing output as a whole, and apart from undercapacity in the production of new commodities, also more or less independent of general activity, we may expect difficulties to be concentrated in certain classes of industries.⁷

The most general class consists of industries producing goods for which demand rises rapidly on an advance in general activity. There are innumerable manufactured products for which the demand under conditions of full prosperity would be so little above the current level as to create no problem whatsoever from the standpoint of capacity. Most food products, for example, are in this category. There is a large intermediate class of commodities subject to wider but still moderate cyclical fluctuations in demand (clothing and housefurnishings may be cited) which in general offer little cause for worry. As a broad proposition, capacity difficulties, other than those directly attributable to military requirements or to the introduction of new commodities, are likely to be centered in industries subject to violent cyclical swings in demand.

Since the majority of these industries operate normally on a one-shift basis, they have a wide margin of safety on the mechanical side. Although a rapid advance of general activity into new ground would make even this margin inadequate in many cases, it is probable that lack of mechanical capacity would be infrequent compared with shortages of skilled labor. The process of adding the extra shifts needed for a full utilization of such capacity would commonly develop shortages of specific labor skills *before* the

⁷ It may be appropriate to mention in passing a third class of difficulties relatively independent of general activity, namely, those attributable to the cutting off or curtailment of foreign materials as a result of war. Such difficulties have already developed in certain lines, paper for instance, and more may be forthcoming. As they are essentially unpredictable they will not be further discussed.

mechanical limits were reached. This would not be true, of course, of industries dependent only on unskilled or slightly skilled labor.

Of the industries subject to wide cyclical swings in demand, those which customarily operate on a continuous basis seem more liable to mechanical shortages. The capacity of these industries is already normally geared to three-shift operation. In many of them, moreover, the physical plant is so highly specialized that it cannot be augmented by conversion from other lines of production, and so heavy that it cannot be rapidly expanded by the addition of new units. Steel capacity may be cited as an example.

It should not be inferred from the fact that mechanical shortages are likely to occur in only a small minority of industries numerically that they would be unimportant from the standpoint of the economy in general. A real squeeze in a basic line like steel could bedevil a vast area of production. Whether mechanical undercapacity would be more serious on the whole than skilled labor shortages in the event of a rapid advance of general activity it is difficult to say. The answer is not inferable simply from the greater frequency of non-mechanical difficulties.

One further observation may be made on the subject of mechanical capacity. The potential *quantitative* inadequacy of our present facilities is less general than existing *qualitative* deficiency. The low average rate of additions and replacements during the past decade has left our manufacturing plant in a state of unusual obsolescence.⁸ Quantitative shortages of mechanical capacity delay the attainment of the production potential

⁸ This conclusion is supported by the results of the quinquennial survey of metal-working equipment conducted by the *American Machinist*. The percentages of the existing equipment over 10 years of age are as follows: 1925, 44; 1930, 48; 1935, 65; 1940, 70.

made possible by the size of our labor force; qualitative deficiencies make this potential itself lower than it should be in the existing state of technology. The restriction of production through the use of obsolete equipment is not only more widespread at all times than the restriction due to purely quantitative shortages; unlike the latter, it is present in some measure regardless of the level of activity. This type of undercapacity, if such it may be called, is perennially present.

To summarize: We face acute shortages of manufacturing capacity both human and mechanical, in the production of certain military materials and in some closely related lines. Difficulties may develop in some other industries which are affected by the competition of military production for special types of labor and machinery. The curtailment or cutting off of imported materials as a result of the war has already created trouble in some quarters and may be further effective. Apart from these special situations, the frequency and gravity of shortages of capacity will depend largely on the rate at which manufacturing output as a whole climbs into new territory. The most important danger zones on the mechanical side, exclusive of those in the special situations just enumerated, appear to be in continuous-process industries subject to side cyclical fluctuations in demand. On the human side, they are in industries which are subject to fluctuating demand and which use highly specialized labor. Much will depend on the energy and foresight with which deficiencies are prevented or corrected. It remains true in any event that the surest protection is a rate of expansion in manufacturing activity gradual enough to permit a satisfactory adjustment of capacity difficulties as we proceed.

From a Legal Standpoint

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

Stock Deposited With Broker For Him to Lend

The Board recently considered a case in which a customer wished to deliver certain registered nonexempted stocks to a broker with the understanding that the broker would offer to lend this stock in the "loan crowd" on a national securities exchange. Various questions were presented as to how such a transaction in a number of different circumstances must be handled under Regulation T, including the question of what restrictions the regulation imposes on the customer's later withdrawal of the shares.

Funds left with broker.—The inquiry indicated that the customer had no intent to use the stock as collateral for brokerage transactions. In view of this fact the Board stated at the outset that the regulation would permit the broker to receive the securities in a special miscellaneous account under the provisions of section 4(f) (6) if the customer desired merely to deposit the stock with the creditor for lending purposes and also was willing to leave with the broker the funds received by the broker on lending the stock. Such an arrangement in which the stockholder received no funds as a result of depositing the stock with the brokers would clearly be authorized under section 4(f) (6), which provides that in a special miscellaneous account a creditor may "(subject to any other applicable provisions of law) receive from or for any customer, and pay out or deliver to or for any customer, any money or securities." If such procedure were followed, the regulation would permit the stock to be freely withdrawn at any time.

Funds withdrawn to purchase or carry securities.—If the stockholder wishes to receive funds from the broker as a result of depositing the shares, further questions arise. He could receive the standard maximum loan value of the stock, now 60 per cent of current market value, in a general account. Assuming no other transactions in the account which cause any demand for margin under the regu-

lation to be outstanding, the stock could be withdrawn at any time by depositing in the account the then maximum loan value of the shares withdrawn, or enough to reduce the adjusted debit balance of the account to the maximum loan value of the securities in the account, whichever deposit would be smaller. The regulation does not permit any less restrictive arrangement if the stockholder wishes to obtain funds for the general purpose of purchasing or carrying or trading in securities.

Funds not for purchasing or carrying securities.—Section 4(f) (8) and its related provision, section 7(c), provide that:

"4(f) *Special miscellaneous account.*—In a special miscellaneous account, a creditor may—

"(8) Extend and maintain credit to or for any customer without collateral or on any collateral whatever for any purpose other than purchasing or carrying or trading in securities."

* * * * *

"7(c) *Declaration as to purpose of loan.*—Every extension of credit on a registered security (other than an exempted security) shall be deemed to be for the purpose of purchasing or carrying or trading in securities, unless the customer shall file with the creditor a written declaration signed by the customer which shall state the use to be made of such credit and which shall state specifically that such credit is neither for the purpose of purchasing or carrying or trading in securities nor for the purpose of evading or circumventing the provisions of this regulation. In connection with any extension of credit, a creditor may rely upon such a written declaration unless he knows the statement to be false or has information which would put a prudent man upon inquiry and if investigated with reasonable diligence would lead to the discovery of the falsity of the statement."

Under these provisions the broker could receive the stock in a special miscellaneous account and could advance to the customer all or any part of the funds the broker received in lending the stock, but in such event the advance to the customer could not be for the purpose of purchasing or carrying or trading in securities, and since the securities are registered and nonexempted the broker would have to obtain an appropriate declaration in accordance with section 7(c).

Purpose of loan.—The question whether a particular loan is for the purpose of purchasing or carrying or trading in securities and whether the broker is justified in accepting a declaration under section 7(c) in a particular case is necessarily a question of fact that must turn on all the relevant circumstances involved in the case.

It appeared that although the customer might as a matter of policy prefer not to leave the funds with the broker, he nevertheless might not wish to use the funds for any purpose except to withdraw them and put them in safekeeping pending the return of the stock. If such is the case and the customer keeps the funds in a safe deposit box, special deposit, or other similar form until the return of the shares, the broker would clearly be justified in accepting a declaration under section 7(c).

If, on the other hand, the customer does not treat the funds in this manner and also purchases or carries or trades in securities near the time of the loan, it would seem that as a general proposition the broker should assume the loan to be for such purpose. While it is of course conceivable that in some such circumstances the loan might not be for the purpose, there is a very strong likelihood that it is, and it should be carefully scrutinized as probably being unable to qualify under sections 4(f) (8) and 7(c).

Not a cash transaction.—The inquiry suggested the possibility that the loan of the stock might be regarded as a sale and the return of the stock as a purchase by the customer, so that the entire transaction might be handled by the broker in a special cash account subject to the provisions of section 4(c) of Regulation T. In the opinion of the Board, however, such a use of a special cash account is not permitted by the regulation.

Other payments in connection with stock loaned.—In addition to the general questions discussed above, several questions were raised as to the application of the regulation to certain other payments in connection with the stock loaned. Such questions related specifically to payments by the broker to the customer in connection with premiums received on the lending of stock, in connection with the payment of a cash dividend on the stock, in connection with the stock being "marked to the market" in case it increases in value, or in connection with the payment of a stock dividend on the stock. These matters are discussed below.

Premium on lending.—With respect to the broker's payment to the customer of a sum equal to a premium which the broker received on the lending of the stock, it was assumed that the customer was not to return such amount when he receives his stock back from the broker. If this is the case, it may be stated as a general proposition that such a payment by the broker would not be limited by any provision of the regulation. So far as concerns the procedure or mechanics of the matter, it may be noted that if the premium is credited to a general account and is not withdrawn on the same day it may, as a part of the account, become subject to withdrawal restrictions at a later date; but any difficulty on this point could be avoided by transferring the sum on the same day from the general account to a special miscellaneous account pursuant to section 4(f) (6) of the regulation.

Cash dividend on stock.—It was assumed that any amounts paid by the broker to the customer in connection with a cash dividend on the stock also would not be repaid by the customer to the broker. If such is the case, their status would be the same as that of payments connected with a premium on the lending of the stock, with the minor exception that in case the dividends had been credited to a general account section 6(g) would permit the withdrawal of such dividends at any time within 35 days thereafter if the crediting had not served in the meantime to permit any transaction which could not otherwise have been effected in the account.

Marking to market.—A different situation would, however, be presented by any payments which the broker might make to the customer as a result of the stock being "marked to the market," since it may be assumed that the customer would repay such funds to the broker when his stock is returned to him by the broker. Accordingly, such payments to the customer would be subject to the same requirements as those indicated for payments in connection with an original deposit of the stock.

Stock dividends on stock.—With respect to stock dividends, the result would depend on whether the broker delivers to the customer the actual stock dividend, or cash based on the stock dividend. If stock is delivered, presumably the customer would not return it to the broker. If this is the case, it would have the same status as that discussed above in connection with a premium on the lending of the shares, since section 6(g) allowing 35

days for the payment of cash dividends does not apply to stock dividends. However, if the broker advances cash to the customer on the basis of the stock which was received as a dividend and the customer is later to repay such amount and receive the stock, the requirements stated above with respect to the original deposit of stock would apply.

Executive Order and Regulations on Transfers of French Property

The Executive Order of April 10, 1940, as amended May 10, 1940, and the Treasury Regulations issued thereunder on the same days providing that transfers of credit, foreign exchange transactions, the export or earmarking of coin, bullion, or currency, or other similar operations, by persons or institutions in the United States which involve property of Norway, Denmark, Belgium, Luxembourg, or the Netherlands, or any national thereof, shall be subject to license by the Secretary of the Treasury, were amended on June 17, 1940, so as to include property of France or any national thereof.

The text of the Executive Order and accompanying Regulations of April 10 and amendments thereto of May 10 are quoted in full on pages 390-393 of the Federal Reserve BULLETIN for May 1940 and on pages 509-513 of the Federal Reserve BULLETIN for June 1940. The texts of the June 17 amendments are as follows:

EXECUTIVE ORDER NO. 8446

Amendment of Executive Order No. 8389 of April 10, 1940, as Amended

By virtue of the authority vested in me by section 5(b) of the Act of October 6, 1917 (40 Stat. 411), as amended, and by virtue of all other authority vested in me, I, FRANKLIN D. ROOSEVELT, PRESIDENT of the UNITED STATES OF AMERICA, do hereby amend Executive Order No. 8389 of April 10, 1940, as amended, so as to extend all the provisions thereof to, and with respect to, property in which France or any national thereof has at any time on or since June 17, 1940, had any interest of any nature whatsoever, direct or indirect; except that, in defining "France" and "national" of France the date "June 17, 1940" shall be substituted for the dates appearing in the definitions of countries and nationals thereof.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
June 17, 1940.

JULY 1940

Treasury Department, Office of the Secretary,
June 17, 1940

AMENDMENTS TO REGULATIONS *

The Regulations of April 10, 1940, as amended (Sections 130.1 to 130.6), are further amended so as to extend all the provisions thereof to, and with respect to, property in which France or any national thereof has at any time on or since June 17, 1940, had any interest of any nature whatsoever, direct or indirect; except that reports on Form TFR-100 with respect to all property situated in the United States on June 17, 1940, in which France or any national thereof has at any time on or since June 17, 1940, had any interest of any nature whatsoever, direct or indirect, shall be filed by July 17, 1940.

H. MORGENTHAU, JR.,
Secretary of the Treasury.

Approved: June 17, 1940.

FRANKLIN D. ROOSEVELT.

General Rulings and General Licenses Issued by Secretary of the Treasury

The following General Rulings and General Licenses have been issued by the Secretary of the Treasury under authority of the Executive Order of April 10, 1940, as amended, and Regulations issued pursuant thereto, relating to transactions in foreign exchange, etc. The Executive Order and Regulations, together with earlier General Rulings and General Licenses, were published on pages 509-516 of the Federal Reserve BULLETIN for June 1940.

Treasury Department, Office of the Secretary,
June 3, 1940

General Ruling No. 3, Under Executive Order No. 8389, April 10, 1940, As Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.

The attention of banks, brokers, transfer agents, registrars and all other persons and banking institutions in the United States is invited to the fact that the Treasury Department construes Executive Order No. 8389, April 10, 1940, as amended, and the Regulations issued pursuant thereto as prohibiting the acquisition, transfer, disposition, transportation, importation, exportation, or withdrawal of, or the endorsement or guarantee of signatures on, or otherwise dealing in, or with respect to, any security (or evidence thereof) registered or inscribed in the name of Norway, Denmark, the Netherlands, Belgium or Luxembourg or any national thereof, except pursuant to a specific license, irrespective of the fact that at any time (either prior to, on, or subsequent to April 10, 1940) the registered or inscribed owner thereof may have, or appears to have, assigned, transferred or otherwise disposed of any such security. Applications for licenses should be made in the manner pro-

* Sections 130.1 to 130.6: Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; Public Resolution No. 69, 76th Congress; 12 U. S. C. 95a; Ex. Order 6560, Jan. 15, 1934; Ex. Order 8389, April 10, 1940; Ex. Order 8405, May 10, 1940; Ex. Order 8446, June 17, 1940.

From a Legal Standpoint

vided in the Regulations issued under the Executive Order of April 10, 1940, as amended.

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 3, 1940

General Ruling No. 4, Under Executive Order No. 8389, April 10, 1940, As Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.

Except as otherwise specifically indicated, all definitions appearing in Executive Order No. 8389, of April 10, 1940, as amended, and the Regulations issued thereunder, shall apply to the terms employed in all rulings, licenses, instructions, etc., issued pursuant to such Executive Order and Regulations.

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 6, 1940

General Ruling No. 5, Under Section 5(b) of the Act of October 6, 1917 (40 Stat. 411), As Amended, Executive Order No. 8389 of April 10, 1940, As Amended, and Regulations Issued Pursuant Thereto, and Under All Other Authority of Law.

The sending, mailing, importing or otherwise bringing into the United States, on and after June 7, 1940, from any foreign country, of any securities or evidences thereof or the receiving or holding in the United States of any securities or evidences thereof so brought into the United States is prohibited, except on condition that such securities and evidences thereof be immediately delivered for examination to a Federal Reserve bank as fiscal agent of the United States. Such Federal Reserve bank, as fiscal agent of the United States, shall hold such securities and all evidences thereof until the Treasury Department is satisfied as to whether or not any of the countries named in Executive Order No. 8389, as amended, or any national thereof has at any time on or since the dates specified in such Order, as amended, had any interest of any nature whatsoever, direct or indirect, in such securities or evidences thereof. Proof as to whether or not any of such countries or any national thereof has had any such interest may be submitted to the Federal Reserve bank holding such securities or evidences thereof.

Customs officers and postal employees are instructed to deliver any such securities or evidences thereof to a Federal Reserve bank. Any articles arriving from any foreign country on or after June 7, 1940, which in the opinion of customs officers or postal employees contain such securities or evidences thereof, shall be subjected to customs inspection in accordance with the Customs Regulations of 1937. If any article opened by an addressee or his agent in the presence or under the supervision of a customs officer or postal employee is found to contain such securities or evidences thereof, such securities or evidences thereof shall be surrendered forthwith to such customs officer or postal employee for delivery to a Federal Reserve bank, as above provided.

H. MORGENTHAU, JR.,
Secretary of the Treasury.

Approved: June 6, 1940.

FRANKLIN D. ROOSEVELT.

Treasury Department, Washington
June 7, 1940

The Secretary of the Treasury today announced that, until further notice, securities coming into the United States from Great Britain, France, Canada, Newfoundland or Bermuda need not be forwarded to a Federal Reserve bank for examination under General Ruling No. 5, issued on June 6, 1940, relating to examination of securities brought into the United States.

Treasury Department, Washington,
June 17, 1940

Supplementing his statement of June 7, 1940, the Secretary of the Treasury announced today that, until further notice, securities coming into the United States on or after June 17 from France must be forwarded to a Federal Reserve bank for examination under General Ruling No. 5, issued on June 6, 1940, relating to examination of securities brought into the United States.

Treasury Department, Office of the Secretary,
June 17, 1940

Amendment to General Ruling No. 3 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.

General Ruling No. 3 is hereby amended to read as follows:

"The attention of banks, brokers, transfer agents, registrars and all other persons and banking institutions in the United States is invited to the fact that the Treasury Department construes Executive Order No. 8389, April 10, 1940, as amended, and the Regulations issued pursuant thereto as prohibiting the acquisition, transfer, disposition, transportation, importation, exportation, or withdrawal of, or the endorsement or guarantee of signatures on, or otherwise dealing in, or with respect to, any security (or evidence thereof) registered or inscribed in the name of any country designated in Executive Order No. 8389, April 10, 1940, as amended, or any national thereof, except pursuant to a specific license, irrespective of the fact that at any time (either prior to, on, or subsequent to April 10, 1940) the registered or inscribed owner thereof may have, or appears to have, assigned, transferred or otherwise disposed of any such security. Applications for licenses should be made in the manner provided in the Regulations issued under Executive Order No. 8389, April 10, 1940, as amended."

D. W. BELL,

Acting Secretary of the Treasury.

Treasury Department, Office of Secretary,
May 16, 1940.

*Revocation of General License No. 8 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

General license No. 8, authorizing banking institutions within the United States to make all payments,

* Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; Public Resolution No. 69, 76th Congress; 12 U.S.C. 95a; Ex. Order 6560, Jan. 15, 1934; Ex. Order 8389, April 10, 1940; Ex. Order 8405, May 10, 1940; Regulations, April 10, 1940, as amended, May 10, 1940.

From a Legal Standpoint

transfers and withdrawals from accounts in the name of any of the following: Javasche Bank, Nederlandsche Handel-Maatschappij, Nederlandsche Indische Handelsbank and Nederlandsch-Indische Escompto Maatschappij, is hereby revoked.

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of Secretary,
May 17, 1940.

*Amendment to General License No. 3 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

General License No. 3 is hereby amended to read as follows:

"A general license is hereby granted authorizing banking institutions within the United States:

(a) to make payments from accounts in which Norway or Denmark or a national thereof has a property interest within the meaning of the Executive Order of April 10, 1940, as amended, and the Regulations issued thereunder, of checks and drafts drawn or issued prior to April 8, 1940, and to accept and pay and debit to such accounts drafts drawn prior to April 8, 1940, under letters of credit, and

(b) to make payments from accounts in which the Netherlands, Belgium or Luxembourg or a national thereof has a property interest within the meaning of the Executive Order of April 10, 1940, as amended, and the Regulations issued thereunder, of checks and drafts drawn or issued prior to May 10, 1940, and to accept and pay and debit to such accounts drafts drawn prior to May 10, 1940, under letters of credit;

"Provided, that each banking institution making, after May 17, 1940, any payment or debit authorized by this general license shall file promptly with the appropriate Federal Reserve bank weekly reports showing the details of such transactions."

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of Secretary,
May 20, 1940.

*Amendment to General License No. 10 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

General License No. 10 is hereby amended to read as follows:

"A general license is hereby granted authorizing banking institutions within the United States to make all payments, transfers and withdrawals from accounts in the name of the Banque Belge pour l'Etranger, Overseas, Ltd., including its New York agency, the Banque Belge pour l'Etranger in Paris, including its Marseilles agency, the Banque Belge et Internationale en Egypte, the branches and agencies of the Banque Italo-Belge in London, Paris, Le Havre, Buenos Aires, Montevideo, Rio de Janeiro, Sao Paulo, Santos and Campinas, the branches of the Banque Belge pour l'Etranger—Extreme Orient in Shanghai, Tientsin, Hongkong and Hankow, and the

office in Bordeaux and the branches in London and the Belgian Congo of the Banque du Congo Belge.

"Banking institutions within the United States making such payments, transfers, or withdrawals shall file promptly with the appropriate Federal Reserve bank weekly reports showing the details of the transactions during such period."

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of Secretary,
May 31, 1940.

*General License No. 13 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

A general license is hereby granted authorizing banking institutions within the United States to make all payments, transfers and withdrawals from accounts in the name of any of the following: the head offices in Java of the Javasche Bank, Nederlandsche Handel Maatschappij, Nederlandsch Indische Handelsbank and Nederlandsch Indische Escompto Maatschappij, the branch offices in Kobe, Shanghai, Amoy, Hongkong, Manila, Singapore, Bombay and Calcutta of the Nederlandsch Indische Handelsbank and the branch offices in Kobe, Djeddah and Shanghai of the Nederlandsche Handel Maatschappij.

Banking institutions within the United States making such payments, transfers, or withdrawals shall file promptly with the appropriate Federal Reserve bank weekly reports showing the details of the transactions during such period.

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of Secretary,
June 3, 1940.

*Amendment to General License No. 4 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

General license No. 4 is hereby amended to read as follows:

"A general license is hereby granted authorizing the bona fide sale of securities on a national securities exchange by banking institutions within the United States for the account, and pursuant to the authorization, of nationals of Norway, Denmark, the Netherlands, Belgium or Luxembourg, and the making and receipt of payments, transfers of credit, and transfers of such securities which are necessary incidents of any such sale, provided that:

(a) the proceeds of the sale are credited to an account in the name of the national for whose account the sale was made and in the banking institution within the United States which held the securities for such national; and

* Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; Public Resolution No. 69, 76th Congress; 12 U.S.C. 95a; Ex. Order 6560, Jan. 15, 1934; Ex. Order 8389, April 10, 1940; Ex. Order 8405, May 10, 1940; Regulations, April 10, 1940, as amended, May 10, 1940.

From a Legal Standpoint

(b) this general license shall not be deemed to authorize (1) the sale of any security registered or inscribed in the name of Norway, Denmark, the Netherlands, Belgium or Luxembourg, or any national thereof, irrespective of the fact that at any time (whether prior to, on, or subsequent to April 10, 1940) the registered or inscribed owner thereof may have, or appears to have, assigned, transferred or otherwise disposed of the security; or (2) the sale of any securities not physically situated in the United States on June 1, 1940.

"Each banking institution making any sales herein authorized is required to file promptly with the appropriate Federal Reserve bank weekly reports showing the details of the transactions, including a description of the securities sold, the dates of sales, the persons for whose account the sales were made, and the prices obtained.

"This amendment of General License No. 4 shall not be deemed to prevent the completion on or prior to June 6, 1940, of purchases and sales, which were made prior to June 4, 1940, pursuant to General License No. 4, of securities other than securities registered or inscribed in the name of Norway, Denmark, the Netherlands, Belgium or Luxembourg, or any national thereof."

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 4, 1940.

*General License No. 14 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

A general license is hereby granted authorizing banking institutions within the United States to make all payments, transfers and withdrawals from accounts in the name of any of the following: Curacao'sche Bank, Willemstad, Curacao; Maduro & Curiel's Bank, Willemstad, Curacao; Edwards Henriquez & Co., Willemstad, Curacao; and Aruba Bank, Oranjestad, Aruba.

Banking institutions within the United States making such payments, transfers, or withdrawals shall file promptly with the appropriate Federal Reserve bank weekly reports showing the details of the transactions during such period.

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 4, 1940.

*General License No. 15. Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

A general license is hereby granted authorizing banking institutions within the United States:

(1) To issue, confirm or advise import letters of credit in favor of exporters in the Netherlands East Indies to finance imports therefrom into the United States, and to accept and pay drafts drawn by such exporters under such letters of credit; and

(2) To issue, confirm or advise export letters of credit in favor of exporters within the United States to finance exports therefrom to the Netherlands East Indies; to accept and pay drafts drawn by such exporters under such letters of credit; and to reimburse such banking institutions for payments under such letters of credit.

The issuance and transfer of documents of title in connection with such import or export letters of credit in accordance with the instructions of the persons entitled to issue such instructions are also hereby authorized.

Banking institutions issuing, confirming or advising letters of credit or accepting or paying drafts drawn, and all persons (including banking institutions) issuing or transferring documents of title pursuant to this general license, shall file promptly with the appropriate Federal Reserve bank weekly reports showing the details of the transactions during such period.

For the purpose of this general license the Netherlands East Indies shall be deemed to include the following: Java and Madura, Sumatra, Riuw-Lingga archipelago, Banka, Billiton, Celebes, Borneo (West, South and East Divisions), Timor archipelago, Bali and Lombok, Lesser Sunda Islands and Dutch New Guinea.

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 13, 1940

*Revocation of General License No. 3, as Amended, Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

General License No. 3, as amended, authorizing banking institutions within the United States:

- (a) to make payments from accounts in which Norway or Denmark or a national thereof has a property interest within the meaning of the Executive Order of April 10, 1940, as amended, and the Regulations issued thereunder, of checks and drafts drawn or issued prior to April 8, 1940, and to accept and pay and debit to such accounts drafts drawn prior to April 8, 1940, under letters of credit, and
- (b) to make payments from accounts in which the Netherlands, Belgium or Luxembourg or a national thereof has a property interest within the meaning of the Executive Order of April 10, 1940, as amended, and the Regulations issued thereunder, of checks and drafts drawn or issued prior to May 10, 1940, and to accept and pay and debit to such accounts drafts drawn prior to May 10, 1940, under letters of credit;

is hereby revoked.

D. W. BELL,
Acting Secretary of the Treasury.

* Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; Public Resolution No. 69, 76th Congress; 12 U. S. C. 95a; Ex. Order 6560, Jan. 15, 1934; Ex. Order 8389, April 10, 1940; Ex. Order 8405, May 10, 1940; Regulations, April 10, 1940, as amended, May 10, 1940.

From a Legal Standpoint

Treasury Department, Office of the Secretary,
June 17, 1940

*General License No. 16, Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

General Licenses Nos. 1, 2, 4, 5, 9, 11 and 12, as amended, issued under Executive Order No. 8389 of April 10, 1940, as amended, are hereby further amended so that as of the date hereof there shall be substituted for the words "Norway, Denmark, the Netherlands, Belgium or Luxembourg," wherever they appear in such General Licenses, the words "Norway, Denmark, the Netherlands, Belgium, Luxembourg or France."

General License No. 12, issued under Executive Order No. 8389 of April 10, 1940, as amended, is hereby further amended by substituting a comma for the semi-colon at the end of subdivision 2 thereof and adding thereafter the following:

"or subject to the property interests therein as of June 17, 1940, of France or any national thereof;"

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 17, 1940

*General License No. 17 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

A general license is hereby granted authorizing banking institutions within the United States to make payments from accounts in which France or a national thereof has a property interest within the meaning of the Executive Order of April 10, 1940, as amended, and the Regulations issued thereunder, of checks and drafts drawn or issued prior to June 17, 1940, and to accept and pay and debit to such accounts drafts drawn prior to June 17, 1940, under letters of credit; provided, that each banking institution making any payment or debit authorized by this general license shall file promptly with the appropriate Federal Reserve bank weekly reports showing the details of such transactions.

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 18, 1940

*General License No. 18 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

A General License is hereby granted authorizing banking institutions within the United States to make all payments, transfers and withdrawals from accounts in the name of the French American Banking Corporation, New York City.

Banking institutions within the United States making such payments, transfers or withdrawals shall file promptly with the appropriate Federal Reserve

bank weekly reports showing the details of the transactions during such period.

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 18, 1940

*General License No. 19 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

A General License is hereby granted authorizing banking institutions within the United States to make all payments, transfers and withdrawals from accounts in the name of any of the following: Banco Holandés Unido, Buenos Aires, Argentina, Carácas and Maracaibo, Venezuela; Banco Hollandez Unido, Rio de Janeiro, Santos and São Paulo, Brazil.

Banking institutions within the United States making such payments, transfers or withdrawals shall file promptly with the appropriate Federal Reserve bank weekly reports showing the details of the transactions during such period.

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 19, 1940

*General License No. 20 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

A general license is hereby granted authorizing banking institutions within the United States to make all payments, transfers and withdrawals from accounts in the name of any individual who is a citizen of the United States and who is domiciled in, or resident of, the Netherlands East Indies or the Netherlands West Indies; provided that no foreign country named in Executive Order No. 8389, as amended, or any national thereof (other than such citizen of the United States) has, or has had at any time (whether prior to, on, or subsequent to April 10, 1940), any interest of any nature whatsoever, direct or indirect, in such account.

Banking institutions within the United States making such payments, transfers or withdrawals shall file promptly with the appropriate Federal Reserve bank weekly reports showing the details of the transactions during such period.

For the purpose of this general license the Netherlands East Indies and the Netherlands West Indies shall be deemed to include the following, respectively:

Netherlands East Indies—Java and Madura, Sumatra, Riouw-Lingga archipelago, Banka, Billiton, Celebes, Borneo (West, South and East Divisions), Timor archipelago, Bali and Lombok, Lesser Sunda Islands and Dutch New Guinea.

Netherlands West Indies—Dutch Guiana, Dutch St. Martin, Curacao, Bonaire, Aruba, St. Eustatius and Saba.

D. W. BELL,
Acting Secretary of the Treasury.

* Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; Public Resolution No. 69, 76th Congress; 12 U. S. C. 95a; Ex. Order 6560, Jan. 15, 1934; Ex. Order 8389, April 10, 1940; Ex. Order 8405, May 10, 1940; Ex. Order 8446, June 17, 1940; Regulations, April 10, 1940, as amended May 10, 1940, and June 17, 1940.

From a Legal Standpoint

Treasury Department, Office of the Secretary,
June 19, 1940

*Amendment to General License No. 2 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

General License No. 2 is hereby amended to read as follows:

"A General License is hereby granted authorizing banking institutions within the United States to debit accounts with such banking institutions in which Norway, Denmark, the Netherlands, Belgium, Luxembourg or France or a national thereof has a property interest within the meaning of the Executive Order of April 10, 1940, as amended, and the Regulations issued thereunder, in payment or reimbursement for interest due to such banking institutions, cable, telegraph, telephone charges, or postage costs, custody fees and service charges, including but not by way of limitation minimum balance charges, account carrying charges and reference books, notary and protest fees, photostats, credit reports, transcripts of statements, registered mail insurance, stationery and supplies, checkbooks and other similar items, provided that all banking institutions making any such debits shall file promptly with the appropriate Federal Reserve bank weekly reports showing the details of such debits."

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 21, 1940

*General License No. 21 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

A General License is hereby granted authorizing banking institutions within the United States to make all payments, transfers and withdrawals from accounts in the name of the Netherlands Trading Society East, London.

Banking institutions within the United States making such payments, transfers or withdrawals shall file promptly with the appropriate Federal Reserve bank weekly reports showing the details of the transactions during such period.

D. W. BELL,
Acting Secretary of the Treasury.

* Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; Public Resolution No. 69, 76th Congress; 12 U. S. C. 95a; Ex. Order 6560, Jan. 15, 1934; Ex. Order 8389, April 10, 1940; Ex. Order 8405, May 10, 1940; Ex. Order 8446, June 17, 1940; Regulations, April 10, 1940, as amended May 10, 1940 and June 17, 1940.

Treasury Department, Office of the Secretary,
June 25, 1940

*Revocation of General License No. 10, as Amended, Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto Relating to Transactions in Foreign Exchange, Etc.**

General License No. 10, as amended, authorizing banking institutions within the United States to make all payments, transfers and withdrawals from accounts in the name of the Banque Belge pour l'Etranger, Overseas, Ltd., including its New York agency, the Banque Belge pour l'Etranger in Paris, including its Marseilles agency, the Banque Belge et Internationale en Egypte, the branches and agencies of the Banque Italo-Belge in London, Paris, Le Havre, Buenos Aires, Montevideo, Rio de Janeiro, Sao Paulo, Santos and Campinas, the branches of the Banque Belge pour l'Etranger—Extreme Orient in Shanghai, Tientsin, Hongkong and Hankow, and the office in Bordeaux and the branches in London and the Belgian Congo of the Banque du Congo Belge is hereby revoked.

D. W. BELL,
Acting Secretary of the Treasury.

Treasury Department, Office of the Secretary,
June 26, 1940

*Revocation of General License No. 7 Under Executive Order No. 8389, April 10, 1940, as Amended, and Regulations Issued Pursuant Thereto, Relating to Transactions in Foreign Exchange, Etc.**

General License No. 7 authorizing all payments, transfers and withdrawals from accounts of the Government of Belgium and the Banque Nationale de Belgique is hereby revoked.

H. MORGENTHAU, JR.,
Secretary of the Treasury.

Financial Transactions Under Neutrality Act of 1939

The President of the United States on June 10, 1940, issued a proclamation under authority of section 1 of the Neutrality Act of 1939 (Pub. Res. No. 54, 76th Cong.), approved November 4, 1939, proclaiming that a state of war exists between Italy, on the one hand, and France and the United Kingdom, on the other hand. Section 7 of the Neutrality Act of 1939, with respect to financial transactions by persons within the United States relating to countries named in the Presidential proclamation, is quoted in full on page 1054 of the Federal Reserve BULLETIN for December 1939.

From the Board's Correspondence

THE character and volume of inquiries addressed to the Board in recent years reflect the public's growing interest in problems related to money and banking. The inquiries cover a wide range of subjects representing many points of view, and it is believed that some of the questions raised, together with the Board's replies, may be of interest to the readers of the BULLETIN. Selections for publication are made on the basis of frequency of inquiry, timeliness, and importance of subject matter.

The Currency Function of the Federal Reserve Banks

Inquiries are frequently received concerning the currency function of the Federal Reserve Banks. To explain in detail how the Federal Reserve Banks furnish an elastic currency in response to the needs of the public, the following statement has been prepared and is printed in this month's issue of the BULLETIN as a matter of general information.

THREE fundamental facts must be kept in mind in order to understand the functions of the Federal Reserve Banks in relation to the country's supply of currency. These facts are: (1) the Federal Reserve Banks are semi-public institutions with Government representation on the boards of directors; they operate under the general supervision and in some vital matters under the control of the Board of Governors of the Federal Reserve System, a Governmental body whose members are appointed by the President with the advice and consent of the Senate. (2) The Federal Reserve Banks are not operated for the purpose of making profits, but for the purpose of serving the public interest in ways prescribed by the law. (3) The amount of money in circulation is determined by the needs of the public and not by the Federal Reserve Banks.

The Federal Reserve Banks were created for purposes stated as follows in the preamble to the Federal Reserve Act: "To furnish an elastic currency, to afford means of rediscounting commercial paper, and to establish more effective supervision of banking in the United States." The principal functions of the Federal Reserve System are to exert an influence on changes in the supply and cost of credit with the view to accommodating com-

merce and business, to hold the reserves of member banks and to make advances to them when they are in need of additional funds, to supply an elastic currency, to facilitate the collection of checks and interregional transfers of credit, to act as fiscal agents and depositaries of the United States Treasury and other Governmental agencies.

The assertion sometimes made that the Government has turned over the power to issue money to a private agency which uses such power for its own profit is contrary to the facts both as a matter of law and as a matter of practical operation.

The amount of money in circulation at a given time represents what the public collectively wants, since currency always moves out of the Federal Reserve Banks when the demand for it increases and returns to them when the demand subsides. This is what is meant by an elastic currency. When currency is needed, the public obtains it from its local banks, and the latter obtain it from the Federal Reserve Banks. When it is not needed, the public deposits it in the local banks, and the local banks in turn redeposit it in the Federal Reserve Banks. The Federal Reserve Banks may be regarded as reservoirs from which additional currency is drawn when the public requires it and to which currency not required by the public is returned. The Federal Reserve Banks have no direct way of keeping in circulation a larger amount of currency than the public requires, or reducing the amount of currency that the public needs to finance its current operations.

The demand for currency is determined by various conditions. A certain minimum is required for day-to-day cash expenditures of individuals; a certain minimum is required for pay rolls. There are times when personal expenditures rise, as during holidays, and there are times when pay rolls rise, as during autumn. Certain individuals, businesses, and communities have their own periods when they need more or need less cash than ordinarily. The net effect of all of these factors is that the amount of currency which is used for these purposes shows a rather regularly repeated cycle during the year. After the first of January, when retail trade falls off following the holidays, currency is redeposited in banks, and there is a tendency for the amount in circulation to decline. During the succeeding spring months, when outdoor industries become active and pay rolls increase, currency is drawn out of the banks and the amount in circulation tends to increase. This tendency is apt to be resumed during the autumn and early winter to a regularly recurring peak of demand for currency in December.

In addition to seasonal movements in demand, the amount of currency also responds to increases and decreases in trade and pay rolls as the amount of business done by the country increases or decreases. At times when production is rising, this sensitive response of currency to business needs may be of considerable importance in determining the amount of currency in circulation. Hoarding may also be an important factor in increasing the demand for currency. In the course of a few weeks in the period preceding the banking holiday in 1933, the Federal Reserve Banks furnished the public with as much as \$2,000,000,000 of additional currency.

For more than twenty-five years the Federal Reserve Banks have fully met the normal demands of the country for currency; they have also fully met peak demands both in times of prosperity and in times of depression, and they have made it possible for the volume of money to decline automatically when the public demand for it declined. Inelasticity of the currency is no longer a problem.

Machinery of note issue.—Before a Federal Reserve Bank can obtain Federal Reserve notes it must deposit as security with the local representative of the Government, known as the Federal Reserve agent, collateral at least

equal in amount to the notes to be issued. This collateral, as provided by law, may consist only of the following assets: (1) promissory notes, drafts, bills of exchange, or acceptances, usually referred to as "eligible paper"; (2) gold certificates on hand or due from the United States Treasury; and (3), until June 30, 1941, United States Government securities bought in the open market. Federal Reserve notes are a first lien on all the assets of the issuing Federal Reserve Bank, and a 40 per cent reserve in gold certificates must be maintained against them.

In all cases Federal Reserve notes are issued only for an adequate consideration. The currency an individual receives from his local bank is charged against the amount he already has to his credit on the bank's books, and the currency the local bank receives from the Federal Reserve Bank is charged against the amount it already has to its credit on the latter's books.

As of June 26, 1940, the Federal Reserve Banks had obtained \$5,453,000,000 of Federal Reserve notes, of which \$5,145,000,000 were in circulation and \$308,000,000 were held in the vaults of the Federal Reserve Banks. The collateral held against these notes was as follows:

Gold certificates on hand and	
due from U. S. Treasury . . .	\$5,558,000,000
Eligible paper	1,000,000
Total	\$5,559,000,000

Gold certificates are issuable to the Federal Reserve Banks by the United States Treasury in return for deposit credit to the Treasury's balance on the books of the Federal Reserve Banks.¹ The Federal Reserve Banks are not authorized to pay out these gold certificates. As indicated, the Federal Reserve Banks have pledged \$5,558,000,000 of these certificates against \$5,145,000,000 of their own notes in circulation. Federal Reserve notes, therefore, at present are virtually substitutes for gold held in the United States Treasury. They constitute about two-thirds of the total of \$7,780,000,000 of money in circulation.

Under the law the Federal Reserve Banks also have the authority at present to issue

¹ For explanation of the use of gold certificates, see Federal Reserve BULLETIN for June 1940, p. 531.

what are known as Federal Reserve Bank notes, which are to be distinguished from Federal Reserve notes. These notes, when issued, must be secured by at least an equal amount of collateral, which may consist either of direct obligations of the United States or of promissory notes, drafts, bills of exchange, or bankers' acceptances acquired by the Federal Reserve Banks under the provisions of the Federal Reserve Act. There are about \$22,000,000 of these notes in circulation, but the Federal Reserve Banks have deposited a sufficient amount of lawful money with the

Treasury to provide for their redemption. No such notes are now being issued.

National bank notes, of which about \$166,000,000 are still in circulation, are also no longer being issued. There are now no obligations authorized to serve as security for these notes, and the national banks have deposited with the Treasury sufficient funds to redeem all their outstanding notes, which are being retired from circulation.

All other kinds of money—United States notes, silver certificates, and coin—are issued exclusively by the United States Treasury.

Current Events

Death of Class A Director

Frank W. Sponable, President of the Miami County National Bank, Paola, Kansas, who had served as a Class A director of the Federal Reserve Bank of Kansas City since January 1, 1923, died on June 21, 1940.

Death of Class B Director

John D. Middleton, President of the Texas Refining Company, Greenville, Texas, who had served as a Class B director of the Federal Reserve Bank of Dallas since January 1, 1933, died on June 17, 1940.

New Edition of Chart Book

A new edition of the Federal Reserve Chart Book will be issued in the early part of July with all information available as of June 14, 1940, plotted on the charts. This book was first published in September 1938, containing information as of August 31, and was briefly described in the Federal Reserve BULLETIN for October 1938. The price of the book is 50 cents. A table giving current data appears regularly in the BULLETIN at the end of the section on domestic statistics.

Admissions of State Banks to Membership in the Federal Reserve System

The following State banks have been admitted to membership in the Federal Reserve System during the period May 16, 1940 to June 15, 1940, inclusive.

California

Auburn—Placer County Bank.

Indiana

Columbia City—The Farmers' Loan and Trust Company.

Crawfordsville—Elston Bank & Trust Company.

Mohawk—The Mohawk State Bank. (Organized to succeed a State member bank with similar title upon the expiration of its charter.)

West College Corner—The Farmers State Bank.

Iowa

Forest City—Forest City Bank & Trust Company.

Jesup—Farmers State Bank.

Kansas

Hoxie—The Hoxie State Bank.

Michigan

Ludington—Ludington State Bank.

Manistique—The State Savings Bank of Manistique.

Minnesota

Hawley—State Bank of Hawley.

Missouri

Springfield—The Southern Missouri Trust Company.

Ohio

Lodi—The Lodi State Bank.

Strasburg—The Citizens-State Bank of Strasburg, Ohio.

Pennsylvania

Linesville—Farmers and Merchants Bank of Linesville.

Newtown—Newtown Title and Trust Company.

Texas

Crowell—Crowell State Bank.

Cuero—Farmers State Bank & Trust Company.

Lorenzo—Lorenzo State Bank.

Sulphur Springs—Sulphur Springs State Bank.

Virginia

Amherst—Farmers and Bank of Amherst.

Wisconsin

Kewaunee—State Bank of Kewaunee.

Foreign Banking Laws and Reports

Annual Report of the Swiss National Bank

The annual report of the Swiss National Bank for the year ending December 31, 1939, was presented to the annual meeting of shareholders by the Board of Directors on February 14, 1940. Sections of the report are given in translation herewith.¹

Background of world economy.—In 1939 world economy was even more profoundly influenced than in the preceding years by the international political situation. It was hoped that the feverish diplomatic activity of governments would make possible the peaceful settlement of the conflicts. Unfortunately all efforts were fruitless and, in the early days of September, recourse to arms brought an end to diplomatic negotiations.

In most countries, armament orders and measures of war economy remained the main support of economic life. It was not possible to assure a normal and firm foundation for economic activity through the international exchange of goods. Despite intense activity in the negotiation of commercial treaties, world commerce in the first seven months of 1939 did not fully attain the value it had reached in the corresponding period of the preceding year. If industrial production increased and if unemployment decreased, it was as a result of orders from the State. As before, the spirit of enterprise of private individuals was paralyzed by circumstances.

The aggravation of the political situation in August and the opening of hostilities in September greatly altered the structure of world economy. If the search for suitable means of expanding exports formed the principal duty of Governments before this period, they have now become absorbed in the task of assuring the importation of food products

and raw materials. The fight against unemployment has been succeeded by the struggle against the high cost of living. The State has intervened in every branch of economic life, supervising imports and exports, providing for the nation's food supply and regulating production, rationing and regulating consumption, and controlling price movements. Since, from the very beginning, the battle was joined in the economic field to a greater degree than in 1914, neutral countries are already keenly feeling its consequences. Moreover, they have been driven to heavy sacrifices for the protection of their frontiers.

Economic conditions in Switzerland.—In spite of international political disturbances, the business situation in Switzerland until the outbreak of war was somewhat better than in the preceding year. Swiss industry received orders for armaments from sources at home and abroad; it also benefited, in increasing degree, from other orders which industries of various countries found themselves unable to fill because they were fully occupied in the manufacture of war materials. On the other hand, some branches of the export industry had to struggle as in the past against considerable difficulties. Because of the accumulation of clearing balances, Swiss exports to certain countries had to be cut down. During the closing months of the year, however, payments to Switzerland greatly increased in the compensation trade with Germany and Italy, so that the situation considerably improved.

In the first eight months of 1939, that is until the outbreak of hostilities, the value of the Swiss foreign trade was 223,000,000 francs greater than in the same period of the preceding year; imports contributed 133,000,000 francs and exports 90,000,000 francs to this excess. New commercial treaties were signed with foreign countries to regulate the exchange of goods and reciprocal payments. Since the first of July only a single clearing has existed between Switzerland and Ger-

¹The report, available in French, contains in addition sections dealing with economic conditions in Switzerland (agriculture, tourist trade, building, etc.) various emergency control measures, security exchanges, regulations for insurance companies, the standstill agreement with Germany, etc., as well as a section on personnel and administration of the Bank. There are also a number of tables showing the operations of the Bank in detail. For earlier reports see BULLETIN for May 1939 and 1938, April 1937, May 1936, April 1932, etc.

many (excluding the protectorate of Bohemia and Moravia); this embraces, in addition to the territory of the old Reich, Austria, the Sudeten districts and the territory of Memel. The agreement of July 5 established a better coordination of receipts and payments and contained a new formula of apportionment for payments to the various groups participating in the clearing. However, the war so greatly altered the situation that new conversations had to be undertaken. In order to maintain the trade between the two countries, at least as far as possible under the existing circumstances, it was necessary to overcome certain difficulties, especially those arising out of the accumulation of arrears in the merchandise clearing account. After tedious negotiations, an agreement was signed on October 24, 1939.

Among the measures of economic policy taken before the war, there should be mentioned the Federal decree of April 6, 1939, amending the Federal constitution to permit the appropriation and partial cover through taxes of credits to be applied to the strengthening of national defense and to relief of unemployment; it was accepted by the people by vote of June 4, 1939. By virtue of this decree, a credit of 327,700,000 francs was made available to the Federal Council to be utilized for the purposes specified, and the Confederation was authorized to collect a corresponding tax on retail trade establishments. Article 4 of the Federal decree has a particular significance for the central bank because it requires the Bank to advance from the exchange equalization fund two amounts of 75,000,000 francs each, to be loaned to the Confederation and to the cantons respectively. In return the Treasury is to deliver bills discountable at a lower rate than the official discount rate. These credits were almost entirely exhausted at the end of 1939. Following the vote of June 4, 1939, the initiative petition concerning the creation of a national employment program was withdrawn.

The opening of hostilities unfortunately caused a sharp decline in the curve of business activity which had been rising during the first eight months of the year; it entirely transformed the structure of our economic life. First of all the fact that the belligerent states interrupted the international exchange of goods has greatly reduced Switzerland's foreign commerce. It is true that we wit-

nessed, in October, a marked revival of our imports and exports. Nevertheless our export industries continued to encounter difficulties, some of them new ones. The belligerents and certain neutral States control their foreign commerce; some countries, with which payment operations were still free, have now regulated exchange transactions. General mobilization of the Swiss army and the difficulties of obtaining and more particularly of transporting the raw materials required by our factories have limited production. The shortage of labor has been offset as far as possible by lengthening working hours. The building industry has been most seriously affected by the consequences of war. The number of requests for building permits has diminished greatly and authorized projects have not been started to the extent anticipated. Undoubtedly the situation of the labor market was eased by the calling up of troops and by the necessity of replacing the working force of skilled labor; but the standstill in certain activities and the adaptation of existing enterprises to the needs of war economy, especially in watchmaking and in the textile industry, temporarily increased unemployment.

Federal finances.—The relatively favorable development of Swiss economy from the first of the year to the beginning of the war is reflected also in the position of the Federal finances; indeed the growth of merchandise imports increased customs receipts and the expansion of merchandise traffic improved the earnings of the Federal Railways. Although in September the opening of hostilities and the mobilization affected adversely the customs receipts and the receipts of Federal transportation enterprises, their total amount was 76,000,000 francs higher than in the preceding year. But war affects expenditures of the State far more profoundly than its revenues. It is scarcely possible to estimate at present the outlay imposed upon the country by the mobilization and war economy. One thing is certain, that only the spirit of sacrifice manifested by all classes of the population can prevent an immeasurable increase in the service of the Federal debt. A sound financial system requires above everything the creation of new and abundant resources. To the extent to which the returns from taxes and duties are insufficient, or when at certain periods of the year receipts are inadequate to cover current needs, neces-

sary funds will have to be obtained by borrowing. The central bank should not be called upon, except temporarily, to furnish funds by discounting rescriptions.²

Monetary policy.—No change occurred in 1939 in the guiding principles of our monetary policy. The Swiss franc was maintained at the level fixed in the instructions of the Federal Council of September 27, 1936, which represents a devaluation of about 30 per cent in relation to the former gold parity. In the first four months of the year, as a result of the demand for dollars caused by events in Europe and of the sale of Swiss securities held by foreigners, the National Bank had to give up more than 400,000,000 francs of foreign exchange. The political tension which developed in the summer did not unsettle the Swiss franc. In contrast to developments abroad, where some countries proceeded to make heavy shipments of gold to the United States, the exchange market in Switzerland preserved almost complete calm until August 25, 1939, the date on which England ceased to support the pound. Even then the National Bank provided such amounts of exchange as the market required, and after a few days the demand ceased. The fluctuations of the British pound and of the French franc, the introduction or the strengthening of exchange control in several countries, and finally the war and the general mobilization of the Swiss army had no effect on the Swiss franc. Not until the end of October did the market renew its calls on the National Bank for exchange. This exchange for the most part served to finance an excess of imports amounting to 304,000,000 francs in the last quarter of 1939 as against 44,000,000 francs in the corresponding period of 1938. Certain amounts of exchange were required to redeem Swiss obligations—banknotes and securities—which foreign exchange regulations caused to flow back to Switzerland. The amount of gold and exchange furnished by the National Bank to finance imports or to transfer capital did not amount to more than 111,000,000 francs from the end of August to the end of December; however, it should be noted that in the middle of October, Switzerland received from France some 75,000,000 Swiss francs representing the repayment of various loans.

It is natural that the recent drop in the

² "Rescriptions"—Bills of public bodies such as the Federal, Cantonal, and municipal governments, and the State Railways.

quotations of the British pound and the French franc since August should have occasioned renewed anxiety in our export industries. In normal circumstances, this alteration of exchange rates doubtless would have profoundly affected the competitive power of Switzerland in the field of prices. But war creates new conditions in the sphere of international trade. The possibility of exporting no longer depends solely, nor even primarily, on the cost of production, but rather on the absorptive capacity of the foreign markets, and especially on the promptness of deliveries. Besides, the future will show whether a large increase in foreign prices will not reduce, or indeed entirely wipe out the present price differentials.

The war has once more proved that it does not lie within the power of central banks to stabilize prices. These have risen even in countries like Sweden, where the Government has made the maintenance of stable prices the guiding principle of its monetary policy. All the measures adopted in various countries to prevent severe rises in prices concern commodities and not the currency. A report by the Board of Governors of the Federal Reserve System on March 13, 1939, demonstrates conclusively that it is impossible to regulate prices by varying the quantity of money in circulation and that the maintenance of stable price averages does not necessarily guarantee permanent prosperity.

Currency depreciation and exchange control involve considerable risks for exporters. The ordinary method of minimizing or eliminating exchange risks consists in selling forward the exchange representing credits due from foreign customers. But this procedure is not applicable in all cases; it is excluded at the outset in transactions with countries which have instituted exchange control. Since 1934, the Confederation has assumed a guarantee of part of the risks resulting from the depreciation of foreign currencies, transfer difficulties, and moratoria, as well as from the defaults of States, municipalities or other public corporations which have placed orders. The Federal law of April 6, 1939, established this guarantee on a new and broader base. For its part, the National Bank has granted advances in foreign currencies to export houses as a means of reducing exchange risks. Thanks to the cooperation between central banks and the Bank for International Settlements, the National Bank

has been able to obtain from the latter institution advances in foreign currencies which were then turned over to exporters against suitable security. As the exporter immediately converted into Swiss francs at the prevailing rate the amount loaned in foreign currency, and as he used the foreign money received in settlement of his invoice to repay the National Bank, he avoided exchange risks.

Exchange Equalization Fund.—The Confederation's imperative need of funds has aroused the desire to meet the cost of mobilization from the Exchange Equalization Fund, which was created from the so-called profit from the revaluation of gold. Considering the prevailing insecurity in the international situation, political as well as monetary, the National Bank is still convinced that, until the situation changes, this fund must not be dissipated. The reasons which prompted the Federal Council, at the time of the devaluation, to place at the disposal of the National Bank the book profit resulting from their sovereign action and to consider it as a reserve set aside to support the monetary policy of the central bank, have lost none of their validity. If the Federal authorities should nevertheless decide to utilize the fund in question, the National Bank would request that a portion be left with it as a special reserve set aside to cover the risks of monetary operations; it expects, however, that the Confederation will assume the losses resulting from monetary measures adopted by Switzerland and foreign countries, to the extent to which they exceed this reserve.

Note circulation.—Experience shows that serious political disturbances create heavy demands for currency. For example, in 1938, at the time of the conflict between Germany and Czechoslovakia, the circulation of notes of the National Bank expanded by 387,000,000 francs to 1,933,000,000 francs between September 7 and September 30, marking an increase of 25 per cent; in 1939, at the outbreak of hostilities, it rose 390,000,000 francs, or 23 per cent, to a total of 2,079,000,000 francs, between August 15 and September 2, the date of the general mobilization of the Swiss army. The situation today is not comparable to that of 1914; at that time a large quantity of gold coin was in circulation and this had to be replaced by notes at the beginning of the war.

In 1914 the National Bank was only partially prepared for war. At that time it had

been in full possession of the issue privilege for only four years; furthermore it had only a modest metallic stock, which did not permit it to adjust the total of the fiduciary circulation to the needs of business in the broad sense of the term. Accordingly the issue of bank notes and of silver coin had to be restricted very early. But when war broke out in 1939, the national bank was ready; it had gold and exchange in ample supply and was holding a considerable stock of notes. That is why its situation did not at any time compel it to restrain the circulation of bank notes. Even in the critical days at the end of August and the beginning of September, payments were made easily and without disturbance. It is true that some banks experienced considerable withdrawals of funds; but the application of the ordinary restrictions on withdrawals of funds entered in savings and other time deposits proved an adequate means of protection. Withdrawals made at cantonal banks and the big banks from creditor current accounts, savings accounts and other time deposits represented, in August 1939, 2.74 per cent of the total funds in these accounts; the percentage was 2.27 in September 1938. By comparison we may mention that in postal checking accounts, the balances belonging to holders of transfer accounts had fallen approximately 10 per cent in August from their total at the end of July. Bank customers made practically no demands for credit. The fact that the cantonal banks and the big banks were able to pay out, practically without calling on the central bank, some 650,000,000 francs of deposits—excluding inter-bank deposits—between the end of the year 1938 and the end of November 1939 attests clearly the liquidity of the Swiss banks.

The demand for notes by commerce, industry and the banks after the declaration of war indicated the desire to increase their liquidity. Private individuals had also taken the precaution to lay in a supply of notes in anticipation of mobilization or to buy household supplies. Considerable sums were drawn solely for hoarding.

This year, as in 1914, the public hoarded silver coin; as a result the National Bank found itself obliged to issue five-franc notes on August 29, 1939. The decree of the Federal Council of October 3, 1921, still in effect, conferred this power on the Bank. The five-franc notes placed in circulation in 1914 were

later withdrawn, for sanitary reasons as well as for the sake of economy, but they had not been officially abolished.

Contrary to the situation in the autumn of 1938, it was notes of 100 francs and under that were in demand, while withdrawals of notes of 1000 and 500 francs were not so large as at that time. Although somewhat diminished, the proportion of notes of large denomination in the figure for fiduciary circulation shown on the Bank's balance sheet is still extremely high; in terms of annual averages, this proportion was 36.24 per cent in 1939, 37.94 per cent in 1938, and 17.10 per cent in 1929.

Switzerland belongs to the group of countries in which the fiduciary circulation shows the greatest expansion in times of political tension. This fact is easily explainable if we recall the importance of Switzerland as an international financial center and the existence of considerable demand and time deposits which, held in the banks or in postal accounts, serve as a means of settlement without cash transfers but which can be transformed into bank notes at any time.

Experience shows that when once placed in circulation bank notes do not flow back very soon. From the point of view of the money and capital markets, the hoarding of bank notes has practically no significance, so long as the banks have sufficient funds to conduct their credit operations and so long as interest rates are low. But dishoarding is a necessity from an economic standpoint when funds needed by the economic system are drawn from the banks or withheld from them; it is also necessary when the tension prevailing on the money and capital markets causes money rates to rise. This was certainly the situation at the outbreak of the war. That is why the return to the banks of notes which are not indispensable to the conduct of business, and their concentration in the central bank, are a duty to the national economic defense.

Gentlemen's Agreement.—Because of changes which have taken place in the situation, it has not proved necessary to renew the Gentlemen's Agreement which the National Bank concluded with the banks on November 15, 1937, with a view to reducing the excessive amounts of foreign deposits in francs at Swiss banks, and which had been extended to the end of 1939. At the same time, the National Bank has expressed a de-

sire that the banks continue to refuse safekeeping of Swiss bank notes. Indeed this measure is in accord with the interest of the banks, since hoarding deprives them of funds which they need for their credit operations.

The Swiss money market.—The protracted political tension did not fail to affect the Swiss money market. Demand deposit liabilities of the National Bank fell by more than half a billion francs in the first five months of the year and then by a further 350,000,000 francs up to the end of December. This shrinkage of market funds deposited at the central bank was at first occasioned by the withdrawal of foreign capital deposited in Switzerland, then by withdrawal of notes in August, and, subsequently, by the demand for exchange intended principally for the financing of imports; another cause was the contraction of exchange receipts resulting from the unfavorable movement of the Swiss balance of payments. In order to subscribe for deposit receipts (*bons de caisse*) issued by the Confederation, some banks which had considerable balances at the central bank drew on their transfer accounts for 120,000,000 francs in May and 200,000,000 in October. At the close of 1939 the National Bank's demand deposit liabilities still amounted to 789,000,000 francs against 2,000,000,000 francs at the beginning of 1938. It may be mentioned that these 789,000,000 francs, which represented several times the volume of funds in transfer accounts prior to 1930, were distributed very unequally among the holders.

Only a relatively small number of banks were forced by the considerable withdrawals effected by customers to call on the central bank for rediscount of bills or for advances on security. Contrary to the course of events in 1914, the central bank was able to refrain from increasing the discount credits or relaxing the severity of the qualifications for eligible bills.

The bill portfolio contains special bills which the National Bank has admitted to discount by virtue of an understanding with the Federal Department of Public Economy and which serve to finance the accumulation of stocks of goods in order to assure necessary supplies for the country. Discount credits for this purpose have been opened for concerns which, under the law of April 1, 1938, covering the maintenance of essential supplies, have concluded with the Federal De-

partment agreements relating to such stocks. The National Bank has made its credit available for these operations since it has felt that importers undertaking this task were entitled to a supply of capital on the most favorable terms. A considerable proportion of the bills drawn for the financing of stocks was discounted by other banks rather than by the National Bank.

The private discount rate applicable to bank bills and to prime commercial bills remained at the 1 per cent level, established in March 1937 by agreement among the banks, until September 1939, when it rose to 1¼ per cent. Although the advantages of a certain degree of stability in rates cannot be denied, nevertheless it should not be overlooked that a pegged private discount rate does not constitute a barometer of the actual situation of the short-term money market. Recourse to the central bank for discount credit was too infrequent to suggest raising the rates at the National Bank. Nor did the monetary situation require modification of the rates. Besides, in contrast to what occurred in 1914, few foreign central banks raised their rates in 1939 and some of those raised them only temporarily.

Capital market.—From the beginning of the year political tension in international affairs caused a complete change of scene on the Swiss capital market. As a result of considerable sales of Swiss securities, principally by foreigners, the average yield of twelve loans of the Confederation and the Federal Railways rose from 3.07 to 3.78 per cent from the beginning of January to the middle of April. Thereafter prices improved slightly. Events of August and September produced an increase, temporarily exceeding 1 per cent, in the yield of gilt-edged securities. This development of rates in the long-term capital market is without doubt attributable to the general desire for liquidity; however, the rise in the interest rate is an international phenomenon.

The movement of the rates on bank deposit receipts (*bons de caisse*) is another illustration of the rapidity with which changes occur on the money and capital markets. Although in 1938 the banks still hesitated to accept capital offered in exchange for deposit receipts, they found themselves obliged during 1939 to reduce the term and to raise the rate on these instruments in order to discourage withdrawals and to bring in new funds in-

vested in this manner. Under Article 10, paragraph 1, of the banking law, the National Bank was called upon to approve 123 increases of the rate on deposit receipts. When acting on requests of this nature, it must consider the economic welfare of the country and the legitimate interests of the petitioning banks. Although the increase of the rate is not an infallible expedient, it is comprehensible that, in order to assure their liquidity and to perform credit operations, the banks should desire to offer their creditors terms calculated to retain funds in their possession and to attract additional deposits. On the other hand, on account of the heavy indebtedness of public corporations and of private business, it is important to keep the interest rate at a level which the debtor can meet. The mortgage debt alone amounts to about 17,000,000,000 francs. Increase in the mortgage rate implies the danger of a rise in prices of farm products and of leaseholds. High rates sooner or later force up the cost of production and the cost of living. Moreover, even if there could be no question of artificial maintenance of rates, an effort must still be made to maintain their stability over a reasonably long period, taking into account the economic character of the loans. Except in a few cases, interest rates on savings and mortgage interest rates have not increased up to the end of 1939. The level of mortgage rates depends on the average of rates allowed by the banks on the funds they borrow. It is very difficult in practice to prevent, by official action, the raising of rates and the termination of mortgage credits.

Control over the export of capital constitutes another means of influencing the movement of interest rates. The requirements of the banking law ought to prevent the withdrawal from the market of funds needed by the national economy. In the first half of 1939, two foreign loans were floated in Switzerland; but as they represented the conversion of old loans they did not draw fresh funds from the market. In the past year two American stocks were listed on the exchange under the terms of the arrangement regarding the admission of foreign securities to trading on Swiss exchanges, effective June 7, 1938. The National Bank has authorized the listing of foreign securities, as provided by Article 5 of that arrangement, only on condition that the banks report to it regularly on the volume of securities listed. In this

Foreign Banking Laws and Reports

way it obtains data on the export of capital through the medium of the stock exchanges. Participations issued by investment trusts offer to Switzerland a new means of exporting capital. Even though securities of this type are denominated in Swiss francs, the

trust funds are almost exclusively invested in foreign securities. The banks concerned report to the National Bank periodically on the sale of participations issued by the trusts; in this way it keeps abreast of the outflow of capital through this channel.

BALANCE SHEET OF THE SWISS NATIONAL BANK AS OF DECEMBER 31, 1939, AND DECEMBER 31, 1938

[In thousands of francs]

Assets	1939	1938	Liabilities	1939	1938
	Gold in Switzerland and abroad:				Notes in circulation.....
Bullion.....	2,046,860	2,641,253	Giro accounts.....	686,722	1,592,641
Coin.....	214,749	248,354	Federal accounts.....	10,924	8,221
Total gold.....	2,261,610	2,889,607	Other deposits.....	32,037	31,187
Cost of gold in excess of book value.....	10,676	43,978	Foreign clearing accounts.....	67,814	39,939
Other cash items.....	4,395	9,120	Drafts and checks in circulation.....	2,612	1,692
Foreign exchange:			Rediscunts.....	282	422
Eligible as note cover.....	359,925	276,703	Capital.....	50,000	50,000
Other.....	1,755	3,001	Surplus.....	14,000	13,500
	361,680	279,704	Net profits.....	5,253	5,253
Swiss portfolio:			Dividend unpaid.....	14	13
Swiss bills.....	46,301	52,528	Reserve for uninsured risks.....	1,000	1,000
Rescriptions ¹	46,400	101,500	Reserve for printing bank notes.....	1,000	1,000
Other discounts.....	5,650	1,049	Exchange Equalization Fund.....	533,469	538,584
	98,350	155,077	Miscellaneous liabilities.....	46,830	46,548
Securities of the Loan Office of the Swiss Confederation.....	6,850	3,850			
Advances on security:					
On call at 10 days' notice.....	87,088	21,824			
Other.....	2,500	29			
	89,588	21,853			
Government securities.....	80,923	90,945			
Due from postal check offices.....	2,260	1,476			
Due from correspondents in Switzerland.....	16,631	9,609			
Items for collection.....	2,113	2,219			
Coupons.....	157	87			
Interest accrued on securities.....	309	592			
Unpaid capital.....	25,000	25,000			
Bank premises.....	3,000	3,000			
Furniture and fixtures.....	(?)	(?)			
Exchange Equalization Fund.....	533,469	538,584			
Miscellaneous assets.....	4,798	6,316			
Total assets.....	3,501,809	4,081,018	Total liabilities.....	3,501,809	4,081,018

¹ Bills of public bodies such as the Federal, Cantonal, and municipal governments, and the State Railways.

² Carried at 1 franc.

Annual Report of the Central Bank of the Argentine Republic

*The annual report of the Central Bank of the Argentine Republic for the fifth financial period, covering the year ending December 31, 1939, was submitted by the Board of Directors to the Meeting of Shareholding Banks in March 1940. Sections of the official English text are given herewith:*¹

¹ The report, available in both English and Spanish, contains in addition sections on the Securities Commission, supervision of the banking system, issue of currency, administration of the Bank, and profits for the year, etc., together with statistical tables and charts. For earlier reports, see BULLETIN for December 1939, August 1938, September 1937, and July 1936.

Quotations in New York of the Argentine peso based on buying rates for foreign currencies in the official market in Buenos Aires averaged \$0.29773 in December 1939.

For Law 12,155, cited in this report, see BULLETIN for July 1935, pages 449-454.

The course of the year 1939 prior to the outbreak of war was characterized by the presence of those typical features of the downward phase of the trade cycle described in our previous Report. The deficit in the balance of payments tended rapidly to exhaust the gold and foreign exchange reserves accumulated a short time before, and, for all that more drastic quantitative restrictions of imports were imposed to diminish their volume and to divert the purchasing power which was stimulating their growth towards industry, the moment appeared imminent when it would become necessary to make use

of the gold holdings of the former Caja de Conversión to cover the deficit. This in itself was, of course, no cause for serious alarm because, as was mentioned previously, this is the specific function of gold, but it did constitute a sound reason for considering the export of that metal as a symptom and a timely warning of the need for moderation in the use of credit and for resolute action in allaying the causes of internal instability.

The war interrupted this trend and momentarily lessened its outward effects. Other events compelled prompt measures in regard to currency, banking, and the Stock Exchange and later further complications ensued in regard to foreign trade. The large purchases made in this country by Central European states come to an end while those of Great Britain and France are effected with obvious economy. The system of bilateral clearing agreements finds increasing favor in international trade and the freedom which still existed in considerable sectors of international monetary activity disappears as restrictions are placed on the unhampered movement of exchange. In regard to our foreign trade, imports cost us nearly 36 per cent more than formerly while the prices of our exports rise by only 18 per cent.²

All these circumstances render it advisable to proceed cautiously in the authorization of credits. The reserves of the banking system must be kept in readiness for the unforeseen and the exceptional and not wasted in harmful liberality. Only in this way was it possible to have abundant resources available for the purchase of the last wheat crop. The credit expansion brought about by these operations has come to an end and the subsequent decline, which is beginning to show in the total volume of loans, will probably be a not unimportant factor in the future trend of the balance of payments.

No sooner, therefore, have the first obstacles been overcome than others emerge and grave problems have to be confronted which, although they do not always appear to be well defined and urgent, nevertheless call for alertness and for the preparedness of the means wherewith to set about solving them with that confidence and energy which the country is wont to draw from its greatest difficulties. In the succeeding chapters of this Report those problems will be discussed in so far as they affect the Bank.

² Approximate estimate of price variations in dollars.

EMERGENCY MEASURES TAKEN AT THE OUT-BREAK OF WAR

Measures on the stock market.—The measures adopted in regard to currency, banking, and bonds in order to meet the repercussions of the European conflict were the outcome of careful preparation from that critical moment in September 1938 when the National Government outlined the main features of the plan of action to be followed in such an eventuality, until the time unhappily arrived a year later when events provided the occasion for putting them into practice. In the meantime various hypotheses and possible contingencies were studied and the machinery created by the laws of 1935 was carefully made ready for prompt emergency action.

Just as in 1914 the initial psychological shock of the war was felt principally in the stock market. It was imperative to prevent it by timely action from spreading dangerously. At that moment the Argentine Government gave a decisive proof of confidence in its securities by publicly announcing its intention of purchasing any amount which might be offered to it. The Treasury was, it is true, in a position to take such a course without hesitation, having at its disposal considerable reserves derived from exchange profits, apart from the unused credit of up to 80,000,000 pesos to which it is entitled at the Central Bank. Those funds, had they been launched on the market for the purchase of bonds, would inevitably have been reinvested in the self-same Government securities, either long-term bonds or short-term Treasury bills, as happens also in debt conversion operations which, were it not for the comparatively certain return of the funds, would not of course be attempted. The danger of matters not taking such a course could only arise if the mass of funds derived from the sale of bonds emigrated. The constant information which is obtained about such movements of funds and the experience gained in the application of the exchange control system would have rendered it possible to intervene at any moment in order to meet such a contingency. Moreover, the employment of those funds for other purposes within the country would only temporarily withdraw them from the Stock Exchange because, on these resources changing hands in the course of such operations, the new holders are faced with an investment problem which, in the circumstances,

can only be solved for the greater part by the purchase of Government bonds.

The Government's intervention on the Stock Exchange was based on these premises which were soon to be confirmed by practical experience. It began on August 24 when investors commenced a wholesale liquidation of their securities, continuing until September 6 when trading recovered its normal tempo.

The total value of the bonds purchased amounted to 33,000,000 pesos, at the quotations ruling when this intervention commenced and at no time was it found necessary to resort to advances from the Central Bank. Once calm had been restored on the stock market, it was possible to commence disposing of the purchased securities in a steadily rising market. During this period the Securities Commission managed by timely recommendations to avoid the launching of new bond issues which would have hampered the liquidation of the aforesaid securities. At the end of November the balance on hand had been reduced to an insignificant figure and the National Government, taking advantage of the favorable circumstances, was able successfully to place its second 150,000,000 peso loan as will be explained in the corresponding chapter. This action was entirely one of emergency and took place in exceptional circumstances. Let this be clearly stated for the purpose of defining the scope of an intervention of this nature.

Banking measures.—In the light of past experience, it had to be admitted that there was a possibility of the psychological reaction caused by the outbreak of war also making itself felt in banking circles. The Central Bank had, therefore, to be prepared to take action in case of need. The banks had to be given absolute assurance that applications for rediscounts arising from exceptional withdrawals of deposits would be dealt with without delays which might jeopardize their position. The rediscount mechanism had not until then had occasion to operate under the Central Bank regime, as the relative abundance of funds had brought about conditions exactly opposite to those which might have rendered rediscounting necessary. It was advisable, therefore, to endeavor to avoid the delays which are inevitable when a new system is introduced. For this purpose the Board of Directors of the Central Bank adopted a special procedure for such cases,

delegating three of its members who should, with the President of the Bank, decide without further reference on all applications for rediscounts, on the understanding that the banks would undertake to deliver as security their best paper, which would be determined by an examination of their portfolios to be made immediately after the rediscount facilities had been granted.

The Bank Inspection Department kept in close touch with banking institutions in this respect and it can be asserted that the knowledge of this decision served to give a greater sense of security to those spheres of banking activity which were most likely to be threatened. Fortunately, it was only necessary to rediscount 5,000,000 pesos and the slight signs of unrest which were noted in isolated instances soon disappeared, more especially when the return of tranquility on the Stock Exchange was reflected in banking circles.

The measures adopted by the Central Bank were no doubt exceptional, but it would have been extremely difficult to take such measures if the Bank had not been in possession of accurate and definite information as to the condition of banking portfolios and the general position of each and every banking institution. The inspections provided for by the Banking Law had been periodically carried out in practically every bank in the country as a matter of ordinary routine, without prejudicing any institution, and the information derived therefrom enabled the Central Bank to act on familiar ground with the certainty that no unforeseen developments could arise. Proof has thus been forthcoming a short time after the enactment of the Banking Law that, apart from other objectives which are being gradually attained, its provisions make it easier for the Central Bank to take effective action by giving it direct access to the essential facts concerning banking assets.

Monetary measures.—*The peso and the pound.* On August 25, a few minutes before the opening of business, the Bank of England notified this Bank of the decision to withdraw the support which had hitherto been given to sterling through the Exchange Equalization Account. The initial quotations revealed an appreciable decline in the value of the pound in comparison with those of the previous day. Naturally, this event, apart from being of the utmost importance for the whole world, was of particular sig-

nificance for our country which had based the value of its own currency on the British monetary unit. For this reason it is desirable to make a brief digression regarding the relationship existing between the two currencies before dealing with the manner in which the repercussions of this event had to be faced.

As stated in a communiqué issued by the National Ministry of Finance at that time, no tie whatever exists between our peso and the pound sterling if that term signifies that one currency must necessarily follow the fate of the other. The pound has simply been taken, because of its importance in our commercial and financial activities, as a reference point for fixing the value of the peso, inasmuch as, the gold standard having been abandoned under the pressure of circumstances, the country had perforce to find a basis for expressing the value of its currency and, of course, selected that which best suited its interests.

When a currency is pegged to or dependent on another it undergoes all the vicissitudes of the latter, as mentioned in the preceding paragraph. In such a case the monetary reserves do not consist of gold but of the foreign currency to which the national monetary unit is tied and any decline in the value of that currency inevitably means an equivalent decline in those reserves.

The above is in no way applicable to our case. Argentina's monetary reserves have always been and continue to be in gold, in accordance with national tradition and with the express provisions of Law No. 12,155 which, departing in this respect from the original recommendations, stipulates that the Central Bank may not keep more than 20 per cent of its total reserves in foreign exchange (Art. 40). And thus adhering to this practice, which is elementary in monetary independence, the Central Bank has bought and sold gold in the most important foreign markets from time to time according to its needs. The total volume of the transactions so effected since the commencement of the Bank's operations in 1935 amounts to 1,390,800,000 pesos, corresponding to 14,000,000 ounces of gold.

Consequently, the depreciation of the pound did not involve the need for modifications in our monetary system, the sole effect being to make it necessary to decide whether or not to continue using the pound as a reference point

or index for fixing the value of our currency from day to day.

Everything pointed to the advisability of proceeding cautiously, avoiding any decision or measure which might compromise the country's liberty of action at so critical a moment so that, once the first moments of confusion had passed, it would be possible to appreciate more clearly the significance of the events.

It was therefore decided for the time being to continue selling in the official market, at the rate ruling up to then, the pounds required by trade, so as to avoid checking the normal current of business, and at the same time to reduce purchases of pounds to a minimum until such time as adequate means of safeguarding them from fluctuation should be found. The greater part of exchange purchases from exporters during those first days were made in dollars which could be immediately converted into gold.

Neither did the course of world prices in the principal commodities demand an immediate decision since in the early period those prices, expressed in terms of sterling, did not rise appreciably despite the decline of that currency.

In this way, without abandoning the practice of holding monetary reserves in gold, Argentina awaited events, ready at any time to take whatever decision was most advisable according to the course of sterling: either to take some other currency as a reference point if the pound fluctuated erratically, or to continue to use sterling for that purpose if the Bank of England succeeded in keeping it at a more or less fixed rate with respect to the dollar thus protecting the pound from continual market fluctuations.

As is generally known, the latter proved to be the case. The official value of the pound was fixed at 4.02 dollars for all the normal trade and business of the United Kingdom. At the same time, in the case of transactions effected outside Great Britain, the pound was allowed to find its own level in foreign free markets as announced at the time by the Bank of England.

The moment thus arrived for this country to take a decision on this point. The buying rate for the pound, which had remained nominally at 15 pesos although in fact no business was done at that rate after the first few days, was reduced by 10 per cent to 13.50 pesos on September 22 and this new buying rate

served thenceforward as a basis for fixing the value of the dollar taken at the 4.02 ratio mentioned above, and similarly in regard to other currencies.

The exchange risk.—In this way the purchase of pounds derived from the sale of our export products to Great Britain was resumed. However, two serious problems remained, one of them immediate and urgent and the other an eventual possibility. The ratio of 4.02 between the dollar and the pound was not and is not a stabilized one. Everything indicated that it was the intention of the British Government to maintain it but the pressure of circumstances might at any time provoke a change. It was therefore imperative to cover this risk and for that purpose the Central Bank, in constant touch with the National Ministry of Finance, opened negotiations with the Bank of England, which in its turn was in close contact with the British Treasury, to find a satisfactory solution to this problem. In this way an agreement was reached which came into force on October 25, 1939, for a period of three months³ whereby the pounds derived from the sale of our products to Great Britain are deposited in a special account opened in the name of the Central Bank at the Bank of England. Whenever the balance to our credit in this account exceeds 1,000,000 pounds, after our customary payments in Britain have been made, the surplus over that figure is immediately converted into gold and this gold can be reconverted into sterling when our requirements render this necessary. The conversion of pounds into gold and vice versa is made at the price ruling on the day when the operation is effected.

In this manner the first of the problems mentioned above was disposed of and Argentina, after a brief interruption, was able to continue selling her products to Great Britain for pounds. The last named country has repeatedly stated her intention of paying for her purchases both in and outside the Empire in pounds. According to current reports it would appear that payment in gold or in dollars is being reserved chiefly for armament purchases in the United States.

Exchange surpluses.—However, the second problem has not yet been solved, namely, the

question of the free transfer of the surplus gold which may remain in the Central Bank's account with the Bank of England after deducting the sums which Argentina has to pay for her imports, financial services, and other remittances to Great Britain. It is true that so far this problem has not arisen in practice, because the pounds which Argentina receives are virtually counterbalanced by those which she has to use for the payments referred to above, but it is an elementary precaution to bear in mind that it may arise later and as such it has been the object of careful study from the very outset.

It would be highly desirable to arrive at a timely and satisfactory agreement on this point so as to spare the country from being faced at some future moment with the serious dilemma of either continuing its sales beyond the point at which the problem of the surplus arises, or else limiting them to the figure prudence may advise according to circumstances.

By pressure of circumstances therefore we have arrived in our economic and financial relations with Great Britain at a system of compensated payments (or clearing arrangement) similar to that which governed our trade with Germany prior to the present war. It is true that since 1933 trade between the two countries has been carried on under conditions embodying some of the fundamental characteristics of clearing agreements, in fact funds derived from our sales of export products to Great Britain had to be applied—except for a reasonable amount set aside for public debt services to other countries—to the payment of our imports, financial services, and other remittances to that country. But temporary surpluses could be transferred as Argentina deemed convenient, although such amounts were in a certain sense earmarked for future transactions.⁴ In the freedom to dispose of surplus exchange lay the difference, certainly quite an important one, between the payments agreement with Great Britain and that which had been arranged with Germany.

With this latter country a system of clearing accounts had been evolved, after certain experience, which worked satisfactorily although not without the complications and disadvantages from which these devices suffer when contrasted with the free functioning of the gold standard. As time went on, prac-

³ On January 25, 1940, it was renewed for a further three months, the British authorities agreeing to the free conversion into other currencies of the reasonable annual amount required for public debt services to other countries, referred to in the agreement now in force, signed in 1933 and renewed in 1936.

⁴ As from the renewal of the agreement in 1936.

tical experience gradually remedied the initial defects of the system. At one time (1935) measures had to be adopted to lessen the risk of holding an appreciable volume of reichsmarks unprotected against possible fluctuations and which could not be converted into other currencies. As Germany could not guarantee such free conversion no alternative remained but to limit exports thenceforward to the value of imports. For this purpose, the maximum value which such exports could reach was fixed every month in accordance with the volume of reichsmarks sold to importers for payment of German goods, an exception being made in the case of special and seasonal credits granted and cancelled during the year to give the system flexibility to cope with seasonal variations.

This system of balanced trade did not, it is true, prevent Argentina, in the event of her wishing to foster the export of any product for special reasons, from doing so without a corresponding and simultaneous expansion of imports; on the contrary, transactions of this kind were actually effected and at all times the measure in which they were carried out was determined exclusively by our Government, as no obligation in this respect had been stipulated in the agreement.

In passing it may be mentioned that due to the foresight with which these operations were handled, and notwithstanding the special transactions referred to above, when war broke out there was no balance outstanding under the agreement with Germany which might involve the interests of this country in difficulties or losses. The final figure cannot yet be determined because of operations which are still pending, but there are well-founded reasons for asserting that in no circumstances will the balance on either side exceed a negligible amount, more especially if compared with the figure of 1,597,300,000 pesos which clearings between the two countries reached between October 20, 1934, and December 31, 1939.

Payments arrangement with France.—With regard to France a situation analogous in form although fundamentally different to that existing in the case of Great Britain has arisen. The French Government also expressed its intention of paying in francs for its purchases of Argentine products and in this way the two problems of exchange risks and surplus exchange again made their appearance. But, whereas in the case of Britain

the normal volume of our imports, financial services, and other remittances allowed of the purchase of a considerable amount of pounds which could be used without any great difficulty, in the case of France, our comparatively limited requirements of francs, in spite of the efforts which are being made to foster imports from that country, made it possible to foresee that the surplus exchange problem would arise almost at once. Conversations on this subject between the Central Bank and the Financial Attaché to the French Embassy led to an agreement being reached on a number of technical points which were afterwards submitted to the National Government and served as a basis for the negotiations which terminated in the solution of the payments problem between the two countries. According to the terms of that settlement, the francs which this country receives in payment for her products are likewise accumulated in a special account at the Bank of France and are protected against the risk of any fluctuation in exchange by virtue of the undertaking given by the French Government that it will increase or diminish the amount of francs deposited in that account in proportion to the depreciation or appreciation of the franc in terms of dollars. It is further stipulated in the agreement that if the francs deposited in the account exceed a reasonable figure in relation to the value of our exports to France the French Government undertakes to permit the free conversion of such surpluses into dollars.

Argentina and the system of clearing agreements.—The clearing system has become a factor of such importance in our foreign trade that a few brief comments on its significance appear justified.

In an arrangement of this nature it is in the interest of both parties to maintain or develop their purchases from each other, so as in this way to maintain or develop their respective sales. This explains why the policy which the National Government had been pursuing through the control of prior exchange permits has had to be continued and accentuated, although with the alterations made advisable by new developments. Clearing agreements thus become not only expressions of exchange policy but also, and in the highest degree, instruments of economic policy. It is not, of course, within the Bank's province to express opinions regarding the latter but some comment thereon is

inevitable because of its close connection with monetary matters.

By means of clearing agreements, which have been developed since the world economic crisis, several nations have sought to take advantage of their position as large buyers of the products of other countries in order to ensure their own sales to these latter countries either for reasons of commerce or exchange or—in the case of certain European nations—for motives of international policy. The experience of these countries is sufficient to lead to the conclusion that while in individual cases, between one particular country and another, this type of agreement may promote trade, from a broader viewpoint their widening sphere of influence is seriously prejudicing international trade by dividing it into a number of watertight compartments into which trade is forced in search of bilateral equilibrium with the inevitable complications which such a system entails for the normal working of the monetary mechanism.

However, a country like ours, whose commerce is only a comparatively small part of world trade, could hardly take the lead in seeking an improvement in this respect nor yet isolate itself effectively from the spreading influence of the clearing system. To do so it would have to find new markets to replace those which shrink or close up altogether or cease to be free because of that system; in other words, to have the option of selling its products in other markets. Unfortunately, such new markets do not exist today on a sufficient scale, as large potential markets continue to be scarcely accessible to our export products because of high tariffs.

After all, it is in no sense an exaggeration to say that the high customs barriers which did such considerable harm to world economy after the late war have been one of the chief causes of the growth of clearing systems, the effects of which have thus been added with evergrowing intensity to those produced in the first place by excessive tariffs.

These matters are of absorbing interest to this country. Deprived of the possibility of exercising a decisive influence on the international economy, it must, nevertheless, closely follow its tendencies so as to be in a position to take the necessary measures at the proper time. Meanwhile, the practical means and experience available for moderating the consequences to our economy of events beyond its control must not be neg-

lected. If, when peace is restored, practical measures to stimulate international trade are agreed upon, the country will be able to take considerable advantage of its proved ability to export increasing quantities of agricultural and pastoral products and return to the gold standard with the safeguards counselled by long experience. But, should this not prove to be the case, and international trade continues to be restricted by devices and expedients which tend to make the situation progressively worse, this country must seek with determination and a spirit of realism to find in its own resources the necessary stimulus for its economic expansion and to develop its monetary policy in whatever manner best serves the paramount interests of the national economy.

THE BOND MARKET

The Syndicate and bond issues during the year.—*The market situation.* In previous Reports reference has been made to the necessity of restoring the stability of the bond market which had been disturbed in 1937 due to the imprudent saturation caused by excessive issues. The year 1938, as stated in last year's Report, was one of consolidation of the market. Sales of National bonds were limited to the low figure of 66,000,000 pesos so as to enable the pressing needs of provinces and municipalities and the normal requirements of the mortgage bond market to be met. But a moment was bound to arrive when, with the Stock Exchange cleared of the difficulties which had been disturbing its normal working, the National Treasury could enter the market with an operation which by reason of its magnitude and the manner of its execution would serve to cover the requirements of the exchequer and at the same time to strengthen the prestige of national securities by a manifest display of public confidence.

A favorable moment having been chosen, an issue was launched during March and was easily absorbed by the banks, the financial houses and the investing public, both as regards the 75,000,000 pesos originally offered and a further similar amount issued immediately the initial offer had been opened for subscription and successfully covered.

Organization of the Syndicate.—When the National Government entrusted to the Central Bank—in its capacity of Financial Agent of the Treasury—the task of carrying out

the above mentioned bond issue, advantage was taken of the very useful experience previously gained by the private syndicates which had begun to operate after the large conversion operations. These syndicates introduced new methods to the market which proved their worth and efficiency in successive operations. The careful drawing up of an issuing programme by means of timely consultations with the banks and financial houses having the largest placing power; the selection of the most suitable type of bond; the vigilance and timely intervention on the market in support of the bonds, and the adequate advertising to interest investors so that the issue aimed at could be launched wholesale, offering banks and brokers the commissions necessary to encourage placing; such were the outstanding features of previous experience which the Central Bank did not fail to examine closely when, in the exercise of the duties assigned to it by law, it had to organize and manage the Syndicate for placing national securities.

The basic features of the Syndicate formed for the bond issue which is under consideration were communicated to the banks and financial houses of the Federal Capital and the interior interested in participating regularly in the placing of national securities, as well as to broking groups on the Buenos Aires and Rosario Stock Exchanges. Once these basic conditions had been accepted, the National Government issued the corresponding decree constituting the Syndicate for the operations to be effected in 1939. The following were the principal provisions, apart from various technical details in regard to which the Syndicate functioned in accordance with the terms of the decree:

a) The National Treasury undertakes to effect all bond placing operations through the Syndicate for the period of one year. Success in these operations naturally depends to a considerable extent on the constant touch of the members of the Syndicate with the investors, it is therefore logical that they should be given the opportunity of reaping the reward of their efforts in the successive operations undertaken by the National Government, all the more so as membership of the Syndicate is open at all times to entities which accept its basic conditions. This provision does not, of course, apply to bonds acquired before, during or after issues for the purpose of regulating the market and which the Cen-

tral Bank may dispose of at any time it sees fit. Neither does it apply to bonds in the portfolio of the Central Bank, which must be free to use them at its discretion for monetary or stock market purposes, nor to bonds placed with Government departments.

b) Members of the Syndicate receive a commission of 1 per cent on the value of bonds placed by them during the subscription period. They may subscribe to bonds for their own portfolio but do not receive any additional commission by reason of such subscriptions. It is therefore merely a placing Syndicate and its members are not called upon to underwrite the issues. Underwriting by the banks—for which they are usually remunerated with a higher commission than that paid for placing only—plays an important part when, because of the size of the issue concerned, there is a danger that part of it will not be absorbed by the investing public. But in the case of the National Government and given normal conditions underwriting can be dispensed with for the following reasons: in the first place, the Treasury selects the most opportune moment to issue its bonds and in the meantime relies for its immediate needs on the resources of the short-term market—in which the banks and financial houses also usually participate—and ultimately can also resort to the advances which the Central Bank Law authorizes the Central Bank to make to the Treasury; further, the practice introduced by the Syndicate of not launching the whole of the projected bond issue at once, only announcing the issue of half or part of it and afterwards launching the rest if the first part is oversubscribed, makes possible the prudent policy of not placing a strain on the market or taking needless risks.

c) Members of the Syndicate are responsible for unsound placings and for bonds placed with weak holders. If such bonds are sold immediately sacrificing part of the commission collected and are offered at rates below the subscription price, the Central Bank is empowered to buy them in the market and return them to the member responsible for placing them who is charged with the difference in price and expenses. This provision tends to ensure that the bonds are genuinely placed with the investing public or held for a reasonable time in the portfolios of investing institutions, thus preventing temporary investments which might be made for the sole

purpose of the placing commission. However, it is but logical that a provision of this kind should only remain in force for a limited period which has been fixed at one and a half months for the investing public and three months for members of the Syndicate.

In the management of the Syndicate the Central Bank is assisted by an Advisory Board consisting of six banks and financial houses operating in the market and a representative of the Buenos Aires Stock Exchange. This Board, which is thus composed of persons with wide experience of the stock market, is consulted in each case regarding market conditions, the type of bond to be launched and the issue price, and its views are communicated to the National Ministry of Finance which then takes the requisite decision.

The two bond issues.—The Syndicate having been formed under the conditions described above, on March 6 the aforementioned 75,000,000 peso bond issue was launched, of which 50,000,000 pesos was in bonds bearing $4\frac{1}{2}$ per cent interest and $2\frac{1}{4}$ per cent amortization and 25,000,000 pesos in 10-year bonds bearing 4 per cent interest and $8\frac{1}{4}$ per cent amortization. In introducing this new type of bond to the market the National Ministry of Finance explained the aims which it had in view: on the one hand and for financial reasons it was considered advisable to issue a rapidly redeemable bond in view of the slow amortization of the long-term issues floated previously, and, on the other, it was desired to diversify the types of national bond. As regards short-term paper, Treasury Bills were already in existence and constantly becoming more popular, while long-term bonds were also in circulation, but the market lacked a medium-term security which, without being of short maturity and consequently subject to early redemption and yielding a low rate of interest, should also be free from the fluctuations which varying market conditions cause in the value of slowly amortizable bonds. It is true that, by way of compensation, these bonds yield a high rate of interest but there are some types of investors who prefer a lower yield in return for greater stability in the value of their holdings resulting from an earlier maturity. These requirements are fulfilled by medium-term securities, the issue of which has begun with the ten-year bonds mentioned above.

As regards the $4\frac{1}{2}$ per cent bonds, their life was also shortened to 25 years, due to

a sinking fund of $2\frac{1}{4}$ per cent instead of the 36 and 41 years of previous issues bearing the same rate of interest, but with a sinking fund of 1 per cent. The feature of redemption by drawings at par, which some investors prefer, was also introduced in this case, all this with the purpose of providing greater diversity as mentioned above.

As stated at the beginning of this chapter, the first 75,000,000 pesos were immediately oversubscribed, the 25,000,000 pesos in the new four per cents on the opening day and the 50,000,000 pesos in $4\frac{1}{2}$ per cent bonds on the second day. It was then decided to launch the other 75,000,000 pesos which had been duly authorized and which were also easily covered.

The cost of this loan to the National Treasury amounted to 1.20 per cent of the 150,000,000 pesos issued, of which 1 per cent corresponds to placing commissions, 0.10 per cent to the Central Bank's commission and 0.10 per cent to advertising and organizing expenses.

The second bond issue of the year was made on December 4 under most favorable market conditions. The bonds offered for subscription, their total nominal value and the division of the issue into two parts were all identical to the former operation. Subscriptions, however, were even more rapid than on the previous occasion, the applications received during the first day being in excess of the first half of the issue which had been offered and also of the second half which was yet to be offered, for which reason the lists for the full amount of 150,000,000 pesos were immediately closed.

The cost of this, the Syndicate's second operation, amounted to 1.18 per cent of the total issue, comprising the following items: 1 per cent for placing commissions, 0.10 per cent for the Central Bank's commission and 0.08 per cent for advertising and organizing expenses.

When the issue price of the new bonds in the Syndicate's first operation was being considered, it was deemed advisable to offer investors attractive terms as the bonds embodied certain novel features referred to above. Thus it was that the 25-year bonds were offered at 92.80 per cent and the short-term ones at 90.30 per cent. As soon as these bonds were quoted on the Stock Exchange it was seen that those new features had been well received by the public, so much so that the firmness in demand shortly brought about

a rise in prices. In the case of the second loan, it was therefore possible to adjust the issue price to the market value of the bonds of the earlier loan, making due allowance for the time which had elapsed since the former issue. In this way the issue price was fixed at 94 per cent for the 4½ per cent bonds and at 92 per cent for the four per cents.

Other placings.—In addition to the National bonds to the value of 300,000,000 pesos placed in 1939 through the Syndicate, a further 16,800,000 pesos in bonds were negotiated directly by the Central Bank on the Stock Exchange before the Syndicate's first operation, while bonds sold to various Government entities in dealings which were excluded from the Syndicate aggregated 22,700,000 pesos. The total volume of National bonds placed during the year thus reached the considerable figure of 339,500,000 pesos.

The above figures do not include the purchases and sales of securities effected by the Central Bank to regulate the market which amounted in all to 126,900,000 pesos.

Apart from these operations for the account of the National Treasury, the Central Bank carried out exchanges of bonds belonging to Government entities for 22,800,000 pesos and sold for their account bonds for 22,500,000 pesos.

Price movements.—Prices of National bonds have undergone the usual and normal fluctuations. Apart from the intensive intervention in the market on the outbreak of war, the regulatory operations engaged in by the Bank have been effected in connection with the issue of bonds or to prevent abrupt fluctuations, but they have not aimed at opposing natural market tendencies and movements.

As stated elsewhere, those usual Stock Exchange fluctuations are not incompatible with the idea of a stable market. In this respect, stability should not be confused with rigidity. A stable market is not usually exposed to sudden surprises or to nervous flurries; sellers can always find buyers without forcing the market; prices fluctuate from day to day but only to a moderate extent, which does not interfere with the development of the characteristic upward or downward movements which reflect the changes in the technical conditions of the market and in the general economic situation.

In this respect, moderation in the issue of bonds is an essential factor in preserving

stability. To launch no more bonds than the market can reasonably absorb is the guiding principle, easy to express but difficult to apply in practice when the requirements and purposes of several issuers enter into competition at a given moment and the total volume of the proposed issues is in excess of what the market can take. In the case of bonds there is no spontaneous means of regulation as is available in the prices of goods. When prices fall, demand and consumption are stimulated and new buyers appear. But in the case of bonds, the drop in quotations produced by excessive issues brings a lack of confidence, the number of sellers increases due to the fear of further declines and investors withdraw from the market which becomes demoralized, and demand recovers very slowly once the impression caused by the decline fades and after investors forget their losses on securities purchased earlier. This explains the desirability of regulating the supply of bonds before harm is done both to those who issue and to those who invest their savings in National securities.

Short-term paper.—Treasury Bills.—The Bank has continued to place Treasury Bills for the account of the National Government. In the previous Report the importance, from the monetary standpoint, of placing these Bills with financial houses and members of the public rather than with the banks was stressed, and it was mentioned that the amount so placed had risen from 59,000,000 pesos at the end of 1937 to 85,000,000 pesos at the close of 1938, while the total of bills in circulation had dropped during that time from 150,000,000 pesos to 145,000,000 pesos. However, at the end of 1939 the bills placed with financial houses and members of the public—notwithstanding the fact that 22 new firms tendered during the year—remain at about the same figure of the previous year, namely 102,000,000 pesos, whereas the total of bills in circulation has increased to 194,000,000 pesos. This is partly explained by the tendency observed in some cases to invest temporary balances in long-term bonds instead of in the corresponding short-term paper. That tendency is assuredly not a healthy one and it is to be hoped that banks and stockbrokers, as the natural advisers of their clients, will seek to bring about a more correct employment of available funds in the various classes of Government security.

Of the 194,000,000 pesos of Treasury Bills in circulation, 7,500,000 pesos correspond to Yacimientos Petroliferos Fiscales bills and 64,000,000 pesos to Bills arising from the Debt Repatriation of 1937. The remainder, 122,500,000 pesos, is due to ordinary Treasury requirements. The Treasury, as a consequence of the loans floated shortly before, had at its disposal at the close of the year sufficient cash resources, in excess of its immediate needs, to enable it to cancel an appreciable part of the bills in circulation. Nevertheless, it was considered advisable to invest those funds temporarily in gold and foreign exchange to avoid the creation of fresh funds by the Central Bank through the process described in previous Reports, and at the same time to prevent a decrease in short-term paper from accentuating the tendency towards investment in bonds mentioned above.

Short-term foreign bills.—The bills discounted by the National Treasury in May 1938 in the Zurich and Amsterdam markets for a nominal value of 40,000,000 Swiss francs and 12,500,000 florins, respectively, were renewed in accordance with the provisions of the corresponding contracts.

It also fell to the Bank, acting on instructions received from the National Ministry of Finance, to participate in the issue of dollar Treasury Bills up to a total of 9,500,000 dollars authorized by a National Government decree of May 26, 1939.

The said decree was issued for the purpose of loosening the restrictions imposed, for exchange reasons, on the import of automobiles from the United States. Importers were allowed to bring in an additional 35 per cent of the value imported in 1938, so that, in all, imports could reach 70 per cent of the total for that year. These Bills bear interest at the rate of 2½ per cent per annum payable at maturity and will be redeemed by the Argentine Government in instalments of 25 per cent, 25 per cent, and 50 per cent, one, two, and three years respectively after the date of issue.

Up to December 31, 1939, the nominal value of the Bills issued amounted to 7,300,000 dollars.

Central Bank Certificates.—The fortnightly tenders for Certificates of Participation in Consolidated Treasury Bonds have continued as usual. The circulation both of these Certificates and of Gold and For-

ign Exchange Holding Certificates has continued to decline as noted in the previous year. The joint figure which at the end of 1938 stood at 312,400,000 pesos fell to 111,000,000 pesos on September 2, 1939, as a consequence of the decline in gold and foreign exchange holdings but it has since risen again and stood at 192,500,000 pesos at the close of the year.

OTHER ACTIVITIES OF THE BANK

Exchange operations.—As stated in the introductory chapter of this Report, the war interrupted the trend thus far followed by the exchange market. During the first eight months of the year our international accounts showed a deficit for while exports were low, due chiefly to the slowness of wheat shipments, imports remained at a comparatively high level. The Bank was forced to make use of its reserves to support the peso and in this way a very considerable portion of the gold holdings previously acquired by the Exchange Fund were absorbed. To relieve the pressure on the free market, the National Ministry of Finance decided, on August 21, to transfer to the official market the imports which had up to then been paid for through the free market,⁵ at the same time establishing for these imports a new selling rate of 20 pesos to the pound; some time before the prior permit system had been applied to these operations which were thus brought under Government control. Meanwhile, in the official market the restrictions imposed from the beginning of the year on the import of automobiles and textiles were followed by a more severe limitation of imports of numerous articles once it became clear that the deficit in the balance of payments persisted and was being accentuated due to the adverse flow of funds.

The last four months of the year, which might be termed a transitional period, present a different picture. Although imports continue at a high level, the payment in advance of a considerable volume of our exports soon produced a surplus sufficient to enable the Exchange Fund to recoup the previous severe drain on its resources. The flow of funds took a favorable turn in September and October and maintained an even balance during the last two months of the year; the Central Bank resumed its foreign gold purchases; the new exchange rate of 20 pesos to

⁵ These imports, at the selling rate of 17 pesos to the pound, amounted to about 300,000,000 pesos.

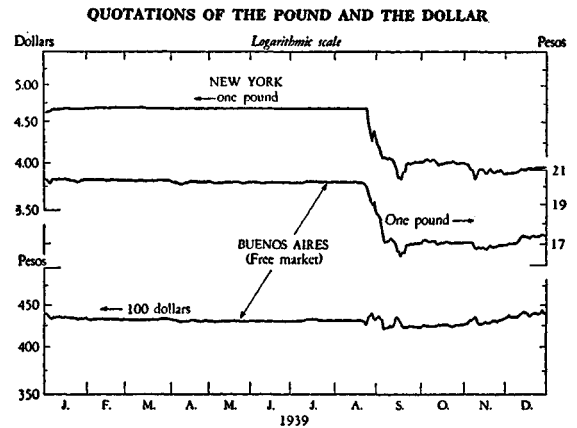
the pound concluded its brief career as will be explained later, and the Government gradually relaxed the restrictions on imports which, by virtue of the clearing agreements, accentuated their selective character.

However, these first signs do not justify any generalization regarding 1940, and the problems to be faced as the year opens—as noted in another chapter—render advisable a prudent attitude of alertness suitable to abnormal times.

Exchange rates.—Mention has already been made of how the rate of 13.50 pesos to the pound was fixed on September 22 for the purchase of exchange in the official market. The peso rate for 100 U. S. dollars, which had reached 357.15 pesos a few days before, thereupon dropped to 335.82 pesos, in harmony with the London-New York rate of 4.02 U. S. dollars to the pound; before the outbreak of war the quotation had been about 320.45 pesos. The selling rates were also changed. A new rate of 15 pesos to the pound was established for the importation of important classes of foreign goods which, as was explained at the time, have an appreciable effect on general consumption and industrial or building activity. For imports outside these classes, including those formerly paid for through the free market and for which the rate of 20 pesos to the pound had been established, exchange was now granted at 17 pesos to the pound.

After the fall of sterling on August 25 purchases of pounds in the official market were first reduced and later suspended until the conclusion of the agreement referred to above with the British monetary authorities, when they were resumed in mid-October at the new rate of 13.50 pesos to the pound.

In so far as the free market is concerned, there was one event which merits explanation. Whereas the dollar rate, once the first days of the war had passed, remained at very much the same level as in previous months, the pound which had been fluctuating around 20.25 pesos fell rapidly and was quoted even at less than 17 pesos, the official market maximum selling rate, until the middle of December. The explanation of this is quite simple. In the free market the sterling rate has been greatly influenced by the trend of the free pound in the New York market, as can be plainly seen in the appended chart. There are now two pounds just as there are two pesos: the official and



the free; each of them functions separately and is used for widely different purposes, as provided by the respective regulations. It is not surprising, therefore, that in our free market the pound can drop below the official market rate of 17 pesos; for example: if 100 U. S. dollars are quoted at 436.60 in our market and the pound sterling is worth 3.99 dollars in New York, the local sterling rate must necessarily be 17.42 pesos; but, if the pound drops to 3.85 in New York and the Buenos Aires dollar rate remains unchanged, the pound will automatically fall to 16.81 pesos in our free market, even though in the official market the two currencies remain linked at 4.02.

In regard to exchange rates it should also be stressed that in order to facilitate overseas sales by the Grain Regulating Board and the National Meat Board they were several times guaranteed the buying rate of the day on which they made their application to the Central Bank. In this way they were enabled to face the protracted negotiations which characterized some of these transactions without running the risk of exchange losses.

Exchange Commission.—The Bank, through the representative to whom it is entitled by law, has taken an active part in the work of the Exchange Commission.

As is generally known, exchange permits are granted by the Exchange Control Office, which is under the authority of the National Ministry of Finance. The Exchange Commission performs a different function: it receives complaints from importers and reports thereon to the Ministry, and acts in an advisory capacity in the drawing up of regulations for the granting of permits.

Foreign Banking Laws and Reports

Custody of gold.—In view of several requests and enquiries from abroad and of the advantage which might accrue therefrom to this country, the Central Bank decided to accept deposits of gold in custody for foreign holders. To do this it was first necessary to ensure the free export of such gold at all times which objective was attained by a National Government decree dated April 26, 1939.

Up to December 31 there had been received on deposit 653 bars of gold with a content of 260,006.399 fine ounces and value of 38,700,000 pesos.

Participation of the banks in exchange operations.—During the course of the negotiations which led up to the exchange agreements with Great Britain and France, the Central Banks of both these countries proposed that all payments and collections to be made in their territory under the agreements should be effected through central accounts which they would open in their books in the name of this Central Bank.

The procedure suggested, which at first was thought essential in order to make possible the supervision required by clearing accounts, gave to the Central Bank a virtual monopoly of exchange operations. However, bearing in mind that the object of the Bank is not to earn profits in the market by competing with the other banks and at the expense of their ordinary business but rather to regulate the market, it was found possible to arrange

that under those agreements the banks and other firms dealing in exchange should still be allowed to employ their own correspondents so that all could continue to participate in the exchange business as heretofore.

Exchange guarantee for exporters.—The facilities afforded by the exchange market for selling exchange either spot or forward ordinarily allow exporters to cover themselves against the risk of possible fluctuations in the official buying rate. Nevertheless, when sales of goods are effected after the closing of the exchange market or when business is done on the basis of firm offers cabled abroad on the previous night, exporters are obliged to run an exchange risk for a few hours, because, as is well known, the Central Bank, through the other banks, purchases the exchange offered to it in the official market at the buying rate ruling at the moment when the purchase is made.

In order to eliminate this risk a form of exchange insurance was established of which exporters may make use after the market closes and which covers them until noon on the following day.

Advances to National Government.—On December 31, 1938, the advances made by the Bank to the National Government stood at 50,000,000 pesos. The proceeds of the first bond issue floated in March last allowed the Treasury to pay off the whole of this debt. During the remainder of the year there was no further resort to this form of credit.

BALANCE SHEET OF THE CENTRAL BANK OF THE ARGENTINE REPUBLIC AS OF DECEMBER 31, 1939 AND 1938

[In thousands of pesos]

Assets	Dec. 31, 1939	Dec. 31, 1938	Liabilities	Dec. 31, 1939	Dec. 31, 1938
Gold at home.....	1,224,418	1,224,418	Notes in circulation.....	1,191,147	1,117,957
Gold at home, extension of Exchange Fund.....	171,235	71,351	Bank deposits.....	427,789	320,584
Gold abroad and foreign exchange.....	13,880	18,384	National Government deposits.....	175,469	109,706
Foreign exchange bought forward.....	1,363	2,198	Other deposits.....	6,679	914
Subsidiary currency.....	118,884	118,884	Foreign exchange sold forward.....	13,880	18,384
Non-interest bearing Government bonds.....	395,816	395,909	Capital.....	20,000	20,000
Consolidated Treasury bonds.....	45,618	28,939	General reserve fund.....	5,446	4,558
National securities, Article 34, Law 12, 155.....	(1)	(1)	Special reserve for Consolidated Bonds.....	12,500	-----
Bank premises.....	50,255	50,255	Special reserve for contingencies.....	2,500	1,500
Temporary advances to National Government, Art. 44, Law 12, 155.....	11,762	5,603	Contingency and enlargement of premises re- serve.....	1,500	2,500
Other assets.....	1,982,976	1,916,941	Certificates of participation in Consolidated Treasury Bonds.....	114,950	302,350
Total assets.....	1,982,976	1,916,941	Profit and loss account.....	5,304	5,184
			Other liabilities.....	5,811	13,304
			Total liabilities.....	1,982,976	1,916,941
				[Per cent]	[Per cent]
			Ratio of total gold and foreign exchange to:		
			Notes in circulation.....	117.17	115.90
			Notes in circulation and demand liabilities (Art. 39, Law 12, 155).....	77.45	83.60

¹ Entered at the nominal figure of 1 peso.

Canadian Financial Measures

On April 30, 1940, a Canadian Order in Council was announced which authorized the Minister of Finance to issue and sell to the Bank of Canada securities to an amount not exceeding \$325,000,000. The preamble explained that the proceeds were to be devoted to acquiring for the account of the Foreign Exchange Control Board gold held by the Bank of Canada and foreign exchange held by Canadian residents. A supplementary Order entitled "The Exchange Fund Order—1940", issued on the same day and effective May 1, contained a description of the securities to be issued, consisting of \$250,000,000 One Year 1 per cent Treasury Notes and \$75,000,000 Treasury Bills with short-term serial maturities, and stipulated that they should be sold to the Bank at par and accrued interest in the case of the Notes, and at a discount giving an effective yield of about $\frac{3}{4}$ per cent per annum in the case of the Bills. The Order further provided that the proceeds of these sales should be credited to the account with the Bank of Canada of the Foreign Exchange Control Board, and that the latter should before May 31, 1940, apply such portion of these funds as was required to the acquisition from the Bank of Canada of the latter's entire gold stocks at the current market price. This transfer was actually effected on May 1, 1940, involving approximately 5,888,565 fine ounces of gold valued at about \$225,773,000 (Canadian). Since the passage of the Exchange Fund Act in July 1935,¹ the Bank has carried its gold holdings at their "current market price," defined in the Act to be the amount of Canadian funds realizable from the sale of gold in London or New York, and has credited to the Exchange Fund any increase in the value of such holdings as a result of changes in the market price of gold; thus no further adjustment was necessary on this occasion.

Finally, the Order relieved the Bank of

¹ See Annual Report of Bank of Canada for 1935, BULLETIN for April 1936, pp. 256-259.

Canada of its obligation to maintain a minimum reserve of gold or foreign exchange.

The texts of the first Order in Council referred to above and of the Exchange Fund Order—1940 are given below; these measures were further implemented by the Foreign Exchange Acquisition Order, dated April 30, and effective May 1, which required Canadian residents to sell to the agents of the Control Board by May 31 all their holdings of foreign exchange (with certain exceptions designed to minimize interference with Canadian foreign trade).

ORDER IN COUNCIL AUTHORIZING THE ISSUE AND SALE TO THE BANK OF CANADA OF \$325,000,000 OF TREASURY SECURITIES

P. C. 1734

WHEREAS the Minister of Finance reports that for the purpose of the more effective operation of *The Exchange Fund Act* (Ch. 60, Statutes of Canada 1935) and the Foreign Exchange Control Order, he is of opinion that there is need at this time, as a measure for the security, defence, peace, order and welfare of Canada, to place at the disposal of the Foreign Exchange Control Board gold held in unrestricted ownership by the Bank of Canada together with foreign exchange held by residents of Canada; That to enable the Board to acquire the gold and foreign exchange above mentioned, it will be necessary to increase the funds at the credit of the special account established pursuant to section 4 of *The Exchange Fund Act*;

That he is further of the opinion that funds for the above mentioned purpose can best be provided by the issue and sale to the Bank of Canada of securities of Canada; and

That the Bank of Canada has indicated its willingness to purchase such securities and to sell gold and foreign exchange held by it.

AND WHEREAS by *The Loan Act, 1939*, the Governor in Council was authorized to raise by way of loan under the provisions of *The Consolidated Revenue and Audit Act, 1931*, by the issue and sale or pledge of securities of Canada, such sum or sums of money as may be required, not to exceed in the whole the sum of \$750,000,000 for paying or redeeming the whole or any portion of loans or obligations of Canada, and also for purchasing and withdrawing from circulation from time to time unmatured securities of Canada and for public works and general purposes, and that of the amount so authorized to be raised there remains authority to raise by way of loan the sum of \$345,756,445.76.

NOW THEREFORE His Excellency the Administrator in Council, for the above mentioned purposes, is hereby pleased to authorize the Minister of Finance to raise by way of loan a sum not exceeding \$325,000,000 and to direct that securities of Canada to an amount not exceeding \$325,000,000 be issued and sold to the Bank of Canada for that purpose.

Foreign Banking Laws and Reports

His Excellency the Administrator in Council, on the recommendation of the Minister of Finance and under and in virtue of the powers conferred by *The Loan Act, 1939*, and *The War Measures Act* (Ch. 206, Revised Statutes of Canada 1927) and otherwise, is pleased to make and doth hereby make the Order attached hereto under the title of "The Exchange Fund Order, 1940".

(Sgd) A. D. P. HEENEY
Clerk of the Privy Council.

At the Government House at Ottawa
Tuesday, the 30th day of April, 1940.

THE EXCHANGE FUND ORDER, 1940

1. (a) There shall be issued and sold, under the authority of *The Loan Act, 1939*, at par and accrued interest, \$250,000,000 principal amount of One Year 1% Notes, for the purpose of providing funds for the purchase by the Foreign Exchange Control Board of gold held in unrestricted ownership by the Bank of Canada and of foreign exchange required to be sold by residents of Canada and for the purposes generally of *The Exchange Fund Act* (Chapter 60 of the Statutes of Canada, 1935) and of the Foreign Exchange Control Order, P. C. 2716 of September 15th, 1939, as amended; said Notes to be dated May 1, 1940, and to mature May 1, 1941, and to bear interest at the rate of one per centum per annum payable semi-annually, November 1 and May 1;

(b) The said Notes shall be in the form attached hereto and the Minister of Finance is authorized to sell the said Notes at par and accrued interest to the Bank of Canada;

(c) There shall be issued and sold, under the authority of *The Loan Act, 1939*, Treasury Bills to the amount of \$75,000,000 for the purposes above mentioned, at a discount equivalent to a yield of 0.739 per centum per annum, the said Treasury Bills to be dated May 1, 1940, and to mature as follows:

As to an amount of \$15,000,000 on May 15, 1940

As to a further amount of \$15,000,000 on May 31

As to a further amount of \$15,000,000 on June 14

As to a further amount of \$10,000,000 on July 3

As to a further amount of \$10,000,000 on July 16

As to the remaining amount of \$10,000,000, on August 1, 1940.

(d) The said Treasury Bills shall be in the form attached hereto and the Minister of Finance is

authorized to sell the said Treasury Bills to the Bank of Canada at a discount equivalent to a yield of 0.739 per centum per annum;

(e) The said Notes and Treasury Bills shall be signed by the Deputy Minister of Finance and countersigned by D. G. Marble or L. P. J. Roy or M. G. Anderson, officers of the Bank of Canada;

(f) Pursuant to the provisions of Section 7 of *The Consolidated Revenue and Audit Act, 1931*, the expenses in connection with the issue and sale of said Notes and Treasury Bills shall be paid out of the Consolidated Revenue Fund.

2. The proceeds of the sale of the aforementioned securities to the Bank of Canada shall be credited by the Bank of Canada to the special account in the name of the Minister of Finance established pursuant to section 4 of *The Exchange Fund Act* and shall form part of the said special account for all the purposes of *The Exchange Fund Act* and of the Foreign Exchange Control Order.

3. Subject to the provisions of *The Exchange Fund Act* and of the Foreign Exchange Control Order, the Foreign Exchange Control Board shall not later than May 31, 1940, purchase from the Bank of Canada and the Bank of Canada shall sell to the Foreign Exchange Control Board all gold held in unrestricted ownership by the Bank of Canada at the current market price (as defined by Section 2 of *The Exchange Fund Act*).

4. Interest on the sum of \$325,000,000 shall be paid at the end of each quarter year by the Foreign Exchange Control Board from moneys in the said special account to the Receiver General of Canada and placed to the credit of the Consolidated Revenue Fund; such interest shall be calculated at such rate per annum as is the equivalent of the average tender rate for all Treasury Bills issued during the quarter year; the first payment of interest shall be made on June 30, 1940, and thereafter payments shall be made at the end of each quarter.

5. Notwithstanding anything contained in section 26 of the *Bank of Canada Act*, the Bank of Canada shall not while this order is in force be obliged or required to maintain any minimum or fixed reserve ratio of gold or foreign exchange.

6. The form of Schedule C to the Bank of Canada Act is amended by deleting the statement of the ratio of net reserve to notes and deposit liabilities.

7. This order may be cited as *The Exchange Fund Order, 1940*, and shall come into force on May 1, 1940.

National Summary of Business Conditions

Compiled June 17 and released for publication June 19. Later developments are discussed on pages 637-638 of this BULLETIN.

INDUSTRIAL activity increased considerably in May and the first half of June, while prices of commodities and securities declined sharply in the middle of May and fluctuated near the lower levels after that time. Distribution of commodities to consumers was maintained at levels prevailing earlier this year.

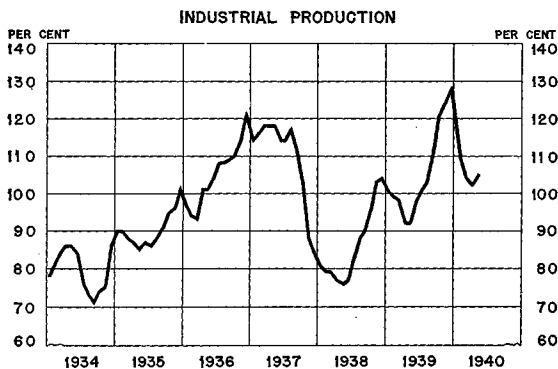
Production

Volume of industrial production increased in May and the Board's seasonally adjusted index advanced from 102 to 105. The rise in May reflected chiefly sharp increases in activity at steel mills and woolen mills. Steel production in May was at about 71 per cent of capacity, as compared with 60 in April, and by the third week of June activity had risen further to 88 per cent. Lumber production also increased. In the automobile industry, where output had been at a high rate in the first four months of the year, dealers' stocks were in large volume and production was curtailed in May and the first half of June. Retail sales of automobiles continued at a high level during most of May, although in the middle of the month a temporary sharp reduction was reported.

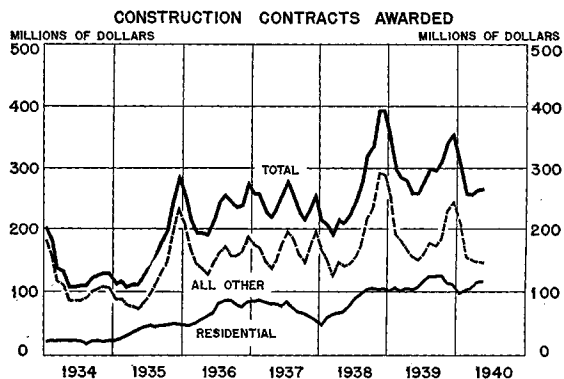
In the woolen textile industry activity in May rose sharply from the low level reached in April. At cotton mills activity was maintained at about the rate prevailing in March and April and was somewhat lower than in the early months of the year. Rayon production continued large, while mill takings of raw silk declined to the lowest level in nearly twenty years. In other industries producing nondurable manufactures activity generally showed little change from April to May.

Coal production in May continued at a high level for this time of the year, reflecting in part increased exports and unusually large shipments of coal to Upper Lake ports. Iron ore shipments down the Lakes were also large for this season. Petroleum production in May declined somewhat from the high rate maintained in March and April.

Value of construction contract awards increased further in May, according to figures of the F. W. Dodge Corporation, reflecting principally continued growth of private building. Private residential contracts rose to the highest level in the past 10 years. Awards for commercial buildings advanced somewhat further while those for factory construction



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100.



Three-month moving averages of F. W. Dodge data for value of contracts awarded in 37 Eastern States, adjusted for seasonal variation. Latest figures based on data for April and May and estimate for June.

continued at about the level reached in April. Both were considerably larger than a year ago. Contracts for public construction increased slightly in May but were about one-sixth lower than a year earlier.

Distribution

Department store sales in May declined from the level prevailing in the past three months, while sales at variety stores and mail-order houses were largely maintained at earlier levels. In the first week of June department store sales increased considerably.

Volume of railroad freight traffic increased in May, reflecting larger shipments of miscellaneous merchandise, coal, and forest products. Loadings of grains declined.

Foreign Trade

Total exports of United States merchandise showed little change from April to May. Increases were reported in shipments to Canada and Australia and to Italy and Finland, while exports to other European nations showed declines. Exports of industrial machinery in May declined somewhat from the high level reached in April, while exports of steel, copper, chemicals, and commercial vehicles increased, following declines in the previous month. Coal shipments, largely to Canada, rose to the highest level in recent years. Cotton exports continued to decline from the high level of last winter.

The monetary gold stock of the United States increased by \$439,000,000 in May and by \$250,000,000 in the first two weeks of June.

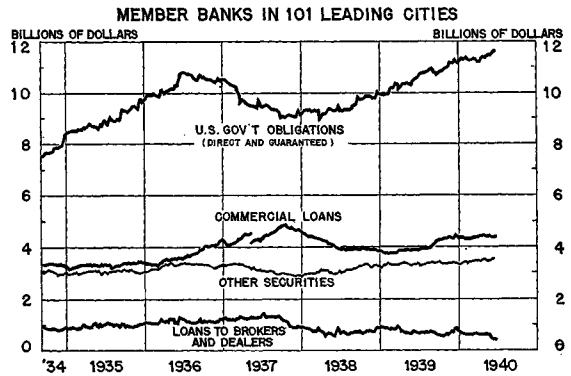
Commodity Prices

Following a general decline in basic commodity prices around the middle of May, prices of industrial materials, particularly steel scrap, zinc, tin, and wool, advanced and by the middle of June were in some instances above the levels of early May. Raw cotton prices also increased, and in the second week of June prices of cotton gray goods likewise advanced as sales of these goods were in exceptionally large volume. Prices of a number of foodstuffs continued to decline.

Bank Credit

Total loans and investments at reporting member banks in 101 leading cities showed little net change during the four weeks ending June 5. Holdings of United States Government obligations increased further at New

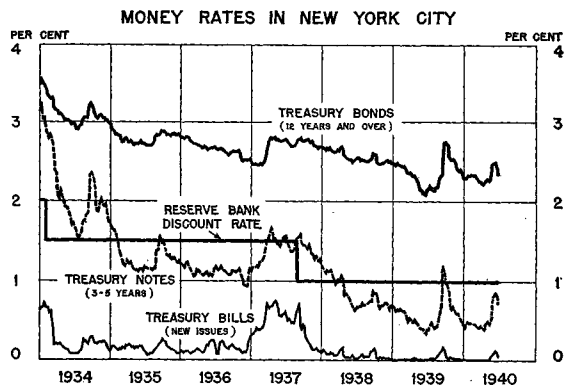
York City banks, while loans to security brokers and dealers declined considerably. Deposits and reserves of member banks continued to increase sharply as a result mainly of heavy gold imports.



Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934, to June 19, 1940. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937, so-called "Other loans" as then reported.

Government Security Market

Prices of Government securities held relatively steady during the latter part of May and the first part of June, after a reaction at the time of the invasion of Belgium and Holland. Subsequently prices increased sharply, and on June 15 the yield on the 1960-1965 bonds was 2.40 per cent, compared with 2.52 per cent on June 10 and 2.26 per cent at this year's peak in prices on April 2.



Minimum rate on rediscounts 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 June 22, 1940.

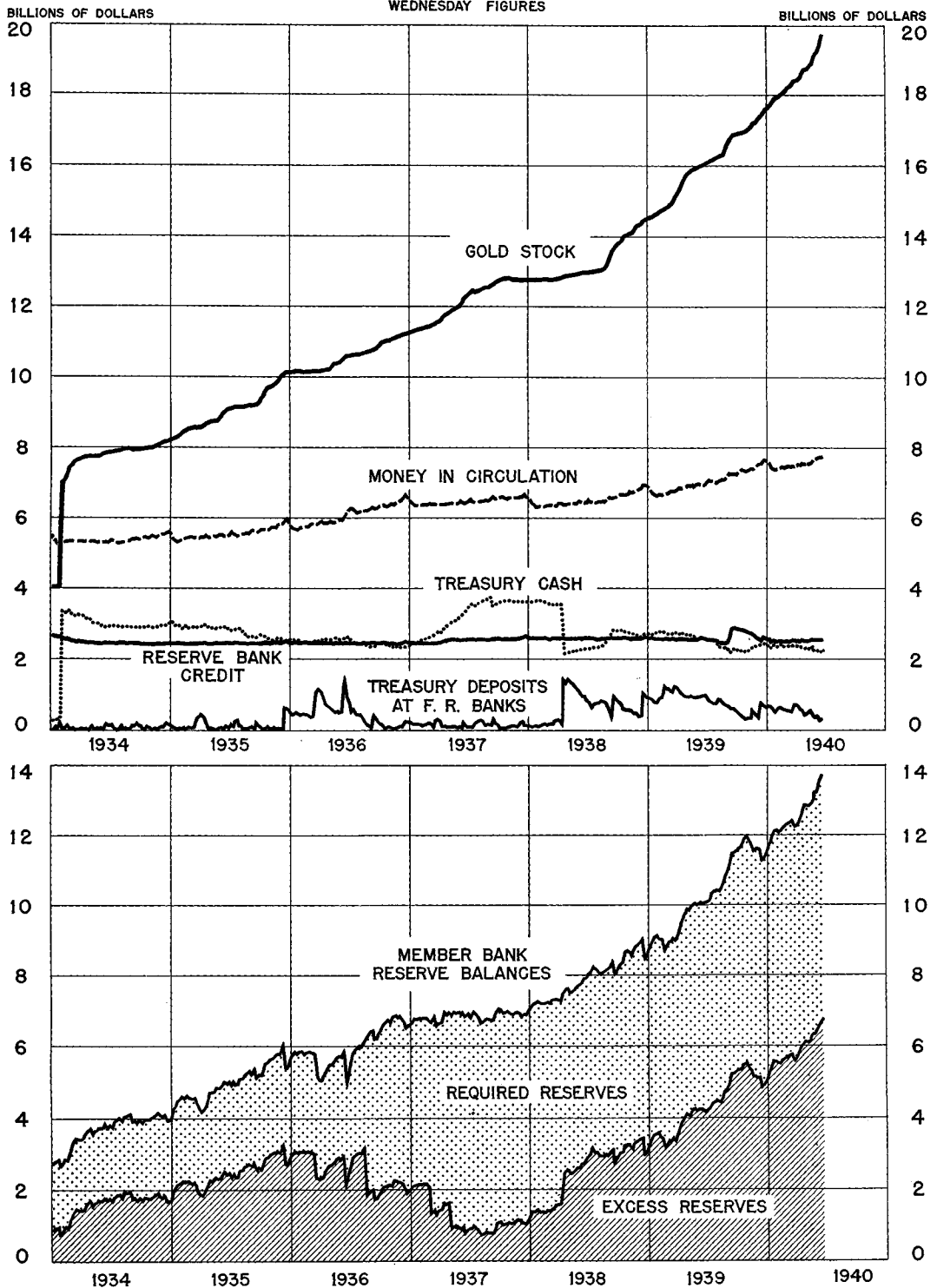
FINANCIAL, INDUSTRIAL, AND COMMERCIAL STATISTICS

UNITED STATES

	PAGE
Member bank reserves, Reserve Bank credit, and related items	683
Federal Reserve Bank discount rates; rates on time deposits, reserve requirements	684
Federal Reserve Bank statistics	685-689
Reserve position of member banks; deposits in larger and smaller centers	690
Money in circulation	691
Gold stock and gold movements; bank suspensions; bank debits	692
All banks in the United States, number, deposits, loans and investments	693
Condition of all member banks	694-695
Weekly reporting member banks	696-699
Commercial paper, bankers' acceptances, and brokers' balances	700
Money rates and bond yields	701
Security markets	702
Treasury finance	703-704
Governmental corporations and credit agencies; Postal Savings System	705-706
Production, employment, and trade	707-715
Wholesale prices	716
Statistics for Federal Reserve chart book	717-718
Number of banks and branches in United States, 1933-1939	718
Earnings and expenses of member banks	719-721

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 June 19. See page 683.

FEDERAL RESERVE BANK DISCOUNT RATES

[Per cent per annum]

Federal Reserve Bank	Rediscounts 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		Rate June 28	In effect beginning—	To banks		To others	
	Rate June 28	In effect beginning—	Rate June 28	In effect beginning—			Rate June 28	In effect beginning—	Rate June 28	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	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. 10, 1939	1	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

¹ 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 June 29	In effect beginning—	Previous rate
1-15 days ¹	1½	Oct. 20, 1933	1
16-30 days.....	1½	do.....	1
31-45 days.....	1½	do.....	1
46-60 days.....	1½	do.....	1
61-90 days.....	1½	do.....	1
91-120 days.....	1	do.....	1
121-180 days.....	1	do.....	1½

¹ 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: ¹					
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

¹ See footnote to table on p. 690 for explanation of method of computing net demand deposits.

MARGIN REQUIREMENTS¹

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.....	(²)	50
For loans by banks on stocks, under Regulation U.....	³ 55	40

¹ 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 above are the difference between the market value (100%) and the maximum loan value.

² Requirement under Regulation T was the margin "customarily required" by the broker.

³ Regulation U became effective May 1, 1936.

NOTE.—Regulations T and U also provide special margin requirements for "omnibus" accounts and loans to brokers and dealers.

FEDERAL RESERVE BANK RATES ON INDUSTRIAL ADVANCES

Rates in effect June 28, 1940, on advances and commitments under Sec. 13b of the Federal Reserve Act

[Per cent per annum except as indicated by footnote ¹]

Federal Reserve Bank	Advances direct to industrial or commercial organizations	Advances to financing institutions—		Commitments to make advances
		On portion for which institution is obligated	On remaining portion	
Boston.....	3¼-6	3	3½	½-1
New York.....	4-6	3	4-5	1-2
Philadelphia.....	4-6	(¹) 2½	(²)	½-2
Cleveland.....	4½-6	3½	4	1
Richmond.....	6	4-6	5	1-2
Atlanta.....	5-6	4-5	5	½
Chicago.....	5-6	(¹) 2½	5-6	1-2
St. Louis.....	4-5½	3½	4	(³) 1
Minneapolis.....	6	4½-5	4½-5	1
Kansas City.....	4-6	4	4	(³) 2
Dallas.....	5-6	4	5-6	1
San Francisco.....	5-6	3-4	4-5	½-2

¹ Authorized rate one per cent above prevailing discount rate.

² Same as to borrower but not less than four per cent.

³ Minimum charge one-half of one per cent.

Back figures.—See Annual Report for 1937 (table 40).

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		
	1940							1940		1939
	June 19	June 12	June 5	May 29	May 22	May 15	May 8	May	April	May
<i>Assets</i>										
Gold certificates on hand and due from U. S. Treasury	17,536,475	17,201,476	17,053,492	16,935,473	16,841,976	16,691,975	16,496,977	16,983,476	16,417,976	13,317,722
Redemption fund—F. R. notes	11,191	11,190	10,490	9,021	7,737	9,089	9,087	11,021	9,639	8,547
Other cash	371,023	367,698	348,578	359,026	374,374	378,611	366,076	351,882	381,193	346,667
Total reserves	17,918,689	17,580,364	17,412,560	17,303,520	17,224,087	17,079,675	16,872,140	17,346,379	16,808,808	13,672,936
Bills discounted:										
For member banks	2,182	2,407	2,772	3,053	2,317	1,812	1,785	2,815	1,694	4,058
For nonmember banks, etc.	10	10	10	10	10	1,010	1,010	10	1,010	
Total bills discounted	2,192	2,417	2,782	3,063	2,327	2,822	2,795	2,825	2,704	4,058
Bills bought:										
Payable in foreign currencies										561
Industrial advances	9,011	9,085	9,088	9,161	9,232	9,292	9,296	9,149	9,357	12,487
U. S. Government securities, direct and guaranteed:										
Bonds	1,343,183	1,346,995	1,346,995	1,346,995	1,346,995	1,344,845	1,337,495	1,346,995	1,337,495	911,090
Notes	1,130,125	1,130,125	1,130,125	1,130,125	1,130,125	1,129,225	1,129,225	1,130,125	1,129,225	1,176,109
Bills										476,816
Total U. S. Government securities, direct and guaranteed	2,473,308	2,477,120	2,477,120	2,477,120	2,477,120	2,474,070	2,466,720	2,477,120	2,466,720	2,564,015
Other Reserve Bank credit	54,411	34,387	41,055	22,150	31,541	31,966	28,510	29,855	39,125	-8,291
Total Reserve Bank credit outstanding	2,538,922	2,523,009	2,530,045	2,511,494	2,520,220	2,518,150	2,507,321	2,518,949	2,517,906	2,572,830
<i>Liabilities</i>										
F. R. notes in actual circulation	5,103,916	5,081,314	5,065,239	5,038,386	4,984,611	4,968,735	4,954,783	5,057,064	4,941,165	4,476,764
Deposits:										
Member bank—reserve account	13,712,233	13,510,111	13,386,697	13,215,148	13,222,502	13,093,674	12,877,017	13,236,768	12,918,586	10,029,054
U. S. Treasurer—general account	298,212	265,424	308,135	377,749	370,008	424,634	512,185	364,757	446,408	920,325
Foreign bank	659,828	455,030	454,181	440,086	449,854	400,930	360,819	428,380	367,239	284,806
Other deposits	438,487	559,080	494,321	509,464	484,761	476,886	441,280	544,764	420,200	301,130
Total deposits	15,108,760	14,789,645	14,643,334	14,542,447	14,527,125	14,396,124	14,191,301	14,574,669	14,152,433	11,535,315
Ratio of total reserves to deposit and F. R. note liabilities combined (per cent)	88.7	88.5	88.4	88.4	88.3	88.2	88.1	88.4	88.0	85.4

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
Bills discounted:										
May 29	3,063	2,081	206	208	136	432				
June 5	2,782	1,814	149	196	132	491				
June 12	2,417	1,451	87	256	128	495				
June 19	2,192	1,117	112	281	235	441	6			
Industrial advances:										
May 29	9,161	1,561	145	634	875	785	1,142	1,907	2,112	
June 5	9,088	1,623	588	893	85	780	1,157	1,901	2,061	
June 12	9,085	1,621	604	902	102	740	1,154	1,901	2,061	
June 19	9,011	2,137	79	881	207	651	1,040	1,930	2,086	
U. S. Government securities, direct and guaranteed:										
May 29	2,477,120						224,796	248,417	732,608	1,271,299
June 5	2,477,120						224,796	248,417	732,608	1,271,299
June 12	2,477,120						224,796	248,417	732,608	1,271,299
June 19	2,473,308					105,974	179,219	188,020	732,608	1,267,487

INDUSTRIAL ADVANCES BY FEDERAL RESERVE BANKS

[Amounts in thousands of dollars]

Date (last Wednesday of each month)	Applications received		Applications under consideration		Applications approved		Advances outstanding ¹ (amount)	Commitments outstanding (amount)	Approved but not completed ² (amount)	Repaid, expired, or withdrawn by applicant, etc. (amount)	Participations outstanding ³ (amount)
	Number	Amount	Number	Amount	Number	Amount					
1934—Dec. 26	4,386	146,972	71	2,955	984	49,634	13,589	8,225	20,966	5,558	1,296
1935—June 26	6,325	237,581	68	11,349	1,646	88,778	27,518	20,579	11,248	24,900	4,533
Dec. 31 ⁴	7,437	293,084	28	2,823	1,993	124,493	32,493	27,649	11,548	44,025	8,778
1936—June 24	8,006	314,471	12	1,880	2,183	133,343	30,484	24,454	9,381	61,425	7,599
Dec. 30	8,247	328,998	5	1,245	2,280	139,829	25,526	20,959	8,226	77,910	7,208
1937—Mar. 31	8,344	333,300	9	1,322	2,323	141,545	23,059	18,611	7,898	85,210	6,767
June 30	8,430	339,509	10	1,263	2,361	145,758	23,019	16,331	1,470	97,663	7,275
Sept. 29	8,474	341,842	1	800	2,381	146,724	21,415	14,880	5,337	102,588	7,304
Dec. 29	8,534	350,551	7	550	2,406	150,987	20,216	12,780	3,369	107,384	7,238
1938—Mar. 30	8,708	358,936	19	1,299	2,464	154,918	19,371	13,110	3,419	111,193	7,825
June 29	8,976	369,583	8	476	2,566	161,158	18,444	13,649	3,064	117,555	8,426
Sept. 28	9,102	378,974	8	146	2,617	168,380	17,567	13,597	5,737	122,447	9,032
Dec. 28	9,188	387,490	5	247	2,653	175,013	17,345	14,161	1,946	128,839	12,722
1939—Jan. 25	9,203	389,176	8	999	2,660	175,651	16,811	13,004	1,293	132,009	12,534
Feb. 21 ⁴	9,221	389,554	7	964	2,671	175,902	16,474	12,907	1,105	133,001	12,415
Mar. 29	9,249	392,230	14	344	2,683	177,895	15,798	12,647	1,975	135,004	12,471
Apr. 26	9,270	394,055	7	495	2,697	178,639	15,817	11,749	2,134	136,696	12,243
May 31	9,296	394,970	6	400	2,713	179,332	15,305	11,630	2,496	137,922	12,079
June 28	9,308	395,499	5	255	2,721	179,778	15,255	11,175	2,067	139,281	12,000
July 26	9,330	399,780	6	790	2,730	183,354	15,384	11,476	3,733	142,943	12,818
Aug. 30	9,355	401,228	7	532	2,743	184,152	14,667	11,009	1,220	144,812	12,444
Sept. 27	9,366	402,305	2	370	2,752	185,234	14,454	10,517	1,938	146,156	12,169
Oct. 25	9,388	402,944	1	70	2,763	186,034	14,545	10,156	1,764	148,037	11,532
Nov. 29	9,401	404,226	3	92	2,772	187,257	14,051	9,643	2,548	149,911	11,104
Dec. 27	9,418	405,225	2	41	2,781	188,222	13,683	9,220	2,659	151,679	10,981
1940—Jan. 31	9,433	406,097	2	76	2,793	188,879	12,860	8,376	2,504	154,629	10,510
Feb. 28	9,456	407,392	4	32	2,805	190,055	12,997	8,966	1,454	155,574	11,064
Mar. 27	9,476	410,192	7	199	2,814	192,665	12,723	8,224	2,471	158,110	11,137
Apr. 24	9,487	411,628	4	118	2,825	194,096	12,001	8,725	2,264	159,950	11,156
May 29 ⁵	9,504	413,178	3	45	2,832	195,404	11,242	8,852	2,474	161,491	11,345
June 12 ⁵	9,507	413,197	1	10	2,836	195,535	11,100	8,676	2,443	162,155	11,161

¹ Includes industrial advances past due 3 months or more which are not included in industrial advances outstanding in weekly statement of condition of the Federal Reserve Banks.

² Includes applications approved conditionally by the Federal Reserve Banks and under consideration by applicant.

³ Does not include financing institution guaranties of advances and commitments made by Federal Reserve Banks, which amounted to \$1,008,903 June 12, 1940.

⁴ Tuesday.

⁵ Latest date for which figures are available.

FEDERAL RESERVE NOTES—FEDERAL RESERVE AGENTS' ACCOUNTS, BY WEEKS

[In thousands of dollars]

	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Federal Reserve notes:													
Issued to F. R. bank by F. R. agent:													
May 29	5,349,723	425,623	1,432,689	367,213	482,615	236,934	174,920	1,145,939	203,968	147,258	193,151	85,560	453,853
June 5	5,367,189	430,770	1,432,080	369,526	482,885	238,477	177,413	1,149,333	203,373	146,850	195,020	86,329	455,133
June 12	5,398,209	435,108	1,441,022	372,108	485,143	239,431	179,339	1,148,805	205,553	147,578	195,535	86,929	461,658
June 19	5,422,695	439,030	1,449,828	370,619	487,067	239,824	179,257	1,153,570	204,374	147,538	197,810	87,743	466,035
Held by Federal Reserve bank:													
May 29	311,337	13,638	97,568	15,527	22,802	15,586	13,487	43,091	10,917	5,419	10,273	7,336	55,693
June 5	301,950	15,128	90,917	17,332	24,014	15,646	13,731	43,465	9,722	4,314	9,802	6,765	51,114
June 12	316,895	18,635	95,017	17,307	21,253	15,779	15,240	42,189	12,024	5,843	10,131	7,843	55,634
June 19	318,779	20,247	92,555	16,233	25,936	15,640	14,534	39,900	10,633	5,445	10,609	7,898	59,149
In actual circulation: ¹													
May 29	5,038,386	411,985	1,335,121	351,686	459,813	221,348	161,433	1,102,848	193,051	141,839	182,878	78,224	398,160
June 5	5,065,239	415,642	1,341,163	352,194	458,871	222,831	163,682	1,105,868	193,651	142,536	185,218	79,564	404,019
June 12	5,081,314	416,473	1,346,005	354,801	463,890	223,652	164,099	1,106,616	193,529	141,735	185,404	79,086	406,024
June 19	5,103,916	418,783	1,357,273	354,386	461,131	224,184	164,723	1,113,670	193,741	142,093	187,201	79,845	406,886
Collateral held by agent as security for notes issued to bank:													
Gold certificates on hand and due from U. S. Treasury:													
May 29	5,455,500	440,000	1,455,000	375,000	484,000	250,000	180,000	1,160,000	209,000	148,500	200,000	90,000	464,000
June 5	5,455,500	440,000	1,455,000	375,000	484,000	250,000	180,000	1,160,000	209,000	148,500	200,000	90,000	464,000
June 12	5,483,500	440,000	1,465,000	375,000	487,000	250,000	185,000	1,160,000	209,000	148,500	200,000	90,000	474,000
June 19	5,536,500	460,000	1,475,000	385,000	490,000	250,000	185,000	1,160,000	209,000	148,500	200,000	90,000	484,000
Eligible paper:													
May 29	2,307	96	905	97	-----	130	-----	-----	630	170	279	-----	-----
June 5	2,028	83	1,178	58	-----	130	-----	-----	105	164	310	-----	-----
June 12	1,669	102	740	89	-----	110	-----	-----	105	203	320	-----	-----
June 19	1,429	129	387	91	-----	110	-----	-----	131	205	376	-----	-----
Total collateral:													
May 29	5,457,807	440,096	1,455,905	375,097	484,000	250,130	180,000	1,160,000	209,630	148,670	200,279	90,000	464,000
June 5	5,457,528	440,083	1,456,178	375,058	484,000	250,130	180,000	1,160,000	209,105	148,664	200,310	90,000	464,000
June 12	5,485,169	440,102	1,465,740	375,089	487,000	250,110	185,000	1,160,000	209,105	148,703	200,320	90,000	474,000
June 19	5,537,929	460,129	1,475,387	385,091	490,000	250,110	185,000	1,160,000	209,131	148,705	200,376	90,000	484,000

¹ Includes Federal Reserve notes held by the United States Treasury or by a Federal Reserve Bank other than the issuing bank.

RESERVE POSITION OF MEMBER BANKS, MAY, 1940

[Averages of daily figures. In millions of dollars]

Classes of banks and districts	Gross demand deposits	Net demand deposits ¹	Time deposits	Reserves with Federal Reserve Banks		
				Required	Held	Excess
All member banks	39,181	31,939	11,999	6,798	13,086	6,288
Central reserve city banks:						
New York.....	14,890	14,213	746	3,271	6,660	3,389
Chicago.....	2,978	2,616	501	620	1,097	477
Reserve city banks:						
Boston district.....	1,254	1,131	86	202	449	247
New York district.....	230	180	157	39	62	23
Philadelphia district.....	1,467	1,226	229	226	512	286
Cleveland district.....	1,846	1,451	738	291	620	329
Richmond district.....	841	601	216	116	199	83
Atlanta district.....	823	545	180	104	144	39
Chicago district.....	1,435	994	609	203	379	176
St. Louis district.....	893	676	175	127	188	61
Minneapolis district.....	403	300	87	57	87	30
Kansas City district.....	1,064	694	158	129	198	68
Dallas district.....	784	456	129	86	134	48
San Francisco district.....	2,350	1,870	1,996	427	644	217
Total	13,390	10,113	4,759	2,008	3,615	1,607
Country banks:						
Boston district.....	921	655	562	107	195	88
New York district.....	1,434	974	1,408	187	406	218
Philadelphia district.....	687	434	881	96	186	89
Cleveland district.....	646	410	704	84	161	76
Richmond district.....	597	344	369	60	101	42
Atlanta district.....	577	334	239	52	95	43
Chicago district.....	946	572	758	107	224	118
St. Louis district.....	394	240	243	41	72	31
Minneapolis district.....	332	204	280	39	68	29
Kansas City district.....	467	280	159	42	69	27
Dallas district.....	563	332	106	45	82	37
San Francisco district.....	361	219	285	40	56	15
Total	7,923	4,997	5,993	899	1,714	815

¹ 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 at foot of p. 684 for percentages of deposit 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 ¹	Central reserve city banks		Reserve city banks	Country banks ¹
		New York	Chicago		
Total reserves held:					
1939—May.....	9,997	5,094	878	2,630	1,395
June.....	10,085	5,049	893	2,728	1,415
July.....	10,321	5,195	848	2,827	1,451
August.....	10,659	5,366	923	2,883	1,486
September.....	11,443	5,866	1,009	3,009	1,559
October.....	11,862	5,958	1,112	3,203	1,588
November.....	11,688	5,759	1,115	3,229	1,585
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
Week ending (Friday):					
1940—May 3.....	12,919	6,634	1,039	3,536	1,711
May 10.....	12,893	6,544	1,061	3,567	1,722
May 17.....	13,037	6,599	1,092	3,622	1,724
May 24.....	13,242	6,762	1,119	3,652	1,708
May 31.....	13,253	6,763	1,135	3,657	1,699
June 7.....	13,354	6,805	1,162	3,643	1,745
June 14.....	13,511	6,841	1,202	3,714	1,764
Excess reserves:					
1939—May.....	4,212	2,465	360	858	529
June.....	4,246	2,394	362	944	546
July.....	4,402	2,504	305	1,013	581
August.....	4,607	2,587	363	1,046	611
September.....	5,198	2,943	430	1,147	678
October.....	5,490	2,974	518	1,295	704
November.....	5,259	2,753	516	1,294	696
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
Week ending (Friday):					
1940—May 3.....	6,158	3,375	431	1,540	812
May 10.....	6,146	3,307	449	1,567	822
May 17.....	6,252	3,346	471	1,611	825
May 24.....	6,412	3,467	494	1,642	809
May 31.....	6,406	3,456	509	1,641	800
June 7.....	6,513	3,492	537	1,639	846
June 14.....	6,630	3,515	565	1,695	855

¹ Preliminary.

¹ 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	
	May	April	May	April	May	April	May	April	May	April	May	April
Boston.....	2,175	2,153	648	648	2,044	2,023	517	517	130	130	131	131
New York.....	16,554	16,339	2,311	2,327	1,364	1,301	1,063	1,062	300	297	501	502
Philadelphia.....	2,153	2,111	1,110	1,112	1,912	1,870	653	655	241	241	457	456
Cleveland.....	2,492	2,460	1,441	1,441	2,246	2,214	1,129	1,130	245	246	312	311
Richmond.....	1,438	1,429	585	584	1,238	1,229	380	379	199	201	205	204
Atlanta.....	1,399	1,399	419	418	1,217	1,211	329	327	183	188	91	90
Chicago.....	5,359	5,142	1,868	1,860	2,025	1,995	1,058	1,053	356	356	309	307
St. Louis.....	1,287	1,287	418	420	1,046	1,048	298	301	241	239	119	119
Minneapolis.....	735	733	367	369	539	537	177	179	197	196	190	190
Kansas City.....	1,531	1,497	317	316	1,188	1,151	201	201	343	346	116	116
Dallas.....	1,347	1,341	235	232	1,040	1,033	188	188	307	308	47	45
San Francisco.....	2,711	2,668	2,281	2,262	2,588	2,545	2,179	2,160	123	123	101	101
Total	39,181	38,560	11,999	11,987	18,447	18,158	8,173	8,152	2,866	2,871	2,579	2,573

¹ 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 certificates	Silver dollars	Silver certificates	Treasury notes of 1890	Subsidiary silver coin	Minor coin	United States notes	Federal Reserve notes	Federal Reserve bank notes	National bank notes
1939—April	6,905	73	42	1,385	1	354	152	255	4,426	26	191
May	6,967	72	42	1,417	1	358	154	259	4,449	26	189
June	7,047	72	42	1,454	1	361	155	266	4,484	26	186
July	7,049	71	43	1,446	1	362	156	264	4,496	25	184
August	7,171	71	43	1,465	1	365	157	267	4,595	25	182
September	7,293	71	43	1,488	1	369	159	269	4,688	25	180
October	7,342	70	44	1,485	1	373	161	267	4,739	24	178
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	178
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

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 circulation total ¹	Coin and small denomination currency ²							Large denomination currency ²						Unassorted ²	
		Total	Coin	\$1 ³	\$2	\$5	\$10	\$20	Total	\$50	\$100	\$500	\$1,000	\$5,000		\$10,000
1939—April	6,905	5,069	548	505	32	929	1,602	1,453	1,838	418	829	170	370	18	33	3
May	6,967	5,109	554	513	33	937	1,614	1,458	1,861	422	836	172	380	17	33	3
June	7,047	5,164	558	514	33	947	1,638	1,473	1,887	428	848	176	388	17	29	3
July	7,049	5,169	561	514	33	947	1,644	1,470	1,885	426	847	175	391	17	28	4
August	7,171	5,253	566	521	34	966	1,681	1,487	1,922	433	857	180	405	17	30	4
September	7,293	5,329	571	532	34	980	1,706	1,507	1,965	440	876	185	413	20	30	1
October	7,342	5,363	577	535	34	982	1,710	1,526	1,981	445	884	186	415	20	30	2
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	430	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

¹ Total of amounts of coin and paper currency shown by denominations less unassorted currency in Treasury and Federal Reserve Banks.
² Includes unassorted currency held in Treasury and Federal Reserve Banks and currency of unknown denominations reported by the Treasury as destroyed.
³ 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 ¹	Subsidiary silver coin	Minor coin	United States notes	Federal Reserve bank notes	National bank notes
1939—April	2,849	1,746	376	160	347	27	193
May	2,862	1,759	377	161	347	26	191
June	2,881	1,778	380	161	347	26	189
July	2,895	1,794	381	162	347	26	186
August	2,907	1,804	383	162	347	25	185
September	2,919	1,814	386	164	347	25	183
October	2,932	1,825	390	166	347	25	181
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

¹ Includes silver held against silver certificates amounting to \$1,816,000,000 on May 31, 1940 and \$1,656,000,000 on May 31, 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	-----
1939—May	3.8	.7	3.1	-----
June	2.9	1.1	1.8	-----
July	2.2	1.0	1.2	-----
August	4.7	.9	3.8	-----
September	.8	.1	.7	-----
October	1.8	.2	1.6	-----
November	4.5	1.3	3.2	-----
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	-----

¹ 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		In-crease in total gold stock	Net gold import	Net gain or loss (-) through ear-marking trans-actions ¹	Do-mestic gold pro-duction
	Total	Inactive account				
1934 ²	8,238		4,202.5	1,133.9	82.6	92.9
1935	10,125		1,887.2	1,739.0	.2	110.7
1936	11,258	26.5	1,132.5	1,116.6	-85.9	131.6
1937	12,760	1,227.9	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	159.8
1938—June	12,963		44.2	55.3	-15.5	9.6
July	13,017		54.5	63.8	-20.9	14.2
August	13,136		118.3	166.0	-28.8	14.7
September	13,760		623.8	520.9	-13.3	14.1
October	14,065		305.0	562.4	-110.2	13.5
November	14,312		247.5	177.8	-7.4	15.5
December	14,512		199.6	240.5	-62.4	13.3
1939—January	14,682		170.0	156.3	14.1	12.2
February	14,874		192.7	223.3	-48.6	10.5
March	15,258		383.8	365.4	10.7	11.1
April	15,791		532.3	605.8	-114.8	13.1
May	15,957		166.2	429.4	-261.6	12.6
June	16,110		153.3	240.4	-104.8	10.7
July	16,238		128.0	278.6	-164.0	13.1
August	16,646		407.6	259.9	152.1	14.1
September	16,932		285.9	326.1	2.8	15.7
October	17,091		159.9	69.7	79.5	18.5
November	17,358		267.1	168.0	90.9	14.8
December	17,644		285.1	451.2	-200.8	13.2
1940—January	17,931		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	14.0
June 1-26 ³	19,871		662.3	1,129.7	-456.4	

² Preliminary. ³ Corrected.

¹ Gold held under earmark at Federal Reserve Banks for foreign account on May 31, 1940, in millions of dollars: 1,269.0.

² Figures based on rate of \$20.67 a fine ounce in January 1934 and \$35 a fine ounce thereafter.

NOTE.—Figures for domestic production of gold are those published in table, p. 725, 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 SUSPENSIONS¹

	Total, all banks	Member banks		Nonmember banks	
		National	State	In-sured ²	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—Jan.-May	11			10	1
Deposits of suspended banks (in thousands of dollars): ³					
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—Jan.-May	3,585			3,439	146

¹ 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).

² Federal deposit insurance became operative January 1, 1934.

³ 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 STATES¹

[In thousands of dollars]

From or to—	1940					
	May		April		Jan.-May	
	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports
Belgium			3			977
France	40					174
Hungary	2,950		5,984			11,873
Italy	8,248		16,108			43,935
Netherlands	9,431		3,273			59,582
Norway						33,405
Sweden			39,654			154,694
Switzerland	11,452		32,617			88,117
United Kingdom	62,044	1	43,567			186,105
U. S. S. R.						5,570
Canada	281,198	16	54,999	32		685,719
Mexico	2,331		2,396			11,498
Central America	813		653			3,285
Bolivia	2	3,545				18
Chile	1,232		1,176			5,050
Colombia	2,113		2,111			6,347
Ecuador	324		252			1,604
Peru	1,510		471			4,262
Venezuela	437		475			2,204
Australia	5,177		3,374			26,356
British India	4,317		3,139			35,734
China and Hong Kong	3,958		1,700			15,219
Japan	4,743		4,710			57,849
Philippine Islands	2,405		3,376			15,177
South Africa	31,477		28,798			123,947
All other countries ²	2,495		1,047	2		7,609
Total	438,695	3,563	249,885	33	1,586,313	3,689

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

² Includes all movements of unreported origin or destination.

Back figures.—See table, p. 725, and Annual Report for 1937 (tables 31 and 32).

BANK DEBITS

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

Year and month	Total, all reporting centers	New York City	140 other leading centers ¹		133 other reporting centers ²
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—April	32,822	13,311	16,832	2,679	
May	34,656	14,165	17,763	2,728	
June	36,883	15,312	18,676	2,895	
July	33,245	12,794	17,683	2,768	
August	33,314	13,118	17,496	2,701	
September	36,594	15,138	18,526	2,930	
October	35,830	13,683	19,029	3,119	
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	

¹ Comprises centers for which bank debit figures are available beginning with 1919, except that one substitution was made in 1920 and one in 1923.

² 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.—See Annual Report for 1937 (Table 71), which also gives a definition of bank debits. Figures for individual reporting cities and totals by Federal Reserve districts are available in mimeographed form.

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, 011
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	556	8, 312
1939—June 30.....	15, 082	6, 330	5, 203	1, 127	553	8, 199
Oct. 2.....	15, 061	6, 339	5, 196	1, 143	552	8, 170
Dec. 30 ³	15, 035	6, 362	5, 187	1, 175	552	8, 121
1940—Mar. 26 ³	15, 010	6, 377	5, 178	1, 199	551	8, 082

For footnotes see table below.

DEPOSITS, EXCLUSIVE OF INTERBANK DEPOSITS¹

[In millions of dollars]

Call date	All banks	Member banks			Nonmember banks	
		Total	National	State	Mutual savings banks	Other non-member banks
1929—June 29....	53, 852	32, 284	19, 411	12, 873	8, 983	12, 584
Dec. 31.....	55, 289	33, 865	20, 290	13, 575	8, 916	12, 508
1933—June 30....	37, 998	23, 338	14, 772	8, 566	9, 713	4, 946
Dec. 30.....	38, 505	23, 771	15, 386	8, 385	9, 708	5, 026
1934—June 30....	41, 870	26, 615	17, 097	9, 518	9, 780	5, 475
Dec. 31.....	44, 770	28, 943	18, 519	10, 424	9, 828	6, 000
1935—June 29....	45, 766	29, 496	19, 031	10, 465	9, 920	6, 350
Dec. 31.....	48, 964	32, 159	20, 886	11, 273	9, 903	6, 842
1936—June 30....	51, 335	34, 098	21, 986	12, 112	10, 060	7, 178
Dec. 31.....	53, 701	35, 893	23, 107	12, 786	10, 143	7, 666
1937—June 30....	53, 287	35, 440	22, 926	12, 514	10, 213	7, 635
Dec. 31.....	52, 440	34, 810	22, 655	12, 155	10, 257	7, 373
1938—June 30....	52, 195	34, 745	22, 553	12, 193	10, 296	7, 153
Dec. 31.....	54, 054	36, 211	23, 497	12, 714	10, 365	7, 478
1939—June 30....	55, 992	38, 027	24, 534	13, 493	10, 521	7, 444
Oct. 2.....	57, 437	39, 287	25, 248	14, 039	10, 520	7, 630
Dec. 30 ³	58, 344	39, 930	25, 661	14, 269	10, 613	7, 801
1940—Mar. 26 ³	59, 051	40, 578	25, 911	14, 667	10, 544	7, 929

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	9, 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, 941	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, 955	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 ²	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
Oct. 2.....	49, 954	21, 634	28, 320	33, 075	13, 470	19, 605	10, 333	4, 936	5, 397	6, 546	3, 228	3, 318
Dec. 30 ³	50, 882	22, 167	28, 714	33, 941	13, 962	19, 979	10, 332	4, 961	5, 371	6, 610	3, 244	3, 365
1940—Mar. 26 ³	51, 154	22, 203	28, 951	34, 163	13, 929	20, 223	10, 226	4, 922	5, 304	6, 765	3, 342	3, 424

¹ Prior to Dec. 30, 1933, member-bank figures include interbank deposits not subject to immediate withdrawal, which aggregated \$103,000,000 on that date. The nonmember bank figures include interbank deposits to the extent that they are not shown separately in a few State bank abstracts.

² Beginning December 1938 figures of loans and investments exclude approximately \$50,000,000 and \$100,000,000, heretofore reported as loans and investments, respectively, which indirectly represent bank premises or other real estate and are now classified in condition reports among "Other assets."

³ Figures for "All banks" are preliminary.

⁴ One bank (with deposits, excluding interbank deposits, of \$90,000,000 and total loans and investments of \$96,000,000 on December 31, 1939) which was formerly classified as a mutual savings bank is included in the March 26, 1940 figures in "Other nonmember banks" column.

Back figures.—See Annual Report for 1937 (tables 48-49).

CONDITION OF ALL MEMBER BANKS—LOANS AND INVESTMENTS

[In millions of dollars]

Call date	Total loans and investments	Loans ¹							Investments ¹								
		Total ¹	Com- mer- cial, indus- trial, and agri- cultural ²	Open mar- ket paper	Loans for purchasing or carrying securities		Real estate loans	Loans to banks	Other loans ⁴	Total	U. S. Government obligations					Obliga- tions of States and politi- cal sub- divi- sions	Other secu- rities ⁵
					To brok- ers and deal- ers	To others ³					Direct						
											Total	Bills ⁶	Notes	Bonds	Guar- anteed		
<i>Total—All Member Banks</i>																	
1929—Dec. 31..	95,934	26,150	583	2,463	7,685	3,191	714	11,515	9,784	3,863	249	520	3,094	1,393	4,528		
1933—June 30..	24,786	12,858	595	953	3,752	2,372	330	4,857	11,928	6,887	1,113	2,049	3,725	1,744	3,297		
1938—Mar. 7..	31,521	13,546	607	874	2,665	2,556	96	6,745	17,975	10,625	797	4,297	5,531	2,209	3,314		
June 30..	30,721	12,938	492	701	2,614	2,613	120	6,397	17,783	10,215	316	3,653	6,246	2,128	3,296		
Sept. 28..	31,627	12,937	442	713	2,590	2,661	126	6,364	18,689	10,713	313	3,707	6,693	2,298	3,361		
Dec. 31..	32,070	13,208	5,448	442	973	2,716	125	2,728	18,893	10,882	286	3,389	7,208	2,340	3,192		
1939—Mar. 29..	32,085	13,047	5,531	427	838	733	99	2,671	18,048	10,691	303	2,604	7,783	2,660	3,142		
June 30..	32,603	13,141	5,571	420	731	736	58	2,796	19,462	10,946	441	2,720	7,786	2,831	3,131		
Oct. 2 ⁶ ..	33,075	13,470							19,605	10,891				2,920	3,030		
Dec. 30..	33,941	13,962	6,115	455	790	700	2,957	56	19,979	11,184	563	2,223	8,398	3,144	2,959		
1940—Mar. 26 ⁶ ..	34,163	13,939							20,224	11,314				3,107	2,905		
<i>New York City⁷</i>																	
1929—Dec. 31..	8,774	6,683	195	1,257	2,145	169	322	2,595	2,091	1,112	58	166	889	222	758		
1933—June 30..	7,133	3,424	364	758	1,044	157	162	937	3,709	2,551	638	987	926	478	690		
1938—Mar. 7..	8,317	3,532	198	696	727	140	60	1,741	4,785	3,180	505	1,529	1,145	432	688		
June 30..	8,013	3,173	141	556	717	132	85	1,541	4,849	3,031	222	1,358	1,451	709	707		
Sept. 28..	8,355	3,146	151	564	702	132	95	1,499	5,209	3,153	251	1,342	1,560	834	727		
Dec. 31..	8,355	3,262	1,461	158	787	220	121	99	436	5,072	2,363	158	1,142	1,663	698		
1939—Mar. 29..	8,408	3,086	1,456	126	608	209	124	77	427	5,322	2,939	68	831	2,040	714		
June 30..	8,658	2,988	1,479	128	555	215	130	41	440	5,700	3,360	168	908	2,284	736		
Oct. 2 ⁶ ..	9,044	3,116							5,928	3,491				1,157	708		
Dec. 30..	9,339	3,211	1,776	120	611	188	133	44	6,043	3,497	315	797	2,385	1,275	693		
1940—Mar. 26 ⁶ ..	9,594	3,290							6,383	3,686				1,286	686		
<i>City of Chicago⁷</i>																	
1929—Dec. 31..	1,757	1,448	19	251	533	21	88	535	309	116	3	19	94	96	96		
1933—June 30..	1,287	677	70	61	251	30	30	237	610	384	206	82	97	87	138		
1938—Mar. 7..	1,997	614	27	39	113	11	11	423	1,382	1,008	153	371	484	100	139		
June 30..	1,806	525	15	29	109	10	10	361	1,281	859	12	313	535	122	159		
Sept. 28..	1,889	522	18	31	111	10	10	351	1,367	921	1	319	611	126	144		
Dec. 31..	1,969	539	336	16	43	70	12	1	62	1,430	1,005	59	291	655	109		
1939—Mar. 29..	1,965	545	361	14	32	70	12	57	1,420	992	121	212	660	108	140		
June 30..	2,052	544	348	14	39	71	11	59	1,507	1,040	185	234	621	135	179		
Oct. 2 ⁶ ..	2,050	563							1,487	1,017				155	168		
Dec. 30..	2,105	569	372	17	41	66	13	60	1,536	1,031	153	176	701	172	170		
1940—Mar. 26 ⁶ ..	2,222	564							1,658	1,180				139	164		
<i>Reserve City Banks</i>																	
1929—Dec. 31..	12,029	9,084	168	664	2,775	1,538	258	3,679	2,944	1,368	91	165	1,112	448	1,128		
1933—June 30..	8,492	4,482	126	108	1,340	1,131	99	1,678	4,011	2,483	205	681	1,597	598	930		
1938—Mar. 7..	11,250	5,031	197	118	1,020	1,173	25	2,468	6,219	3,962	115	1,610	2,236	648	901		
June 30..	11,150	4,853	163	95	998	1,201	26	2,369	6,298	3,940	69	1,268	2,603	718	908		
Sept. 28..	11,426	4,879	156	96	992	1,217	22	2,387	6,556	4,088	47	1,290	2,757	743	950		
Dec. 31..	11,654	4,963	2,121	149	119	242	230	20	1,981	6,691	4,278	57	1,224	2,997	740		
1939—Mar. 29..	11,624	4,936	2,116	145	115	228	1,249	17	1,066	6,688	4,181	100	977	3,105	823		
June 30..	11,756	5,004	2,118	138	115	221	1,284	12	1,116	6,751	4,102	78	1,014	3,010	889		
Oct. 2 ⁶ ..	11,880	5,127							6,752	4,089				909	856		
Dec. 30..	12,272	5,329	2,322	155	119	222	1,335	9	6,943	4,222	63	819	3,339	972	860		
1940—Mar. 26 ⁶ ..	12,153	5,305							6,848	4,107				963	850		
<i>Country Banks</i>																	
1929—Dec. 31..	13,375	8,936	201	291	2,231	1,462	45	4,705	4,439	1,267	97	171	999	627	2,546		
1933—June 30..	7,873	4,275	35	25	1,117	1,055	38	2,005	3,598	1,469	64	299	1,106	581	1,549		
1938—Mar. 7..	9,958	4,369	215	24	804	1,233	11	2,083	5,589	2,477	24	787	1,665	647	1,585		
June 30..	9,752	4,388	173	21	790	1,269	9	2,126	5,364	2,385	13	715	1,657	579	1,522		
Sept. 28..	9,958	4,399	156	21	784	1,303	9	2,127	5,558	2,550	15	762	1,770	596	1,509		
Dec. 31..	10,113	4,444	1,531	138	25	243	1,353	5	1,149	5,669	2,636	11	732	1,893	982		
1939—Mar. 29..	10,098	4,480	1,597	142	24	226	1,363	6	1,121	5,618	2,578	15	585	1,978	1,001		
June 30..	10,109	4,605	1,626	140	22	229	1,402	5	1,180	5,504	2,444	11	563	1,870	1,025		
Oct. 2 ⁶ ..	10,102	4,665							5,437	2,383				699	1,058		
Dec. 30..	10,224	4,768	1,646	163	20	224	1,477	4	5,456	2,434	31	431	1,972	725	1,061		
1940—Mar. 26 ⁶ ..	10,194	4,860							5,334	2,341				719	1,076		

¹ Classifications indicated were revised as of Dec. 31, 1938; for explanation see BULLETIN for January, 1939, pp. 22-23, and BULLETIN for April, 1939, pp. 259-264, 332. Beginning June 30, 1939, detailed classifications available on June and December dates only.

² Not reported separately prior to December 1938 except for weekly reporting banks in leading cities.

³ Figures in this column prior to Dec. 31, 1938, represent all loans on securities, regardless of purpose, excepting only loans on securities to banks and to brokers and dealers.

⁴ This is a residual item and, because of the revised loan classifications, figures beginning Dec. 31, 1938, are not comparable with earlier figures.

⁵ Includes Treasury certificates of indebtedness through 1934.

⁶ Breakdown of loans and investments not reported separately.

⁷ Central reserve city banks.

Back figures.—See Annual Report for 1937 (tables 52-58).

CONDITION OF ALL MEMBER BANKS—RESERVES AND LIABILITIES

[In millions of dollars]

Reserves with Federal Reserve Banks	Cash in vault	Balances with domestic banks ¹	Demand deposits adjusted ²	Demand deposits, except interbank				Time deposits, except interbank				Interbank deposits			Borrowings	Capital accounts	Call date
				Individuals, partnerships, and corporations	States and political subdivisions	Certified and officers' checks etc. ³	U. S. Government ⁴	Individuals, partnerships, and corporations	States and political subdivisions	Postal savings ⁴	Domestic banks		Foreign banks				
											Demand	Time					
<i>Total—All Member Banks</i>																	
2,374	558	2,168	16,647	17,526	1,335	1,681	143	12,267	595	122	3,517	95	698	879	6,709	1929—Dec. 31	
2,235	405	2,008	12,089	11,830	1,087	657	806	7,903	300	788	3,057	89	146	191	4,837	1933—June 30	
7,249	604	3,561	20,513	19,116	2,237	566	752	10,845	512	90	5,615	137	377	28	5,352	1938—Mar. 7	
8,004	712	4,084	20,893	19,816	2,314	662	543	10,874	454	83	6,096	135	331	11	5,368	June 30	
8,193	775	3,937	21,596	20,439	2,080	538	707	10,789	464	70	6,088	130	466	12	5,410	Sept. 23	
8,694	746	4,240	22,293	21,119	2,386	547	790	10,846	462	61	6,510	132	511	6	5,424	Dec. 31	
9,112	777	4,403	22,364	20,845	2,467	533	775	10,940	461	68	6,816	133	629	7	5,467	1939—Mar. 29	
10,011	712	4,674	23,587	22,448	2,532	790	694	11,063	441	59	7,097	142	607	5	5,496	June 30	
11,617	774	5,304	25,118	23,983	2,390	666	675	11,104	418	51	8,243	142	675	5	5,530	Oct. 2	
11,604	841	5,506	25,681	24,604	2,321	563	743	11,215	432	51	8,507	144	759	3	5,522	Dec. 30	
12,270	862	5,634	26,461	24,965	2,490	558	725	11,368	411	52	8,717	145	737	2	5,562	1940—Mar. 26	
<i>New York City⁵</i>																	
827	68	179	4,750	5,847	128	1,180	20	1,112	33	18	1,198	40	597	179	2,105	1929—Dec. 31	
846	46	101	4,358	4,676	96	461	332	671	4	110	1,255	22	128	8	1,582	1933—June 30	
2,941	59	95	6,336	6,429	185	327	360	694	67	—	2,173	—	334	12	1,596	1938—Mar. 7	
3,517	65	119	6,698	6,900	273	367	123	694	32	—	2,514	—	291	—	1,587	June 30	
3,743	70	91	7,026	7,128	196	280	181	653	64	—	2,498	—	411	—	1,589	Sept. 23	
4,104	68	109	7,168	7,273	280	195	139	652	36	—	2,687	—	442	—	1,593	Dec. 31	
4,582	63	156	7,605	7,677	260	272	135	655	53	—	2,731	—	553	—	1,592	1939—Mar. 29	
4,975	61	112	8,012	8,281	288	472	84	653	46	—	2,992	—	524	—	1,586	June 30	
5,929	85	109	8,676	8,812	321	349	72	683	52	—	3,568	—	670	1	1,587	Oct. 2	
5,915	89	125	8,899	9,030	251	178	74	693	43	—	3,542	1	695	—	1,592	Dec. 30	
6,386	84	163	9,562	9,652	219	260	68	742	35	—	3,629	1	672	—	1,601	1940—Mar. 26	
<i>City of Chicago⁵</i>																	
169	13	133	957	1,041	42	32	8	332	58	2	310	19	33	41	316	1929—Dec. 31	
232	34	203	912	870	87	16	46	358	1	6	259	—	2	—	204	1933—June 30	
566	22	135	1,372	1,270	170	17	92	445	16	—	576	—	7	—	245	1938—Mar. 7	
936	31	208	1,523	1,366	221	23	86	443	16	—	688	—	6	—	249	June 30	
856	32	198	1,585	1,455	204	24	62	439	21	—	636	—	10	—	256	Sept. 23	
884	35	235	1,688	1,597	191	29	83	452	9	—	658	—	9	—	257	Dec. 31	
705	22	178	1,250	1,182	141	26	83	452	12	—	834	—	10	—	261	1939—Mar. 29	
807	26	235	1,666	1,565	197	22	60	471	17	—	746	—	12	—	270	June 30	
1,080	37	237	1,747	1,632	197	27	60	469	10	3	853	—	14	—	270	Oct. 2	
993	42	283	1,739	1,676	167	24	80	483	10	3	879	—	9	—	250	Dec. 30	
309	25	195	1,544	1,503	133	18	80	482	11	5	997	—	7	—	253	1940—Mar. 26	
<i>Reserve City Banks</i>																	
751	156	947	5,229	5,547	423	300	76	4,433	371	41	1,604	30	64	292	2,029	1929—Dec. 31	
705	122	1,002	3,764	3,708	349	108	312	2,941	208	388	1,315	59	15	16	1,533	1933—June 30	
2,376	213	1,632	6,948	6,455	809	121	234	4,198	269	33	2,461	116	34	5	1,736	1938—Mar. 7	
2,289	300	1,951	6,934	6,668	812	146	266	4,238	262	31	2,514	113	32	—	1,753	June 30	
2,311	322	1,862	7,078	6,843	711	120	356	4,209	232	23	2,557	107	43	—	1,764	Sept. 23	
2,354	321	1,940	7,214	7,034	796	170	424	4,233	269	17	2,719	108	57	—	1,777	Dec. 31	
2,459	342	2,106	7,326	6,899	889	123	420	4,276	243	22	2,313	108	64	2	1,795	1939—Mar. 29	
2,735	318	2,210	7,654	7,331	917	160	415	4,320	233	19	2,920	115	69	—	1,812	June 30	
3,053	323	2,485	8,017	7,803	801	158	410	4,319	198	14	3,307	116	71	—	1,821	Oct. 2	
3,113	348	2,485	8,176	8,002	813	190	435	4,362	240	14	3,516	117	53	—	1,828	Dec. 30	
3,336	364	2,632	8,400	7,978	942	150	431	4,386	214	12	3,525	115	56	—	1,833	1940—Mar. 26	
<i>Country Banks</i>																	
627	321	908	5,711	5,091	742	169	39	6,390	133	61	405	6	3	367	2,258	1929—Dec. 31	
452	203	702	3,054	2,576	555	72	116	3,833	86	285	228	7	1	167	1,517	1933—June 30	
1,366	310	1,700	5,957	4,963	1,073	101	66	5,508	159	56	403	20	1	11	1,774	1938—Mar. 7	
1,263	316	1,806	5,738	4,863	1,008	126	68	5,499	144	52	380	22	2	11	1,778	June 30	
1,282	351	1,786	5,908	5,013	969	114	108	5,488	147	46	398	23	2	11	1,801	Sept. 23	
1,353	322	1,956	6,224	5,215	1,128	154	143	5,409	147	44	446	23	2	6	1,798	Dec. 31	
1,367	350	1,963	6,183	5,087	1,176	114	137	5,557	153	46	438	25	2	5	1,818	1939—Mar. 29	
1,403	307	2,117	6,255	5,272	1,130	135	136	5,619	145	40	439	26	2	5	1,828	June 30	
1,555	329	2,473	6,677	5,736	1,073	131	133	5,632	148	35	515	26	2	4	1,852	Oct. 2	
1,578	363	2,614	6,866	5,896	1,090	172	154	5,677	140	35	571	26	2	3	1,851	Dec. 30	
1,648	389	2,645	6,954	5,832	1,205	131	147	5,757	151	35	566	29	2	2	1,875	1940—Mar. 26	

¹ Prior to Dec. 31, 1935, excludes balances with private banks to the extent that they were then reported in "Other assets." Since Oct. 25, 1933, includes time balances with domestic banks which on that date amounted to \$69,000,000 and which prior to that time were reported in "Other assets."
² Demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection and, prior to Dec. 31, 1935, less cash items reported on hand but not in process of collection.
³ Includes "Due to Federal Reserve Banks (transit account)," known as "Due to Federal Reserve Banks (deferred credits)" prior to Dec. 31, 1935.
⁴ U. S. Treasurer's time deposits, open account, are combined with postal savings (time) deposits.
⁵ Central reserve city banks.
⁶ Partly estimated.
Back figures.—See Annual Report for 1937 (tables 52-58).

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-mercial, in-dustrial, and agri-cultural	Open mar-ket paper	Loans for purchasing or carrying securities		Real estate loans	Loans to banks	Other loans	Total	U. S. Government obligations				Other securities	
					To brok-ers and deal-ers	To others					Direct					
											Total	Bills	Notes	Bonds		Guar-an-teed
Total—101 Cities																
1939—May	21,693	8,091	3,839	303	678	539	1,151	58	1,523	13,602	8,296	398	2,033	5,865	2,033	3,273
1940—January	23,157	8,587	4,331	320	651	496	1,184	49	1,556	14,570	8,833	658	1,757	6,418	2,410	3,327
February	23,220	8,520	4,317	328	611	481	1,184	54	1,545	14,700	8,862	642	1,746	6,474	2,419	3,419
March	23,380	8,604	4,371	335	634	476	1,186	51	1,551	14,776	8,904	627	1,778	6,501	2,384	3,488
April	23,489	8,646	4,414	335	624	474	1,182	48	1,569	14,843	8,941	575	1,839	6,527	2,398	3,504
May	23,555	8,599	4,397	327	574	475	1,191	47	1,588	14,956	9,053	638	1,905	6,510	2,407	3,496
Apr. 3	23,315	8,649	4,414	337	625	476	1,185	51	1,561	14,666	8,848	509	1,821	6,518	2,380	3,438
Apr. 10	23,466	8,631	4,393	339	630	474	1,179	49	1,567	14,835	8,938	587	1,822	6,529	2,379	3,518
Apr. 17	23,589	8,653	4,430	331	619	474	1,183	47	1,569	14,936	9,002	608	1,840	6,554	2,406	3,528
Apr. 24	23,584	8,650	4,419	332	623	473	1,182	43	1,578	14,934	8,975	596	1,871	6,508	2,427	3,532
May 1	23,542	8,661	4,409	326	626	474	1,187	52	1,587	14,881	8,960	593	1,871	6,496	2,427	3,494
May 8	23,576	8,654	4,404	331	618	473	1,193	51	1,584	14,922	9,032	646	1,900	6,486	2,434	3,456
May 15	23,592	8,643	4,414	328	602	473	1,191	43	1,592	14,949	9,088	650	1,908	6,529	2,387	3,474
May 22	23,544	8,592	4,391	327	544	474	1,193	44	1,589	14,982	9,105	673	1,919	6,513	2,389	3,488
May 29	23,524	8,475	4,367	322	478	481	1,189	46	1,592	15,049	9,081	627	1,926	6,528	2,399	3,509
June 5	23,527	8,435	4,368	318	437	475	1,195	38	1,604	15,092	9,163	698	1,928	6,537	2,401	3,528
June 12	23,661	8,469	4,377	317	444	472	1,198	42	1,619	15,192	9,214	750	1,933	6,531	2,400	3,578
June 19	23,596	8,444	4,387	309	413	470	1,199	48	1,618	15,152	9,226	785	2,058	6,383	2,400	3,526
New York City																
1939—May	7,958	2,759	1,372	120	529	138	111	44	385	5,199	3,024	170	727	2,127	1,034	1,141
1940—January	8,752	2,980	1,671	110	503	171	112	41	372	5,772	3,365	274	710	2,381	1,228	1,179
February	8,810	2,918	1,650	112	465	161	112	48	370	5,892	3,368	187	722	2,459	1,268	1,256
March	9,000	2,964	1,676	115	485	160	114	45	369	6,036	3,466	182	789	2,495	1,249	1,321
April	9,108	2,965	1,686	111	482	160	119	41	366	6,143	3,585	170	888	2,527	1,253	1,305
May	9,172	2,905	1,673	108	433	160	120	40	371	6,267	3,720	242	950	2,528	1,275	1,272
Apr. 3	9,025	2,976	1,693	112	481	162	118	44	366	6,049	3,543	176	867	2,500	1,241	1,265
Apr. 10	9,084	2,956	1,670	112	489	160	119	42	364	6,128	3,574	175	873	2,526	1,234	1,320
Apr. 17	9,165	2,967	1,691	110	479	159	119	42	367	6,198	3,619	165	892	2,562	1,268	1,321
Apr. 24	9,159	2,961	1,689	109	480	159	119	37	368	6,198	3,604	163	921	2,520	1,278	1,316
May 1	9,121	2,958	1,679	108	476	160	120	46	369	6,163	3,601	185	917	2,499	1,278	1,284
May 8	9,174	2,958	1,676	111	477	160	120	44	370	6,216	3,681	237	944	2,500	1,296	1,239
May 15	9,180	2,936	1,680	108	458	159	120	37	374	6,244	3,729	244	956	2,529	1,259	1,256
May 22	9,165	2,869	1,671	107	403	160	120	37	371	6,296	3,767	258	962	2,547	1,268	1,261
May 29	9,219	2,802	1,658	105	350	159	121	39	370	6,417	3,820	287	969	2,564	1,275	1,322
June 5	9,228	2,760	1,656	104	312	159	121	32	376	6,468	3,894	365	969	2,560	1,279	1,295
June 12	9,307	2,777	1,668	103	312	159	122	35	378	6,530	3,928	398	971	2,559	1,279	1,323
June 19	9,241	2,764	1,672	99	294	160	122	41	376	6,477	3,928	409	1,000	2,519	1,279	1,270
Outside New York City																
1939—May	13,735	5,332	2,467	183	149	341	1,040	14	1,138	8,403	5,272	228	1,306	3,738	999	2,132
1940—January	14,405	5,607	2,660	210	148	325	1,072	8	1,184	8,798	5,468	384	1,047	4,037	1,182	2,148
February	14,410	5,602	2,667	216	146	320	1,072	6	1,175	8,808	5,494	455	1,024	4,016	1,151	2,163
March	14,380	5,640	2,695	220	149	316	1,072	6	1,182	8,740	5,438	445	987	4,006	1,185	2,167
April	14,381	5,681	2,728	224	142	314	1,063	7	1,203	8,700	5,356	405	951	4,000	1,145	2,199
May	14,383	5,694	2,724	219	141	315	1,071	7	1,217	8,689	5,333	396	955	3,982	1,132	2,224
Apr. 3	14,290	5,673	2,721	225	144	314	1,067	7	1,195	8,617	5,305	333	954	4,018	1,139	2,173
Apr. 10	14,382	5,675	2,723	227	141	314	1,060	7	1,203	8,707	5,364	412	949	4,003	1,145	2,198
Apr. 17	14,424	5,686	2,739	221	140	315	1,064	5	1,202	8,738	5,383	443	948	3,992	1,148	2,207
Apr. 24	14,425	5,689	2,730	223	143	314	1,063	6	1,210	8,736	5,371	433	950	3,988	1,149	2,216
May 1	14,421	5,703	2,730	218	150	314	1,067	6	1,218	8,718	5,359	408	954	3,997	1,149	2,210
May 8	14,402	5,696	2,728	220	141	313	1,073	7	1,214	8,706	5,351	409	956	3,986	1,138	2,217
May 15	14,412	5,707	2,734	220	144	314	1,071	6	1,218	8,705	5,359	406	953	4,000	1,128	2,218
May 22	14,379	5,693	2,720	220	141	314	1,073	7	1,218	8,686	5,338	415	957	3,966	1,121	2,227
May 29	14,365	5,673	2,709	217	128	322	1,068	7	1,222	8,632	5,261	340	957	3,964	1,124	2,247
June 5	14,299	5,675	2,712	214	125	316	1,074	6	1,228	8,624	5,269	333	959	3,977	1,122	2,233
June 12	14,354	5,692	2,709	214	132	313	1,076	7	1,241	8,662	5,286	352	962	3,972	1,121	2,255
June 19	14,355	5,680	2,715	210	119	310	1,077	7	1,242	8,675	5,298	376	1,058	3,864	1,121	2,256

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 Banks	Cash in vault	Balances with domestic banks	Demand deposits adjusted ¹	Demand deposits, except interbank				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.	U. S. Government ²	Individuals, partnerships, and corporations	States and political subdivisions	Postal savings ²	Domestic banks		Foreign banks				
											Demand	Time					
<i>Total 101 Cities</i>																	
8,361	423	2,644	16,796	16,259	1,452	441	581	4,984	251	18	6,530	118	639	2	3,712	1939—May	
10,065	484	3,087	18,946	18,690	1,247	465	566	5,057	202	17	7,955	124	740	1	3,713	1940—January	
10,273	473	3,104	19,210	18,836	1,336	458	561	5,067	199	17	7,997	124	745	1	3,719	February	
10,394	468	3,184	19,344	18,945	1,371	440	560	5,133	193	18	8,144	124	736	1	3,721	March	
10,661	465	3,229	19,515	19,058	1,403	461	561	5,147	186	20	8,295	117	725	1	3,735	April	
11,032	474	3,240	19,971	19,460	1,540	481	560	5,119	192	21	8,380	115	708	1	3,750	May	
10,437	452	3,299	19,175	18,743	1,351	455	562	5,165	188	20	8,306	118	726	1	3,732	Apr. 3	
10,611	473	3,185	19,462	18,968	1,430	449	560	5,168	189	21	8,212	116	722	1	3,733	Apr. 10	
10,729	462	3,239	19,655	19,288	1,400	457	559	5,128	182	20	8,348	116	717	1	3,734	Apr. 17	
10,869	471	3,194	19,764	19,234	1,433	482	562	5,127	185	19	8,316	116	734	1	3,741	Apr. 24	
10,859	447	3,177	19,696	19,253	1,594	524	560	5,121	183	19	8,344	116	720	1	3,748	May 1	
10,851	479	3,185	19,741	19,073	1,489	384	560	5,120	196	20	8,369	115	714	1	3,752	May 8	
11,050	472	3,284	19,928	19,620	1,513	531	562	5,118	196	19	8,499	115	709	1	3,750	May 15	
11,196	485	3,269	20,201	19,659	1,528	510	559	5,117	193	20	8,371	115	692	1	3,752	May 22	
11,203	488	3,285	20,287	19,696	1,578	456	560	5,120	191	22	8,316	115	707	1	3,747	May 29	
11,308	483	3,243	20,306	19,647	1,541	391	563	5,127	189	23	8,372	116	700	1	3,755	June 5	
11,429	507	3,255	20,615	20,263	1,531	392	561	5,123	186	23	8,334	115	687	1	3,784	June 12	
11,595	499	3,279	20,495	20,023	1,438	411	561	5,125	178	24	8,424	110	687	1	3,783	June 19	
<i>New York City</i>																	
4,895	56	77	7,467	7,495	304	274	85	578	42	-----	2,814	-----	560	-----	1,488	1939—May	
5,853	78	80	8,515	8,663	200	280	47	617	36	-----	3,471	-----	675	-----	1,487	1940—January	
6,055	79	81	8,796	8,837	290	238	44	613	33	-----	3,473	1	682	-----	1,490	February	
6,153	77	96	8,979	9,112	210	276	44	658	30	-----	3,529	1	672	-----	1,490	March	
6,259	78	95	9,087	9,154	246	282	45	661	27	-----	3,640	-----	663	-----	1,496	April	
6,384	79	87	9,203	9,306	267	292	44	634	26	-----	3,727	-----	650	-----	1,502	May	
6,201	76	131	9,054	9,126	216	271	46	683	27	-----	3,576	1	664	-----	1,494	Apr. 3	
6,254	78	82	9,067	9,106	288	286	44	686	27	-----	3,595	-----	660	-----	1,495	Apr. 10	
6,246	81	83	9,106	9,205	238	265	45	637	27	-----	3,680	-----	655	-----	1,495	Apr. 17	
6,335	77	81	9,121	9,178	242	304	44	639	27	-----	3,711	-----	672	-----	1,498	Apr. 24	
6,336	74	81	9,082	9,259	327	320	44	633	27	-----	3,724	-----	659	-----	1,502	May 1	
6,225	77	82	9,059	9,078	234	215	44	631	27	-----	3,707	-----	655	-----	1,503	May 8	
6,388	77	87	9,147	9,312	296	341	43	632	25	-----	3,786	-----	652	-----	1,502	May 15	
6,499	81	87	9,352	9,415	251	326	44	632	25	-----	3,725	-----	636	-----	1,502	May 22	
6,460	87	96	9,393	9,486	260	256	44	642	25	-----	3,696	-----	647	-----	1,498	May 29	
6,470	81	86	9,415	9,462	218	205	44	647	25	-----	3,682	-----	642	-----	1,504	June 5	
6,545	83	80	9,518	9,776	204	222	43	644	26	-----	3,689	-----	635	-----	1,500	June 12	
6,745	80	81	9,541	9,621	215	223	43	646	22	-----	3,787	-----	633	-----	1,501	June 19	
<i>Outside New York City</i>																	
3,466	367	2,567	9,329	8,764	1,148	167	496	4,406	209	18	3,716	118	79	2	2,224	1939—May	
4,212	406	3,007	10,431	10,027	1,047	185	519	4,440	166	17	4,484	123	65	-----	2,226	1940—January	
4,218	394	3,025	10,414	9,949	1,106	160	517	4,454	166	17	4,524	123	63	1	2,229	February	
4,241	391	3,088	10,365	9,833	1,161	164	516	4,475	163	18	4,615	123	64	1	2,231	March	
4,402	387	3,134	10,428	9,904	1,157	179	516	4,486	159	20	4,655	117	62	1	2,239	April	
4,648	395	3,153	10,768	10,154	1,273	189	516	4,485	166	21	4,653	115	58	1	2,248	May	
4,236	376	3,168	10,121	9,617	1,135	184	516	4,482	161	20	4,730	117	62	1	2,238	Apr. 3	
4,357	395	3,103	10,395	9,862	1,142	163	516	4,482	162	21	4,617	116	62	1	2,238	Apr. 10	
4,483	381	3,156	10,549	10,083	1,162	192	514	4,491	155	20	4,668	116	62	1	2,239	Apr. 17	
4,534	394	3,113	10,643	10,056	1,191	178	518	4,488	158	19	4,605	116	62	1	2,243	Apr. 24	
4,523	373	3,096	10,614	10,014	1,267	204	516	4,488	156	19	4,620	116	61	1	2,246	May 1	
4,616	402	3,103	10,682	9,995	1,255	169	516	4,489	169	20	4,662	115	59	-----	2,249	May 8	
4,662	395	3,197	10,781	10,308	1,247	190	515	4,486	171	19	4,713	115	57	1	2,248	May 15	
4,697	404	3,182	10,869	10,244	1,277	184	515	4,485	168	20	4,646	115	56	1	2,250	May 22	
4,743	401	3,189	10,894	10,210	1,318	200	516	4,478	166	22	4,620	115	60	1	2,249	May 29	
4,838	402	3,157	10,891	10,185	1,323	186	519	4,480	164	23	4,690	116	58	1	2,251	June 5	
4,884	424	3,175	11,097	10,487	1,327	170	518	4,479	160	23	4,645	115	52	-----	2,284	June 12	
4,850	419	3,198	10,954	10,402	1,223	188	518	4,479	156	24	4,637	110	54	-----	2,282	June 19	

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

² 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)	Total loans and investments	Loans								Investments						
		Total	Com-mercial, in-dustrial, and agri-cultural	Open market paper	Loans for purchasing or carrying securities		Real estate loans	Loans to banks	Other loans	Total	U. S. Government obligations				Other securities	
					To brokers and dealers	To others					Direct					
											Total	Bills	Notes	Bonds		Guar-anteed
<i>Boston (6 cities)</i>																
May 29.....	1,191	618	299	70	16	18	81	1	133	573	395	14	38	343	48	130
June 5.....	1,190	613	298	66	15	19	81	1	133	577	396	16	38	342	48	133
June 12.....	1,193	616	296	68	18	19	80	1	134	577	396	16	38	342	48	133
June 19.....	1,189	613	297	67	15	18	80	1	135	576	395	16	38	341	48	133
<i>New York (8 cities)*</i>																
May 29.....	10,074	3,145	1,771	111	355	211	197	39	461	6,929	4,103	290	1,005	2,808	1,350	1,476
June 5.....	10,084	3,105	1,770	110	317	211	197	32	468	6,979	4,176	367	1,005	2,804	1,354	1,449
June 12.....	10,165	3,122	1,782	109	317	211	198	35	470	7,043	4,209	400	1,008	2,801	1,355	1,479
June 19.....	10,106	3,110	1,786	104	299	212	199	41	469	6,996	4,208	411	1,054	2,743	1,356	1,432
<i>Philadelphia (4 cities)</i>																
May 29.....	1,176	447	209	30	24	32	50	1	101	729	354	-----	31	323	91	284
June 5.....	1,183	454	212	31	24	33	50	1	103	729	354	-----	32	322	91	284
June 12.....	1,184	455	213	31	26	32	50	1	102	729	354	-----	32	322	91	284
June 19.....	1,180	452	215	30	22	32	50	1	102	728	353	-----	33	320	91	284
<i>Cleveland (10 cities)</i>																
May 29.....	1,894	703	271	7	20	31	169	1	204	1,191	780	11	157	612	124	287
June 5.....	1,892	705	272	7	20	24	176	1	205	1,187	779	11	157	611	122	286
June 12.....	1,895	704	272	6	20	24	176	1	205	1,191	778	11	156	611	122	291
June 19.....	1,887	701	270	6	19	24	175	1	206	1,186	771	11	159	601	122	293
<i>Richmond (12 cities)</i>																
May 29.....	697	271	122	11	3	15	42	-----	78	426	306	-----	143	163	53	67
June 5.....	699	271	123	10	3	14	43	-----	78	428	307	-----	143	164	53	68
June 12.....	699	270	121	10	3	14	43	-----	79	429	307	-----	143	164	53	69
June 19.....	705	272	123	10	3	14	43	-----	79	433	310	-----	178	132	53	70
<i>Atlanta (8 cities)</i>																
May 29.....	627	306	156	3	5	11	32	1	98	321	150	2	35	113	65	106
June 5.....	626	306	155	4	5	11	32	-----	99	320	150	2	35	113	65	105
June 12.....	629	308	151	4	5	11	32	1	104	321	150	2	35	113	65	106
June 19.....	616	307	152	4	5	11	32	1	102	309	141	2	37	102	62	106
<i>Chicago (12 cities)*</i>																
May 29.....	3,295	946	573	39	32	75	118	-----	109	2,349	1,546	221	289	1,036	267	536
June 5.....	3,293	949	579	39	29	75	118	-----	109	2,344	1,548	223	289	1,036	266	530
June 12.....	3,324	953	579	38	32	74	119	-----	111	2,371	1,576	253	288	1,035	265	530
June 19.....	3,351	960	591	38	28	73	119	-----	111	2,391	1,603	277	316	1,010	267	521
<i>St. Louis (5 cities)</i>																
May 29.....	729	328	185	10	4	13	53	2	61	401	216	40	32	144	68	117
June 5.....	718	325	183	9	4	13	53	2	61	393	216	30	32	154	68	109
June 12.....	707	324	182	9	3	13	54	1	62	383	207	21	33	153	68	108
June 19.....	708	321	179	9	3	13	54	1	62	387	210	20	38	152	69	108
<i>Minneapolis (8 cities)</i>																
May 29.....	399	189	95	4	1	7	11	-----	71	210	143	-----	29	114	22	45
June 5.....	395	187	94	4	1	7	11	-----	70	208	142	-----	29	113	22	44
June 12.....	399	191	97	4	1	7	10	-----	72	208	142	-----	29	113	22	44
June 19.....	399	191	97	3	1	7	11	-----	72	208	142	-----	29	113	22	44
<i>Kansas City (12 cities)</i>																
May 29.....	691	302	178	22	4	10	29	-----	59	369	172	17	68	87	69	148
June 5.....	692	300	177	21	4	10	29	-----	59	392	177	17	68	92	69	146
June 12.....	686	300	176	21	4	10	29	-----	59	386	173	14	68	91	68	145
June 19.....	684	298	175	21	3	10	29	-----	59	386	174	14	69	91	67	145
<i>Dallas (9 cities)</i>																
May 29.....	522	266	176	2	3	13	22	1	49	256	151	27	40	84	47	58
June 5.....	523	266	173	2	4	13	22	1	51	257	151	27	41	83	48	58
June 12.....	523	267	175	2	4	13	22	1	50	256	151	27	41	83	47	58
June 19.....	521	265	174	2	3	13	22	1	50	256	150	28	41	81	48	58
<i>San Francisco (7 cities)</i>																
May 29.....	2,229	954	332	13	11	45	385	-----	168	1,275	765	5	59	701	195	315
June 5.....	2,232	954	332	15	11	45	383	-----	168	1,278	767	5	59	703	195	316
June 12.....	2,257	959	333	15	11	44	385	-----	171	1,298	771	6	62	703	196	331
June 19.....	2,250	954	328	15	12	43	385	-----	171	1,296	769	6	66	697	195	332
<i>City of Chicago*</i>																
May 29.....	2,180	586	412	19	27	65	17	-----	46	1,594	1,093	221	159	713	135	366
June 5.....	2,175	589	417	19	25	65	17	-----	46	1,586	1,094	222	159	713	134	358
June 12.....	2,200	588	413	18	28	64	17	-----	48	1,612	1,123	250	158	715	134	355
June 19.....	2,223	597	425	18	24	63	18	-----	49	1,626	1,146	272	160	714	134	346

* 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]

Reserves with Federal Reserve Banks	Cash in vault	Balances with domestic banks	Demand deposits adjusted ¹	Demand deposits, except interbank				Time deposits, except interbank				Interbank deposits			Borrowings	Capital accounts	Federal Reserve district and date (1940)
				Individuals, partnerships, and corporations	States and political subdivisions	Certified and officers' checks, etc.	U. S. Government ²	Individuals, partnerships, and corporations	States and political subdivisions	Postal savings ²	Domestic banks		Foreign banks				
											Demand	Time					
544	142	168	1,230	1,186	95	18	13	233	2	1	351	-----	19	1	246	<i>Boston (6 cities)</i>	
568	144	170	1,251	1,207	90	17	13	233	2	1	355	-----	21	1	247	May 29	
569	146	177	1,264	1,226	85	19	13	233	2	1	361	-----	16	-----	247	June 5	
582	145	180	1,258	1,223	90	27	13	232	2	2	375	-----	17	-----	245	June 12	
6,624	103	231	10,103	9,981	500	276	64	1,008	32	7	3,772	16	648	-----	1,621	<i>New York (8 cities)*</i>	
6,626	100	218	10,120	9,954	462	221	64	1,013	32	7	3,760	16	643	-----	1,627	May 29	
6,708	103	213	10,259	10,293	459	237	63	1,010	32	7	3,767	16	636	-----	1,623	June 5	
6,929	99	220	10,202	10,134	379	244	64	1,013	28	7	3,864	16	634	-----	1,624	June 12	
500	20	234	1,041	1,015	88	12	53	259	3	-----	409	12	5	-----	216	<i>Philadelphia (4 cities)</i>	
489	20	212	1,006	991	69	8	54	260	3	-----	415	12	5	-----	217	May 29	
495	23	215	1,021	998	85	11	54	259	3	-----	416	12	4	-----	217	June 5	
494	20	221	1,017	995	83	9	54	258	3	-----	419	9	4	-----	215	June 12	
647	45	345	1,380	1,340	114	22	47	720	26	-----	421	37	1	-----	380	<i>Cleveland (10 cities)</i>	
664	46	342	1,380	1,331	113	20	47	721	26	-----	432	38	1	-----	380	May 29	
657	49	349	1,389	1,371	106	18	47	720	25	-----	431	37	1	-----	380	June 5	
667	46	348	1,383	1,352	106	19	47	719	26	-----	431	37	1	-----	380	June 12	
187	22	247	515	501	55	11	33	199	3	1	300	6	-----	-----	97	<i>Richmond (12 cities)</i>	
206	22	248	528	499	63	15	33	199	3	1	312	6	1	-----	97	May 29	
201	23	248	531	512	58	12	33	199	3	1	307	6	-----	-----	98	June 5	
193	22	245	522	507	53	15	33	199	3	1	305	5	-----	-----	100	June 12	
149	13	239	432	395	78	4	43	186	5	2	300	3	1	-----	95	<i>Atlanta (8 cities)</i>	
151	13	242	427	399	76	5	42	186	5	2	311	3	1	-----	95	May 29	
150	14	236	431	411	71	4	43	186	5	2	303	3	1	-----	94	June 5	
136	25	244	429	402	70	5	43	186	5	2	295	3	2	-----	95	June 12	
1,487	73	636	2,805	2,621	316	55	127	955	12	7	1,231	10	9	-----	396	<i>Chicago (12 cities)*</i>	
1,513	71	611	2,785	2,575	338	40	128	955	12	7	1,248	10	8	-----	397	May 29	
1,543	75	585	2,816	2,639	341	35	127	955	12	7	1,257	10	8	-----	397	June 5	
1,499	72	572	2,786	2,606	331	35	128	955	11	7	1,245	10	8	-----	397	June 12	
199	12	161	396	397	45	7	15	188	3	2	417	1	-----	-----	94	<i>St. Louis (5 cities)</i>	
234	12	178	450	451	45	10	15	188	3	2	405	1	-----	-----	94	May 29	
219	13	185	477	483	45	6	15	188	3	2	360	1	-----	-----	94	June 5	
219	12	183	483	482	43	7	15	188	3	2	351	1	-----	-----	94	June 12	
100	7	121	297	266	53	7	4	116	-----	1	155	2	2	-----	59	<i>Minneapolis (8 cities)</i>	
102	7	125	292	259	55	6	4	116	-----	1	161	2	1	-----	59	May 29	
101	8	128	297	268	55	6	5	116	-----	1	163	2	1	-----	60	June 5	
96	7	133	300	263	61	6	5	116	-----	1	159	2	1	-----	59	June 12	
191	15	290	530	497	76	10	23	142	3	1	396	7	-----	-----	106	<i>Kansas City (12 cities)</i>	
187	15	289	517	495	71	11	23	142	3	1	405	7	-----	-----	105	May 29	
194	16	302	537	519	71	10	23	143	3	1	399	7	-----	-----	106	June 5	
191	16	311	531	518	72	9	23	143	3	1	410	6	-----	-----	106	June 12	
139	11	299	481	455	50	9	31	127	9	-----	260	-----	1	-----	88	<i>Dallas (9 cities)</i>	
141	10	294	471	457	50	12	31	127	9	1	266	-----	1	-----	88	May 29	
150	12	297	492	472	49	10	31	127	9	1	259	-----	1	-----	88	June 5	
140	11	305	483	468	45	11	31	127	8	1	262	-----	1	-----	89	June 12	
436	25	314	1,077	1,033	108	25	107	987	93	-----	304	21	20	-----	349	<i>San Francisco (7 cities)</i>	
427	23	314	1,079	1,029	109	26	107	987	91	-----	302	21	19	-----	349	May 29	
442	25	320	1,101	1,071	106	24	107	987	89	-----	311	21	19	-----	350	June 5	
449	24	317	1,101	1,073	105	24	105	989	86	-----	308	21	19	-----	379	June 12	
1,149	39	308	1,919	1,817	181	40	79	492	11	5	939	-----	8	-----	254	<i>City of Chicago*</i>	
1,174	39	293	1,909	1,775	214	25	79	493	11	5	954	-----	8	-----	254	May 29	
1,202	40	256	1,912	1,804	215	20	79	493	11	5	969	-----	7	-----	254	June 5	
1,159	40	257	1,897	1,795	203	19	79	494	10	5	959	-----	7	-----	254	June 12	

* See note on preceding page.

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

² 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 ¹	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 cor- re- spond- ents					United States	Foreign coun- tries
1939—February.....	195	248	198	122	76	50	87	57	2	48	54		
March.....	191	245	191	117	74	54	87	58	2	42	56		
April.....	192	238	189	118	72	49	86	56	1	38	57		
May.....	189	247	192	124	68	55	82	51	19	36	59		
June.....	181	245	191	122	69	53	81	45	20	39	60		
July.....	194	236	188	119	69	48	75	41	19	39	61		
August.....	201	235	191	128	63	(²)	44	79	40	18	40		
September.....	209	216	177	115	62	(²)	39	78	40	18	43		
October.....	205	221	179	111	67	(²)	42	85	40	18	46		
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		

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

² 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) ¹	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 ²	Customers' credit balances ¹		Other credit balances		
						Free	Other (net)	In partners' invest- ment and trading accounts	In firm invest- ment and trading accounts	In capital accounts (net)
1937—June.....	1,489	55	161	214	1,217	266	92	25	13	397
September.....	1,363	48	128	239	1,088	256	96	26	12	385
December.....	985	34	108	232	688	278	85	26	10	355
1938—March.....	831	29	95	215	576	239	81	25	9	315
June.....	774	27	88	215	495	258	89	22	11	298
September.....	823	29	76	213	559	257	68	20	7	300
December.....	991	32	106	190	754	247	60	22	5	305
1939—March.....	953	27	84	174	699	225	59	20	9	294
April.....	831	26	83	190	579	236	60	20	7	290
May.....	828	26	76	183	561	230	69	21	6	284
June.....	834	25	73	178	570	230	70	21	6	280
July.....	839	24	84	183	589	238	67	20	6	278
August.....	792	22	71	202	556	235	58	20	6	275
September.....	856	20	64	217	520	305	87	22	11	283
October.....	894	21	72	200	577	289	76	21	9	284
November.....	914	20	77	195	623	272	67	21	8	282
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

¹ 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.

² 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 ¹ on—			Average rate on—			Average yield on U. S. Treasury 3-to-5 year 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 bills		
					New issues offered within period ²	91-day dealers' quotation	
1937 average	.95	.43	1.25	1.00	.447	.28	1.40
1938 average	.81	.44	1.25	1.00	.053	.07	.83
1939 average	.69	.44	1.25	1.00	.022	.05	.59
1939—May	.56	.44	1.25	1.00	.006	.03	.42
June	.56	.44	1.25	1.00	.006	.03	.39
July	.56	.44	1.25	1.00	.017	.04	.45
Aug.	.56	.44	1.25	1.00	.046	.05	.48
Sept.	.69	.44	1.25	1.00	.102	.14	1.07
Oct.	.69	.44	1.25	1.00	.028	.05	.77
Nov.	.63	.44	1.25	1.00	.018	.05	.64
Dec.	.56	.44	1.25	1.00	.012	.04	.51
1940—Jan.	.56	.44	1.25	1.00	.001	.01	.47
Feb.	.56	.44	1.25	1.00	.004	.02	.46
Mar.	.56	.44	1.25	1.00	(³)	.02	.42
April	.56	.44	1.25	1.00	.003	.02	.45
May	.56	.44	1.25	1.00	.042	.06	.65
Week ending:							
May 25	1/2-3/8	7/16	1/4	1.00	.067	.08	.77
June 1	1/2-3/8	7/16	1/4	1.00	.089	.10	.83
June 8	1/2-3/8	7/16	1/4	1.00	.118	.11	.84
June 15	1/2-3/8	7/16	1/4	1.00	.095	.12	.80
June 22	1/2-3/8	7/16	1/4	1.00	.046	.09	.72

¹ Monthly figures are averages of weekly prevailing rates.

² Series comprises 273-day bills to October 15, 1937, bills maturing about March 16, 1938, from October 22, to December 10, 1937, and 91-day bills thereafter.

³ 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 North-eastern 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 ¹	2.78	2.07	2.87	3.51
<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 figures¹</i>				
1938—September	2.65	2.00	2.75	3.25
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

¹ Averages for 1939 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 YIELDS¹

[Per cent per annum]

Year, month, or week	U. S. Treasury ²	Municipal ³	Corporate ⁴							
			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
1937 average	2.68	3.10	3.94	3.26	3.46	4.01	5.03	3.55	4.34	3.93
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
1939—May	2.17	2.66	3.78	2.97	3.16	3.92	5.07	3.30	4.60	3.45
June	2.13	2.63	3.71	2.92	3.13	3.86	4.91	3.23	4.47	3.42
July	2.16	2.65	3.66	2.89	3.08	3.83	4.84	3.18	4.42	3.39
August	2.21	2.75	3.67	2.93	3.11	3.80	4.85	3.21	4.41	3.40
September	2.65	3.29	3.95	3.25	3.49	4.05	5.00	3.57	4.58	3.70
October	2.60	3.08	3.83	3.15	3.35	3.94	4.88	3.43	4.51	3.57
November	2.46	2.69	3.70	3.00	3.16	3.78	4.85	3.25	4.44	3.41
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	3.69	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
Week ending:										
June 1	2.48	3.03	3.80	3.04	3.17	3.77	5.22	3.33	4.66	3.41
June 8	2.49	3.02	3.80	3.03	3.16	3.77	5.22	3.32	4.67	3.40
June 15	2.41	2.96	3.76	2.98	3.13	3.73	5.19	3.28	4.63	3.37
June 22	2.33	2.77	3.70	2.92	3.09	3.68	5.09	3.22	4.55	3.31

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

² Average of yields of all outstanding bonds due or callable after 12 years; see BULLETIN for December 1938, pp. 1045-1046 for description.

³ Standard Statistics Co.

⁴ Moody's Investors Service, week ending Friday. Because of limited number of suitable issues, the industrial Aaa and Aa groups have each been reduced from 10 to 4, and the railroad Aaa group from 10 to 5.

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

BOND PRICES¹

Year, month, or date	U. S. Treasury ²	Municipal ³	Corporate ³			
			Total	Industrial	Rail-road	Public utility
Number of issues.....	2-6	15	60	20	20	20
1937 average.....	101.7	110.3	93.4	90.1	89.6	100.4
1938 average.....	103.4	113.7	78.9	82.9	58.6	95.3
1939 average.....	106.0	116.3	81.6	86.0	58.0	100.9
1939—May.....	108.3	118.1	80.2	84.8	54.8	101.0
June.....	109.1	118.6	81.4	86.2	56.2	101.6
July.....	108.9	118.3	81.6	86.3	56.4	102.1
August.....	108.2	116.5	81.0	85.8	55.5	101.7
September.....	101.9	107.1	80.9	85.0	59.0	98.6
October.....	102.6	110.7	82.9	86.4	61.6	100.5
November.....	104.6	117.5	83.0	87.0	60.2	101.8
December.....	106.1	119.9	82.1	86.8	58.0	101.6
1940—January.....	106.8	120.2	82.4	87.3	58.2	101.6
February.....	106.6	119.1	82.2	87.3	57.8	101.6
March.....	107.5	119.7	82.1	87.3	57.2	101.8
April.....	107.6	119.8	82.5	87.5	58.2	101.7
May.....	105.6	115.3	79.4	85.3	53.5	99.3
May 29.....	104.3	111.5	76.8	83.7	49.5	97.2
June 5.....	104.0	111.6	77.1	84.0	49.8	97.6
June 12.....	105.1	112.7	78.0	84.5	51.3	98.1
June 19.....	106.1	116.0	79.2	85.0	53.3	99.3

¹ Monthly data are averages of daily figures except for municipal bonds, which are averages of Wednesday figures.

² Average prices of all outstanding bonds due or callable after 12 years, based on quotations from Treasury Department. Prices expressed in decimals.

³ Prices derived from average yields, as computed by Standard Statistics Co.

Back figures.—See Annual Report for 1937 (table 79). Figures for U. S. Treasury bonds available on request.

STOCK MARKET

Year, month, or date	Stock prices ¹				Volume of trading ³ (in thousands of shares)
	Preferred ²	Common (index, 1926=100)			
		Total	Industrial	Rail-road	
Number of issues.....	20	420	348	32	40
1937 average.....	136.2	112	131	49	95
1938 average.....	135.6	83	99	26	73
1939 average.....	141.2	89	105	28	85
1939—May.....	141.8	83	97	25	82
June.....	143.9	86	101	26	85
July.....	143.7	86	101	26	85
August.....	142.3	86	101	25	87
September.....	136.2	92	109	30	84
October.....	137.7	95	113	33	86
November.....	140.7	94	111	32	87
December.....	141.4	92	108	30	87
1940—January.....	143.0	93	109	30	88
February.....	142.9	92	107	29	88
March.....	141.8	92	108	29	87
April.....	142.3	93	109	29	88
May.....	138.2	83	97	25	81
May 29.....	131.7	71	82	22	73
June 5.....	131.9	70	81	21	72
June 12.....	133.0	75	87	23	76
June 19.....	134.0	76	88	24	77

¹ Standard Statistics Co. Monthly data are averages of Wednesday figures.

² Average prices of industrial high-grade preferred stocks, adjusted to a \$7 annual dividend basis.

³ 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	Total (new and re-fund-ing)	For new capital							For refunding								
		Total (do-mestic and for-aign)	Domestic						For-aign ²	Total (do-mestic and for-aign)	Domestic						For-aign ²
			Total	State and mun-icipal	Federal agen-cies ¹	Corporate					Total	State and mun-icipal	Federal agen-cies ¹	Corporate			
						Total	Bonds and notes	Stocks						Total	Bonds and notes	Stocks	
1930.....	7,619	6,912	6,004	1,434	87	4,483	2,980	1,503	908	706	527	53	0	474	451	23	179
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	40	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	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.....	4,448	2,359	2,323	971	481	872	807	65	35	2,089	2,061	129	665	1,267	1,236	31	28
1939.....	5,825	2,276	2,227	931	924	371	280	92	50	3,548	3,460	195	1,537	1,728	1,591	137	88
1939—May.....	1,313	117	117	94	2	22	18	3	0	1,196	1,180	8	1,021	151	131	20	16
June.....	586	274	264	234	0	30	22	9	10	312	312	39	21	252	249	2	0
July.....	590	318	318	65	203	50	40	10	0	272	272	18	74	180	143	38	0
Aug.....	449	102	82	56	0	26	23	3	20	347	332	13	18	301	292	9	15
Sept.....	180	42	42	16	10	16	14	2	0	138	138	8	51	79	79	0	0
Oct.....	740	336	336	42	276	18	14	4	0	404	403	10	235	157	157	(?)	2
Nov.....	218	89	89	67	0	21	15	6	0	129	129	13	26	91	88	3	0
Dec.....	330	95	95	68	0	27	21	6	0	235	235	22	19	194	188	7	0
1940—Jan.....	279	91	91	59	0	32	18	14	0	189	189	26	29	133	98	36	0
Feb.....	451	104	104	58	1	45	43	3	0	347	347	114	22	211	196	14	0
Mar.....	241	70	69	34	6	29	15	15	1	171	171	49	17	106	92	14	0
Apr.....	345	118	118	58	6	54	31	23	0	227	227	18	17	192	154	38	0
May.....	190	62	62	30	3	29	20	10	0	128	128	20	25	83	83	0	0

¹ Includes publicly-offered issues of Federal credit agencies, but excludes direct obligations of U. S. Treasury.

² Includes issues of noncontiguous U. S. Territories and Possessions.

³ 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 ¹						Ad-justed service issues ³	Social se-curity issues ⁴	All other ⁵	Ma-tured debt	Other
			Total	Bonds			Notes	Bills					
				Pre-war	Treas-ury ²	U. S. savings							
1932—June.....	19,487	19,161	*18,816	753	13,460	-----	1,261	616	105	-----	240	60	266
1933—June.....	22,539	22,158	*21,782	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	-----	10,023	2,053	156	-----	580	231	825
1936—June.....	33,779	32,989	31,297	79	17,168	-----	316	11,381	1,071	19	601	169	620
1937—June.....	36,425	35,800	33,734	79	19,936	-----	800	10,617	2,303	926	579	560	506
1938—June.....	37,165	36,576	33,463	79	21,846	-----	1,238	9,147	1,154	868	1,601	644	447
1939—April.....	40,063	39,525	35,627	79	25,218	-----	1,751	7,270	1,309	826	2,294	780	416
May.....	40,282	39,751	35,680	79	25,218	-----	1,806	7,270	1,308	825	2,442	805	414
June.....	40,440	39,886	35,715	79	25,218	-----	1,868	7,243	1,308	839	2,511	820	411
July.....	40,661	40,114	35,798	79	25,218	-----	1,949	7,243	1,309	833	2,542	941	408
August.....	40,891	40,351	35,862	79	25,218	-----	2,015	7,243	1,307	829	2,722	938	406
September.....	40,858	40,342	35,886	79	25,218	-----	2,051	7,232	1,306	795	2,746	915	404
October.....	41,036	40,526	36,026	79	25,218	-----	2,092	7,232	1,405	791	2,796	912	401
November.....	41,305	40,807	36,123	79	25,218	-----	2,140	7,232	1,454	791	2,981	911	398
December.....	41,942	41,445	36,826	79	26,881	-----	2,209	6,203	1,455	789	3,021	809	396
1940—January.....	42,110	41,601	36,957	79	26,896	-----	2,473	6,203	1,307	787	3,049	807	395
February.....	42,365	41,839	37,097	79	26,897	-----	2,610	6,203	1,308	785	3,152	805	394
March.....	42,540	41,983	37,127	79	26,908	-----	2,707	6,125	1,309	784	3,269	803	392
April.....	42,658	42,117	37,236	79	26,908	-----	2,818	6,125	1,306	782	3,282	816	391
May.....	42,808	42,253	37,285	79	26,908	-----	2,869	6,125	1,304	780	3,363	824	389

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

² Includes Liberty bonds.

³ 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.

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

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

⁶ 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,
MAY 31, 1940**

[In millions of dollars]

Date maturing or callable	Maturing					Bonds call-able ¹
	Total	Bills	Notes	Bonds		
				U. S. Sav-ings	Other	
1940—Before July 1.....	776	403	20	-----	353	353
July 1—Sept. 30.....	902	902	-----	-----	-----	-----
Oct. 1—Dec. 31.....	737	-----	737	-----	-----	-----
1941—Jan. 1—Mar. 31.....	677	-----	677	-----	-----	545
Apr. 1—June 30.....	504	-----	504	-----	-----	-----
July 1—Sept. 30.....	834	-----	-----	-----	834	834
Oct. 1—Dec. 31.....	204	-----	204	-----	-----	-----
1942.....	1,001	-----	1,001	-----	-----	-----
1943.....	1,595	-----	1,050	-----	545	1,855
1944.....	1,214	-----	1,214	-----	-----	2,555
1945.....	2,834	-----	718	-----	175	1,941
1946.....	1,853	-----	-----	319	1,534	2,359
1947.....	2,799	-----	-----	416	2,383	1,473
1948.....	1,989	-----	-----	502	1,487	2,246
1949.....	1,651	-----	-----	832	819	2,278
1950.....	1,197	-----	-----	* 625	571	1,186
1951.....	1,223	-----	-----	1,223	223	3,500
1952.....	2,436	-----	-----	2,436	-----	-----
1953.....	2,904	-----	-----	2,904	-----	-----
1954.....	2,663	-----	-----	2,663	-----	-----
1955.....	755	-----	-----	755	-----	2,611
1956.....	489	-----	-----	489	-----	982
1958.....	-----	-----	-----	-----	-----	919
1959.....	982	-----	-----	982	-----	1,485
1960.....	2,611	-----	-----	2,611	-----	50
1961.....	50	-----	-----	50	-----	50
1963.....	919	-----	-----	919	-----	-----
1965.....	1,485	-----	-----	1,485	-----	-----
Total.....	37,285	1,304	6,125	2,869	26,986	26,986

¹ 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.

* Includes unclassified U. S. savings bonds.

FULLY GUARANTEED OBLIGATIONS, BY AGENCIES¹

[In millions of dollars]

End of Month	Total	Federal Farm Mortgage Corporation	Home Owners' Loan Corporation ²	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	-----	206
Dec.....	4,992	1,388	2,888	509	-----	206
1939—Jan.....	4,987	1,383	2,888	509	-----	206
Feb.....	5,410	1,381	2,888	819	-----	114
Mar.....	5,410	1,381	2,888	819	-----	114
Apr.....	5,410	1,380	2,888	819	-----	114
May.....	5,409	1,379	2,888	820	-----	114
June.....	5,450	1,379	2,928	820	-----	114
July.....	5,480	1,379	2,958	820	-----	114
Aug.....	5,583	1,379	2,858	820	-----	409
Sept.....	5,455	1,279	2,830	820	-----	409
Oct.....	5,448	1,279	2,823	820	-----	409
Nov.....	5,707	1,269	2,817	1,096	-----	407
Dec.....	5,703	1,269	2,813	1,096	-----	407
1940—Jan.....	5,699	1,269	2,809	1,096	-----	407
Feb.....	5,673	1,269	2,783	1,096	-----	407
Mar.....	5,663	1,269	2,770	1,096	-----	407
Apr.....	5,657	1,269	2,763	1,096	-----	407
May.....	5,535	1,269	2,641	1,096	-----	407

¹ 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 \$7,200,000 on May 31, 1940.

² Excludes obligations guaranteed as to interest only. For August 1939 and subsequent months includes matured bonds not presented for retirement amounting to \$38,000,000 on May 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. ⁶ excess of receipts (+) or expenditures (-)	Increase or decrease during period				
	Receipts					Expenditures ¹					Excess of receipts (+) or expenditures (-)	General fund balance ⁶				Gross debt		
	Total	Income taxes	Social security taxes ²	Miscellaneous internal revenue	All other	Total	General			Recovery and relief				Revolving funds (net) ⁴	Transfers to trust accts., etc. ⁵			
							Interest on debt	National defense and Veterans' Adm. ³	All other									
Fiscal year ending:																		
June 1937.....	5,294	2,163	253	2,181	697	8,442	866	1,436	1,994	3,073	204	868	-3,149	+374	-128	+2,646		
June 1938.....	6,242	2,440	755	2,279	567	7,626	926	1,556	2,178	2,238	121	607	-1,384	+306	-338	+3,740		
June 1939.....	5,668	2,189	740	2,232	507	9,210	941	1,627	2,761	3,105	92	685	-3,542	+890	+622	+3,275		
11 months ending:																		
May 1938.....	5,468	2,090	750	2,095	533	6,696	693	1,424	1,941	1,924	108	606	-1,228	+244	+13	+998		
May 1939.....	5,055	1,833	715	2,040	468	8,259	668	1,487	2,537	2,853	84	629	-3,203	+795	+708	+3,117		
May 1940.....	5,141	1,662	806	2,144	529	8,514	736	1,842	3,044	2,231	50	611	-3,374	+197	-809	+2,368		
1939—																		
May.....	397	43	124	187	42	744	10	136	279	262	7	50	-348	+9	-119	+219		
June.....	613	356	25	192	39	951	272	140	223	252	8	56	-330	+95	-86	+158		
July.....	308	42	36	157	43	807	15	145	259	220	1	167	-499	-113	-391	+222		
August.....	420	38	119	217	46	822	18	152	254	321	11	66	-402	-44	-216	+230		
September.....	710	329	27	311	52	784	161	147	261	170	5	50	-65	+46	-53	-34		
October.....	322	38	36	198	50	764	68	154	305	175	9	53	-442	-1	-264	+178		
November.....	407	34	130	191	52	691	12	157	282	182	5	58	-264	+267	+252	+269		
December.....	569	319	29	171	50	880	190	164	275	194	7	53	-311	-16	+311	+637		
1940—																		
January.....	315	45	45	167	57	712	38	173	317	185	4	7	-398	+37	-194	+107		
February.....	444	63	178	154	49	668	19	169	299	168	4	10	-224	+36	+67	+256		
March.....	934	665	30	192	46	956	146	184	276	210	6	135	-22	+11	+164	+175		
April.....	304	48	39	175	42	783	69	202	279	207	6	20	-479	+58	-303	+118		
May.....	400	40	137	179	43	647	10	196	237	199	1	4	-247	-83	-181	+150		

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, excess of receipts (+) or expenditures (-) ⁶	Total	In-active gold	In-crement on gold	Seigniorage	Working balance		
	Re-ceipts	In-vest-ments	Benefit pay-ments	Re-ceipts	In-vest-ments	Other ex-pen-ditures ⁸	Recon-struction Finance Corporation	Com-mo-dity Credit Corporation	All other								
Fiscal year ending:																	
June 1937.....	267	267	(10)	294	293	1	7 329	7 112	127	+60	2,553	1,087	141	356	970		
June 1938.....	560	461	85	763	560	191	7 9	7 184	7 11	+87	2,216	-----	142	446	1,628		
June 1939.....	639	516	120	838	395	442	7 668	136	7 246	+116	2,838	-----	142	536	2,160		
11 months ending:																	
May 1938.....	533	445	76	681	513	152	1	7 102	7 32	+84	2,567	-----	142	440	1,985		
May 1939.....	554	433	109	806	408	401	7 573	137	7 244	+105	2,924	-----	142	528	2,254		
May 1940.....	524	398	117	913	454	460	7 252	7 35	7 199	+102	2,030	-----	143	584	1,303		
1939—																	
May.....	50	40	11	137	108	32	3	7 4	12	+23	2,024	-----	142	528	2,254		
June.....	85	83	11	32	7 13	41	7 86	(7)(10)	7 2	+11	2,838	-----	142	536	2,160		
July.....	65	45	10	58	7 14	42	16	6	144	+13	2,447	-----	142	544	1,761		
August.....	66	51	10	154	126	41	29	7 86	96	+5	2,231	-----	142	549	1,539		
September.....	50	43	10	13	7 19	40	22	5	7 74	+10	2,178	-----	142	554	1,481		
October.....	53	43	10	54	7	24	15	19	4	+15	1,913	-----	143	558	1,213		
November.....	53	43	10	144	142	29	7 297	27	7 19	+6	2,166	-----	143	561	1,462		
December.....	68	43	10	29	7 3	32	7 5	11	10	-4	2,476	-----	143	565	1,705		
1940—																	
January.....	10	-----	10	79	28	58	7 20	7 6	7 11	+7	2,282	-----	143	568	1,571		
February.....	10	-----	10	155	103	45	7 5	7 3	7 4	+18	2,350	-----	143	573	1,634		
March.....	135	135	11	30	7 18	47	7 2	7 4	7 12	+7	2,514	-----	143	577	1,794		
April.....	20	7 5	12	53	18	45	7 3	7 4	7 25	+21	2,210	-----	143	581	1,486		
May.....	4	-----	12	145	81	58	7 6	(7)(10)	90	+3	2,030	-----	143	584	1,303		

¹ Excludes debt retirements.
² Includes taxes under Social Security Act and on carriers and their employees.
³ Excludes expenditures for adjusted service which are included under "Transfers to trust accounts, etc."
⁴ Includes revolving funds of Public Works Administration and Farm Credit Administration.
⁵ Includes expenditures for retirement funds, adjusted service certificate fund, old-age insurance trust fund and railroad retirement account; except for the adjusted service certificate fund, these appear as receipts under "Trust accounts, etc."
⁶ Details given in lower section of table.
⁷ Excess of credits.
⁸ Includes withdrawals by states and railroad unemployment insurance account transfers and benefit payments.
⁹ Includes other trust accounts, increment resulting from reduction in weight of the gold dollar, expenditures chargeable against increment on gold (other than retirement of national bank notes) and receipts from seigniorage.
¹⁰ Less than \$500,000.

GOVERNMENTAL CORPORATIONS AND CREDIT AGENCIES, APRIL 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				Apr. 30, 1940	Mar. 31, 1940	Apr. 30, 1939			
<i>Assets</i>																	
Loans and preferred stock:																	
Loans to financial institutions.....	185		134					(1)	91				410	394	430		
Preferred stock, etc.....	474	203	34				75				1		788	786	862		
Loans to railroads.....	491										30		521	517	509		
Home and housing mortgage loans.....		2,021	219	107									2,347	2,377	2,323		
Farm mortgage loans.....					2,560								2,560	2,568	2,683		
Other agricultural loans.....	1					292	650	198			5		1,145	1,131	776		
All other loans.....	\$ 459		(1)					\$ 363			\$ 338		1,160	1,140	913		
Total loans and preferred stock.....	1,611	2,223	387	107	2,560	367	650	561	8	91	374		8,930	8,914	8,497		
Cash.....	27	197	71	42	98	45	2	22		28	14		553	504	559		
U. S. Govt. direct obligations.....	48	4	42	3	86	170				403	4		760	765	705		
Obligations of Government credit agencies:																	
Fully guaranteed by U. S.:			14			11					105		131	130	144		
Other ¹	8				(²) 2	36							46	45	46		
Accounts and other receivables.....	23	8	5	2	208	4	34	(1)	6	65	66		421	417	377		
Business property.....	(1)	3	(1)	128	6	(1)	8		315	1	95		558	555	472		
Property held for sale.....	42	460	1		101	(1)				4	1		610	629	712		
Other assets.....	2	1	(1)	(1)	8	2	(1)	6	(1)	12	137		167	157	175		
Total assets other than interagency ³	1,762	2,896	520	282	3,069	636	693	589	330	709	691		12,176	12,116	11,688		
<i>Liabilities</i>																	
Bonds, notes, and debentures:																	
Guaranteed by United States.....	1,096	2,764		114	1,270		407			7			5,657	5,664	5,410		
Other ⁴		(1)	134		\$ 977	197				1	10		1,327	1,323	1,379		
Other liabilities (including reserves).....	126	95	40	5	115	8	187	193	7	234	60		1,069	1,065	803		
Total liabilities other than interagency ⁵	1,222	2,859	173	119	2,362	205	593	193	15	242	70		8,053	8,052	7,592		
Excess of assets over liabilities, excluding interagency transactions.....	540	37	346	163	707	431	100	396	315	467	620		4,122	4,064	4,096		
Privately owned interests.....			52		207	4				139			403	401	387		
U. S. Government interests.....	540	37	294	163	500	427	100	396	315	328	620		3,719	3,663	3,709		

¹ Less than \$500,000.

² Includes \$89,000,000 loans of Public Works Administration.

³ Includes \$295,000,000 loans of Farm Security Administration.

⁴ Includes \$208,000,000 loans of Rural Electrification Administration.

⁵ Excludes Federal land bank bonds held by Federal Farm Mortgage Corporation.

⁶ 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. 832

RECONSTRUCTION FINANCE CORPORATION LOANS AND INVESTMENTS

[Amounts outstanding. In thousands of dollars]

	May 31, 1939	Nov. 30, 1939	Dec. 31, 1939	Jan. 31, 1940	Feb. 29, 1940	Mar. 31, 1940	Apr. 30, 1940	May 31, 1940
Loans to financial institutions.....	190,447	173,363	172,154	166,799	162,852	159,353	155,651	154,163
Loans on preferred stock of banks and insurance companies.....	33,494	33,094	33,029	32,319	29,994	29,840	29,749	29,685
Preferred stock, capital notes, and debentures.....	528,573	490,099	488,673	484,211	476,395	472,345	474,475	471,072
Loans to railroads (including receivers).....	436,612	444,314	448,792	454,194	458,841	467,887	471,747	466,093
Loans for self-liquidating projects.....	113,450	93,068	79,440	65,873	66,501	66,753	58,578	61,273
Loans to industrial and commercial businesses.....	114,498	130,026	130,625	130,378	131,919	130,704	130,466	130,566
Loans to drainage, levee, and irrigation districts.....	83,084	83,750	83,998	83,814	83,874	83,966	83,723	83,740
Other loans.....	28,640	4,046	4,081	4,093	4,180	4,260	4,235	4,631
Securities purchased from Public Works Administration.....	128,865	127,290	120,808	117,876	117,603	114,066	112,743	111,323
Total loans and investments, other than interagency.....	1,657,663	1,579,050	1,561,509	1,539,557	1,532,160	1,529,174	1,521,365	1,512,546
Preferred stock of Export-Import bank.....	45,000	45,000	45,000	45,000	74,000	74,000	74,000	74,000
Loans to Rural Electrification Administration.....	61,148	146,498	146,498	146,498	146,498	146,498	146,498	146,498
Capital stock of, and loans to E. F. C. Mortgage Co.....	55,625	56,047	57,081	58,045	58,124	59,198	59,355	59,484
Capital stock of, and loans to Fed. Natl. Mtge. Assn.....	33,796	54,538	58,729	63,233	65,806	68,618	70,385	71,846
Loans to Tennessee Valley Authority.....	3,000	8,300	8,300	8,300	8,300	8,300	8,300	8,300
Total loans and investments.....	1,856,232	1,889,433	1,877,207	1,860,632	1,884,888	1,885,786	1,879,903	1,872,673

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 ¹	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	54,963
1935—December	2,071,925	794,726	104,706	47,162	94,096	43,400	172,863	2,731	50,013	44,433
1936—December	2,064,158	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—May	1,947,944	723,187	186,588	38,124	183,351	10,286	180,434	596	60,465	23,061
June	1,940,586	717,622	190,359	39,794	187,712	10,235	180,166	359	59,677	22,592
July	1,934,013	712,823	189,044	40,657	187,844	10,003	179,356	263	62,124	22,189
August	1,928,166	708,426	187,968	41,661	185,215	9,599	178,271	127	61,404	22,422
September	1,922,577	703,840	179,674	37,645	174,032	9,127	175,667	778	65,160	21,663
October	1,916,431	699,274	169,731	33,996	162,703	8,351	171,819	1,493	70,422	21,882
November	1,910,336	695,101	165,368	33,417	156,526	8,042	169,460	1,696	73,120	20,589
December	1,904,655	690,880	165,236	33,354	154,496	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	683,694	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	67,454	18,537
May	1,882,516	670,723	190,961	38,377	194,662	7,845	180,938	1,315	63,564	18,137

¹ 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 ²
	Home Owners' Loan Corporation	Federal savings and loan associations		
		Number of associations	Loans ¹	
1934—December	2,379,491	639	81,300	86,651
1935—December	2,897,162	1,023	348,000	102,791
1936—December	2,765,098	1,212	586,700	145,394
1937—December	2,397,647	1,328	853,500	200,092
1938—December	2,168,920	1,368	1,034,162	198,840
1939—January	2,149,038	1,370	1,040,770	178,852
February	2,134,261	1,375	1,051,109	170,614
March	2,117,598	1,375	1,067,887	161,614
April	2,105,824	1,381	1,089,879	157,176
May	2,091,324	1,383	1,117,228	157,911
June	2,080,512	1,386	1,136,289	168,962
July	2,067,844	1,385	1,157,536	161,537
August	2,059,792	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	168,654
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

¹ Federal Home Loan Bank Board estimates for all Federal savings and loan associations.

² Excludes loans to other than member institutions which are negligible in amount.

POSTAL SAVINGS SYSTEM

[In millions of dollars]

End of month	Depositors' balances ¹	Assets					Cash reserve funds, etc. ²
		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	72
1939—April	1,264	1,306	76	1,154	988	166	76
May	1,261	1,305	73	1,157	1,011	146	75
June	1,262	1,304	68	1,157	1,011	146	79
July	1,268	1,310	58	1,172	1,026	146	80
August	1,271	1,314	56	1,174	1,028	146	84
September	1,267	1,307	55	1,182	1,036	146	70
October	1,270	1,311	54	1,182	1,036	146	75
November	1,274	1,317	54	1,182	1,036	146	80
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	³ 1,301						
April	³ 1,303						
May	³ 1,298						

³ Preliminary.

¹ Outstanding principal, represented by certificates of deposit. Does not include accrued interest nor outstanding savings stamps.

² 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.

PRODUCTION, EMPLOYMENT, AND TRADE

[Index numbers; 1923-25 average=100. The terms "adjusted" and "unadjusted" refer to adjustment for seasonal variation]

Year and month	Industrial production (physical volume)*						Construction contracts awarded (value) †						Factory employment ‡		Factory pay-rolls ‡		Freight-car loadings ††		Department store sales (value)	
	Total		Manufac-tures		Minerals		Total		Residential		All other		Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed
	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed
1919		83		84		77		63		44		79		107		98		84		78
1920		87		87		89		63		30		44		107		117		91		94
1921		67		67		70		56		44		65		82		76		75		87
1922		85		86		74		79		68		88		91		81		85		88
1923		101		101		105		84		81		86		104		103		100		98
1924		95		94		96		94		95		94		96		96		98		99
1925		104		105		99		122		124		120		100		101		103		103
1926		108		108		108		129		121		135		102		104		107		106
1927		106		106		107		129		117		139		100		102		104		107
1928		111		112		106		135		126		142		100		104		104		108
1929		119		119		115		117		87		142		106		110		107		111
1930		96		95		99		92		50		125		92		89		92		102
1931		81		80		84		63		37		84		73		68		74		92
1932		64		63		71		28		13		40		66		47		55		69
1933		76		75		82		25		11		37		73		50		62		67
1934		79		78		86		32		12		48		86		65		58		75
1935		90		90		91		37		21		50		91		74		64		79
1936		105		105		105		55		37		70		99		86		75		88
1937		110		109		116		59		41		74		109		103		72		92
1938		86		84		98		64		45		80		90		78		68		85
1939		105		105		108		72		60		81		97		91		70		90
1937																				
April	118	122	118	125	115	105	53	61	44	51	61	68	111	111	110	84	79	93	89	
May	118	122	118	123	117	118	56	68	44	52	66	81	112	112	110	80	80	93	95	
June	114	115	114	114	115	118	61	72	42	47	77	92	111	110	108	78	79	93	90	
July	114	111	114	110	112	116	67	75	44	45	86	99	112	111	105	80	82	92	85	
Aug.	117	115	117	114	113	121	62	66	40	40	81	87	112	112	109	79	81	93	72	
Sept.	111	109	110	106	116	125	56	56	37	37	71	72	110	112	105	78	87	94	100	
Oct.	102	102	100	99	113	123	52	49	36	35	65	61	108	110	105	76	84	93	109	
Nov.	88	90	85	86	109	113	56	50	32	31	78	65	104	104	93	71	72	91	101	
Dec.	84	80	79	75	115	109	61	49	30	25	87	68	98	97	85	67	62	89	156	
1938																				
Jan.	81	79	76	75	108	104	52	42	26	22	73	59	93	91	75	65	59	70	70	
Feb.	79	79	75	76	103	99	51	44	32	28	66	56	92	91	78	62	57	88	70	
Mar.	79	80	75	77	104	96	46	46	33	35	56	55	90	91	78	60	57	86	77	
April	77	78	73	76	100	91	52	59	37	43	65	73	88	89	75	57	55	83	86	
May	76	77	73	75	92	90	51	61	37	44	62	76	86	86	73	58	57	78	80	
June	77	77	74	75	93	92	54	63	42	46	64	76	85	84	71	58	58	82	79	
July	83	81	82	79	93	93	59	65	49	49	68	78	86	85	71	62	63	83	58	
Aug.	88	87	87	85	95	97	66	69	53	52	77	84	88	89	77	62	63	83	65	
Sept.	90	91	89	89	97	102	78	79	56	56	96	97	89	92	82	64	71	86	91	
Oct.	96	97	95	95	98	106	82	78	57	56	102	96	90	92	84	68	75	84	92	
Nov.	103	104	103	103	102	105	96	85	56	54	128	111	93	93	84	69	70	89	99	
Dec.	104	98	104	98	110	103	96	77	57	48	128	100	94	94	87	69	64	89	156	
1939																				
Jan.	102	100	100	99	110	105	86	70	55	45	111	90	95	92	84	69	63	88	69	
Feb.	99	99	97	99	110	105	73	63	58	51	85	72	94	94	86	67	62	87	69	
Mar.	98	100	96	100	110	102	69	69	55	58	80	79	94	94	88	66	63	88	82	
April	92	95	92	96	94	87	67	76	58	68	74	83	94	94	86	60	58	88	83	
May	92	94	91	94	98	97	63	75	55	65	68	84	93	93	85	62	62	85	87	
June	98	98	97	104	105	63	73	58	58	64	67	80	94	93	87	67	67	86	83	
July	101	97	100	95	106	107	67	73	62	63	71	81	95	94	84	69	70	86	60	
Aug.	103	99	105	99	91	96	73	76	67	66	78	84	96	96	90	70	71	89	69	
Sept.	111	112	111	110	114	123	73	73	68	68	76	77	98	100	94	77	85	91	97	
Oct.	121	124	121	123	121	132	76	72	68	66	82	77	101	104	102	80	89	90	99	
Nov.	124	124	124	123	124	127	83	74	61	59	101	87	103	104	102	82	83	95	106	
Dec.	128	120	130	121	120	113	86	69	60	51	107	84	105	104	104	75	73	96	168	
1940																				
Jan.	119	117	118	116	125	120	75	61	53	44	93	75	104	101	98	78	72	92	71	
Feb.	109	110	108	110	120	115	63	54	56	50	68	58	102	101	98	73	68	89	71	
Mar.	104	106	101	105	121	112	62	63	57	60	66	65	100	101	98	69	67	89	86	
April	102	104	98	103	123	111	64	73	62	73	66	74	99	100	96	70	67	89	86	
May	106	109	103	107	121	120	65	78	64	76	65	79	99	99	96	72	71	87	89	

‡ Preliminary.

* Average per working day.

† For indexes of groups and separate industries see pp. 708-709; for description see BULLETIN for February and March, 1927.

‡ 3-month moving average of F. W. Dodge Corporation data, centered at second month; for description see p. 358 of BULLETIN for July 1931.

§ The indexes for factory employment and payrolls unadjusted for seasonal variation are compiled by the Bureau of Labor Statistics. For description of the seasonally adjusted index of factory employment compiled by F. R. Board of Governors see BULLETIN for October 1933, pp. 835-837, and for October 1939, p. 878. For current indexes of groups and separate industries see pp. 710-713. Underlying figures are for payroll period ending nearest middle of month.

¶ For indexes of groups see p. 715.

Back figures.—See Annual Report for 1937 (table 81). For department store sales see BULLETIN for October 1938, p. 918; for factory employment and payrolls see BULLETIN for October 1938, pp. 838-866, and for October 1939, pp. 879-887.

INDUSTRIAL PRODUCTION, BY INDUSTRIES

(Without Seasonal Adjustment)

[Index numbers of the Board of Governors. 1923-25 average=100]

Industry	1939									1940				
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Manufactures—Total	92	91	97	100	105	111	121	124	30	118	108	101	98	p103
Durable.....	76	71	82	89	93	103	123	130	141	123	104	94	90	p 98
Nondurable.....	106	108	110	110	115	118	119	118	120	114	111	107	106	p108
Iron and Steel	80	73	89	101	106	122	158	168	174	144	112	97	92	109
Pig iron.....	66	55	73	81	91	101	119	125	126	119	102	91	90	101
Steel ingots.....	81	76	91	103	107	124	162	172	179	146	113	97	92	110
Transportation Equipment:														
Automobiles.....	87	73	81	87	89	85	78	90	127	128	127	110	105	96
Locomotives.....	14	15	15	15	19	23	24	20	18	19	21	24		
Nonferrous Metals:														
Tin deliveries ¹	92	102	93	87	99	97	95	119	165	181	140	136	147	135
Zinc.....	91	89	90	91	93	98	110	117	121	114	116	115	115	111
Lead.....	71	82	70	68	71	71	70	83	78	87	78	82	60	72
Cement and Glass:														
Cement.....	81	75	79	82	76	78	87	91	96	80	71	87	84	85
Glass, plate.....	83	89	124	87	121	165	222	191	232	200	165	164	136	130
Coke:														
Byproduct.....	94	77	103	110	120	130	143	147	148	148	132	127	129	136
Beehive.....	2	2	5	5	5	7	23	29	26	17	11	10	8	10
Textiles	97	104	111	111	120	121	125	126	123	114	108	98	95	p99
Cotton consumption.....	105	110	115	117	128	129	129	135	145	130	125	117	113	116
Wool.....	85	105	116	114	123	118	125	128	116	108	99	81	76	p91
Consumption.....	81	120	138	136	150	138	138	140	124	114	103	89	80	p104
Machinery activity ¹	80	98	105	105	103	103	120	129	120	109	99	70	69	p82
Carpet and rug loom activity ¹	78	73	70	64	79	84	94	92	85	86	86	78	78	p68
Silk deliveries.....	88	76	84	84	87	107	120	96	72	74	63	66	64	55
Leather and Products	116	115	110	115	118	105	109	115	121	120	116	106	101	p100
Tanning.....	96	93	91	88	98	87	93	98	95	99	93	84	82	-----
Cattle hide leathers.....	91	91	88	89	106	93	98	103	102	98	96	86	80	-----
Calf and kip leathers.....	101	89	91	69	73	71	73	83	85	84	81	71	72	-----
Goat and kid leathers.....	105	103	102	106	102	87	103	99	87	107	95	90	97	-----
Boots and shoes.....	128	128	121	133	131	117	119	126	138	133	132	120	113	p112
Food Products:														
Slaughtering and meat packing.....	90	94	87	89	92	100	99	100	99	100	100	99	103	100
Hogs.....	81	84	73	77	84	95	99	100	99	95	95	94	96	96
Cattle.....	99	104	103	102	100	102	95	94	85	102	105	103	109	102
Calves.....	105	108	104	107	104	111	110	110	100	108	102	105	106	106
Sheep.....	135	142	143	145	139	146	144	154	147	153	145	139	144	145
Wheat flour.....	100	95	100	96	88	103	91	82	81	90	92	94	95	92
Sugar meltings.....	94	72	66	81	77	96	91	85	128	105	79	74	75	78
Tobacco Products	164	170	170	158	168	164	166	172	186	167	170	160	181	176
Cigars.....	77	75	75	73	76	76	75	74	79	83	77	75	76	73
Cigarettes.....	236	246	247	227	241	235	240	250	273	239	247	229	267	259
Manufactured tobacco.....	81	85	84	80	89	85	83	87	89	74	79	79	85	83
Paper and Printing:														
Newsprint production.....	63	65	63	63	63	65	63	64	65	64	68	69	68	68
Newsprint consumption.....	130	127	132	126	130	142	137	131	140	129	132	136	133	141
Petroleum Refining	209	211	215	212	218	221	232	228	221	214	217	217	219	-----
Gasoline.....	265	269	276	273	280	284	296	293	280	265	268	268	273	-----
Kerosene.....	122	124	122	117	123	118	118	109	108	106	125	136	131	-----
Fuel oil ¹	143	143	144	139	140	148	155	150	160	162	159	157	153	-----
Lubricating oil ¹	115	119	121	115	128	123	149	141	145	138	139	139	142	-----
Rubber Tires and Tubes¹	106	103	114	113	122	125	125	118	110	*114	*117	118	118	125
Tires, pneumatic ¹	111	108	120	118	127	130	130	122	115	*119	123	*123	123	130
Inner tubes ¹	73	67	76	74	81	85	89	84	72	76	78	*79	82	84
Minerals—Total	94	98	104	106	91	114	121	124	120	125	120	121	123	p121
Bituminous coal.....	28	46	71	75	77	84	94	91	83	91	87	79	92	p91
Anthracite.....	80	73	59	53	53	71	58	60	59	75	51	66	54	p57
Petroleum, crude.....	174	175	170	174	127	174	181	187	189	189	190	194	192	p187
Iron ore.....		55	67	74	78	97	128	*154						110
Zinc.....	91	89	90	91	98	98	110	117	121	114	116	115	115	111
Lead.....	71	82	70	68	71	71	70	83	78	87	78	82	60	72
Silver.....	101	71	107	70	79	104	91	91	105	89	103	98	116	-----

¹ Without seasonal adjustment. * Preliminary. † Revised.

NOTE.—Descriptive material and tables giving back figures may be obtained upon request from the Division of Research and Statistics. Series on shipbuilding, silk-loom activity, and on production of book paper, wrapping paper, fine paper, boxboard, mechanical wood pulp, chemical wood pulp, paper boxes, and lumber, included in the total index, are withheld from publication pending revision.

INDUSTRIAL PRODUCTION, BY INDUSTRIES

(Without Seasonal Adjustment)

[Index numbers of the Board of Governors. 1923-25 average=100]

Industry	1939									1940				
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
<i>Manufactures—Total</i>	96	94	97	95	99	110	123	123	121	116	110	105	103	♯107
Durable.....	84	78	85	84	86	100	123	126	129	117	104	102	99	♯107
Nondurable.....	106	107	108	106	111	119	122	122	114	116	114	108	106	♯108
<i>Iron and Steel</i>	88	79	89	94	104	121	153	155	153	138	117	109	102	119
Pig iron.....	70	56	72	77	87	98	119	126	124	118	104	96	95	103
Steel ingots.....	90	82	91	96	105	123	157	158	156	140	118	110	102	120
<i>Transportation Equipment:</i>														
Automobiles.....	106	88	91	66	28	59	93	108	142	128	127	128	128	116
Locomotives.....	13	15	14	15	20	24	24	22	19	17	21	25		
<i>Nonferrous Metals:</i>														
Tin deliveries.....	92	102	93	87	99	97	95	119	165	181	140	136	147	135
Zinc.....	94	90	87	84	87	93	106	117	123	121	124	122	120	112
Lead.....	70	80	71	65	68	67	72	86	79	88	81	83	60	70
<i>Cement and Glass:</i>														
Cement.....	79	88	98	100	98	98	99	90	75	49	43	63	82	100
Glass, plate.....	91	93	112	78	121	165	222	191	232	200	165	172	149	136
<i>Coke:</i>														
Byproduct.....	95	76	101	107	116	128	143	150	150	149	136	131	130	134
Beehive.....	2	2	5	4	4	7	22	30	29	20	14	12	9	9
<i>Textiles</i>	100	104	105	103	112	121	129	131	117	119	114	101	98	♯100
Cotton consumption.....	113	114	111	106	115	125	133	140	133	137	134	122	121	119
Wool.....	84	100	109	106	118	122	132	135	116	110	104	82	75	♯87
Consumption.....	88	111	124	121	139	145	151	153	125	118	112	91	77	♯96
Machinery activity.....	80	98	105	105	103	103	120	129	120	109	99	70	69	♯82
Carpet and rug loom activity.....	78	73	70	64	79	84	94	92	85	86	86	78	78	♯68
Silk deliveries.....	87	75	75	80	91	113	120	98	64	84	67	63	64	54
<i>Leather and Products</i>	113	106	105	114	131	121	120	110	103	111	118	109	99	♯92
Tanning.....	94	88	90	88	100	92	99	96	92	95	96	83	80	
Cattle hide leathers.....	91	87	86	86	104	97	101	102	99	99	103	87	80	
Calf and kip leathers.....	91	85	88	81	88	82	87	79	73	78	74	63	65	
Goat and kid leathers.....	104	96	102	98	100	91	107	97	94	102	98	91	96	
Boots and shoes.....	126	117	115	130	151	140	133	120	109	121	133	126	111	♯102
<i>Food Products:</i>														
Slaughtering and meat packing.....	81	92	86	84	80	91	97	111	118	119	102	94	92	97
Hogs.....	72	81	76	69	64	71	84	110	129	127	106	94	86	92
Cattle.....	87	101	96	101	98	114	111	108	100	103	92	89	96	99
Calves.....	114	122	108	104	96	107	116	112	95	100	94	106	115	120
Sheep.....	127	139	140	145	140	170	158	152	144	160	136	126	135	142
Wheat flour.....	91	90	88	94	94	122	102	89	87	89	89	88	86	87
Sugar meltngs.....	109	81	78	98	86	102	87	66	73	69	77	87	87	87
<i>Tobacco Products</i>	151	172	186	171	180	181	179	175	151	158	155	152	166	178
Cigars.....	72	78	81	76	80	87	92	88	59	64	66	68	71	75
Cigarettes.....	215	248	272	249	261	259	252	247	224	234	225	218	243	261
Manufactured tobacco.....	78	85	86	80	91	93	86	85	73	75	80	80	81	84
<i>Paper and Printing:</i>														
Newsprint production.....	64	66	64	62	61	64	63	63	65	65	68	68	69	69
Newsprint consumption.....	139	131	131	112	116	139	146	140	144	124	131	142	143	149
<i>Petroleum Refining</i>	208	211	215	211	217	221	233	229	222	214	217	217	219	
Gasoline.....	265	269	276	273	280	284	296	293	280	265	268	268	273	
Kerosene.....	121	119	113	108	116	121	124	117	117	108	128	132	130	
Fuel oil.....	143	143	144	139	140	148	155	150	150	162	159	157	153	
Lubricating oil.....	115	119	121	115	128	123	149	141	145	138	139	139	142	
<i>Rubber Tires and Tubes</i>	106	103	114	113	122	125	125	118	110	♯114	♯117	118	118	125
Tires, pneumatic.....	111	108	120	118	127	130	130	122	115	♯119	123	♯123	123	130
Inner tubes.....	73	67	76	74	81	♯85	♯89	84	72	76	78	♯79	82	84
<i>Minerals—Total</i>	87	97	105	107	96	123	132	127	113	120	115	112	111	♯120
Bituminous coal.....	23	40	63	68	76	90	104	102	88	101	92	79	77	♯79
Anthracite.....	83	73	51	44	53	72	74	62	58	81	54	55	56	♯57
Petroleum, crude.....	174	177	173	178	129	179	183	185	184	181	186	192	192	♯189
Iron ore.....		82	132	150	159	187	218	♯129						166
Zinc.....	94	90	87	84	87	93	106	117	123	121	124	122	120	112
Lead.....	70	80	71	65	68	67	72	86	79	88	81	83	60	70
Silver.....	102	69	105	59	78	98	90	98	106	90	111	106	117	

♯ Preliminary.

* Revised.

NOTE.—Descriptive material and tables giving back figures may be obtained upon request from the Division of Research and Statistics. Series on shipbuilding, silk-loom activity, and on production of book paper, wrapping paper, fine paper, boxboard, mechanical wood pulp, chemical wood pulp, paper boxes, and lumber, included in the total index, are withheld from publication pending revision.

Factory Employment (Adjusted)—Continued

[Index numbers of the Board of Governors; adjusted to Census of Manufactures through 1937. 1923-25 average=100]

Industry and group	1939										1940				
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	
<i>Leather, Manufactures</i>	97.7	93.7	97.1	98.7	97.4	96.8	97.4	99.1	96.9	97.3	95.4	93.8	91.9	88.3	
Boots, shoes.....	97	92	96	98	96	95	96	98	96	96	94	93	90	86	
Leather.....	85	84	86	87	87	87	88	88	86	87	85	83	82	81	
<i>Food, Products</i>	127.0	128.4	129.4	127.9	129.7	128.1	126.9	129.6	131.4	130.7	*130.8	*130.3	128.8	128.6	
Baking.....	144	146	147	147	146	146	146	145	145	144	144	145	144	145	
Beverages.....	270	272	275	269	269	269	271	279	285	280	278	275	274	273	
Butter.....	95	96	95	95	96	95	95	97	97	*95	96	96	97	98	
Canning, preserving.....	157	159	162	150	160	147	137	150	154	149	*155	*152	150	144	
Confectionery.....	81	81	80	82	86	82	82	86	86	85	86	83	82	84	
Flour.....	77	80	81	81	79	82	80	77	79	80	80	80	79	81	
Ice cream.....	78	77	77	75	75	76	78	79	79	79	79	80	79	76	
Slaughtering, meat packing.....	96	98	100	101	101	102	103	106	108	108	109	110	107	107	
Sugar, beet.....	103	107	104	99	105	131	107	105	118	162	102	102	98	97	
Sugar refining, cane.....	102	87	89	94	96	90	100	95	98	94	93	97	94	95	
<i>Tobacco Manufactures</i>	64.5	65.1	65.5	65.7	65.2	64.4	63.5	63.1	64.7	64.2	62.7	64.3	65.0	65.2	
Tobacco, snuff.....	63	62	62	61	62	62	62	60	60	62	60	60	59	59	
Cigars, cigarettes.....	65	65	66	66	66	65	64	63	65	65	63	65	66	66	
<i>Paper, Printing</i>	111.5	111.5	111.1	111.8	112.0	112.8	115.0	115.7	116.4	115.5	114.7	114.8	114.3	115.2	
Boxes, paper.....	111	111	111	113	115	116	121	122	121	121	118	116	115	116	
Paper, pulp.....	106	107	106	106	107	109	114	115	115	114	113	113	112	115	
Book, job printing.....	100	99	99	101	99	98	99	100	101	102	100	100	101	100	
Newspaper, periodical printing.....	114	115	114	114	115	116	116	115	116	114	116	117	116	116	
<i>Chemicals, Petroleum, and Coal Products</i>	114.2	114.4	113.1	113.7	111.9	116.4	119.9	121.3	121.9	121.4	*120.6	*120.0	121.1	122.4	
Petroleum refining.....	118	119	120	121	122	122	122	123	122	122	122	123	122	123	
Other than petroleum.....	113.3	113.4	111.4	111.9	109.4	115.2	119.4	120.8	121.8	121.3	*120.3	*119.4	120.9	122.4	
Chemicals.....	118	117	117	115	119	122	132	137	138	138	138	137	136	137	
Cottonseed oil, cake, meal.....	103	110	88	85	81	92	98	91	91	92	87	*84	97	100	
Druggists' preparations.....	109	111	112	114	112	112	113	114	116	119	118	117	119	123	
Explosives.....	86	87	90	92	93	98	102	104	106	104	108	109	116	120	
Fertilizers.....	110	115	107	105	103	111	109	106	111	105	99	102	109	122	
Paints, varnishes.....	121	119	120	122	125	123	125	126	126	127	124	124	123	121	
Rayon, allied products.....	309	302	295	298	254	297	309	310	311	310	309	304	312	311	
Soap.....	78	79	80	84	87	87	87	86	87	86	84	81	81	82	
<i>Rubber Products</i>	81.3	81.1	80.8	79.7	83.6	86.1	91.2	93.0	92.4	90.2	87.9	86.7	83.9	83.8	
Rubber boots, shoes.....	60	61	59	47	58	58	60	61	61	59	57	*57	57	56	
Rubber tires, inner tubes.....	67	67	66	67	68	70	74	75	75	74	73	72	70	69	
Rubber goods, other.....	131	129	131	134	138	144	154	159	157	152	145	142	136	139	

* Revised.

NOTE.—Figures for May 1940 are preliminary. For description and back data see the BULLETIN for October 1938, pages 835-866, and for October 1939, pages 878-887. Underlying figures are for payroll period ending nearest middle of month.

FACTORY EMPLOYMENT AND PAYROLLS, BY INDUSTRIES

(Without Seasonal Adjustment)

[Index numbers of the Bureau of Labor Statistics; adjusted to Census of Manufactures through 1937. 1923-25 average=100]

Industry and group	Factory employment						Factory payrolls							
	1939		1940				1939		1940					
	Apr.	May	Jan.	Feb.	Mar.	Apr.	May	Apr.	May	Jan.	Feb.	Mar.	Apr.	May
Total	94.1	93.0	101.4	101.4	100.8	*99.6	99.0	85.5	85.0	98.3	97.8	98.2	96.3	96.4
Durable goods.....	84.8	84.0	97.4	*96.6	96.4	96.0	96.4	79.5	78.8	98.2	96.7	*97.6	97.2	97.8
Nondurable goods.....	103.0	101.6	105.3	*106.1	*105.1	103.0	101.5	92.2	91.9	98.4	99.1	*98.9	95.4	94.9
<i>Iron, Steel, Products</i>	91.3	90.2	108.3	106.7	*103.5	101.7	101.8	82.0	80.2	*106.2	100.9	*96.5	94.9	97.1
Blast furnaces, steel works.....	96	95	121	117	112	108	109	85	82	119	110	102	99	103
Boils, nuts, washers, rivets.....	95	94	117	114	112	109	106	81	80	124	126	117	114	109
Cast-iron pipe.....	73	73	74	76	75	75	75	62	68	65	68	60	62	67
Cutlery, edge tools.....	92	87	105	104	103	104	103	79	76	93	91	91	94	92
Forgings.....	55	55	72	72	68	67	68	57	57	86	84	77	75	73
Hardware.....	85	80	104	101	99	96	96	79	78	109	101	105	104	102
Plumbers' supplies.....	74	75	82	82	82	82	82	64	67	71	71	71	72	73
Stamped, enameled ware.....	148	145	158	161	161	160	157	147	143	160	162	164	164	163
Steam, hot-water heating.....	75	74	83	84	85	85	85	60	61	74	76	75	76	75
Stoves.....	86	87	78	86	90	91	91	76	75	65	75	80	82	84
Structural, ornamental.....	66	67	72	72	70	70	71	58	57	63	60	60	61	62
Tin cans, tinware.....	93	94	94	93	*94	95	96	95	98	97	93	*100	101	101
Tools.....	84	84	96	96	95	94	92	80	79	98	96	93	91	90
Wirework.....	151	146	172	162	163	162	161	148	139	189	175	180	175	170
<i>Machinery</i>	95.0	94.9	112.4	113.1	113.1	113.6	114.0	92.8	94.0	119.1	119.3	*121.5	121.6	122.3
Agricultural implements.....	129	123	135	141	144	141	140	145	135	156	164	168	166	164
Cash registers, etc.....	128	127	126	128	128	129	129	121	122	129	131	134	134	134
Electrical machinery.....	96	97	102	102	102	102	102	89	91	112	112	114	113	115
Engines, turbines, etc.....	98	97	125	133	135	140	149	112	114	162	172	*176	183	194
Foundry, machine-shop products.....	82	82	97	98	97	97	97	74	75	95	94	96	95	95
Machine tools.....	139	141	197	205	211	216	221	152	161	259	271	282	287	288
Radio, phonographs.....	105	107	136	126	122	128	137	89	92	122	113	*110	116	128
Textile machinery.....	74	75	86	86	86	85	82	69	70	84	81	82	80	77
Typewriters.....	129	127	123	118	115	114	113	132	127	111	110	111	112	114
<i>Transportation Equipment</i>	96.1	91.2	115.5	114.8	117.0	115.4	115.0	94.2	87.3	118.3	118.6	*124.3	122.6	118.4
Aircraft.....	1,086	1,204	2,030	2,042	2,096	2,166	2,330	1,054	1,155	1,901	*1,881	2,011	2,063	2,187
Automobiles.....	102	93	116	113	114	112	110	100	88	120	119	123	121	114
Cars, electric, steam-railroad.....	36	37	53	59	61	57	56	30	32	47	54	58	52	50
Locomotives.....	18	22	28	29	28	28	28	16	20	27	27	26	26	27
Shipbuilding.....	116	122	138	143	151	153	158	121	131	148	150	169	169	178
<i>Nonferrous Metals, Products</i>	92.9	92.0	109.8	*107.2	107.1	105.6	105.2	83.2	84.0	108.7	103.4	104.8	103.1	103.7
Aluminum.....	144	142	170	171	171	172	173	156	153	193	195	196	199	202
Brass, bronze, copper.....	104	105	136	128	129	126	125	100	104	150	136	137	133	134
Clocks, watches.....	84	82	91	91	91	89	89	81	78	93	95	95	92	94
Jewelry.....	87	83	89	91	92	90	89	68	66	73	69	75	72	72
Lighting equipment.....	78	76	93	88	86	86	84	57	59	74	71	74	74	72
Silverware, plated ware.....	69	69	72	71	70	71	70	58	59	61	59	60	63	62
Smelting, refining.....	78	77	87	87	87	86	86	72	72	87	86	85	84	85
<i>Lumber, Products</i>	63.9	65.0	67.3	66.7	66.8	66.9	68.0	55.4	58.0	58.8	60.0	61.0	61.4	63.5
Furniture.....	82	81	90	89	89	86	87	67	67	75	77	78	74	75
Lumber, millwork.....	57	56	62	61	61	61	61	43	44	47	47	47	48	48
Lumber, sawmills.....	58	60	60	59	60	60	62	50	54	51	52	53	55	59
<i>Stone, Clay, Glass Products</i>	78.5	78.5	77.7	75.5	77.7	80.5	81.7	66.4	67.7	66.9	65.3	68.3	72.2	74.1
Brick, tile, terra cotta.....	58	58	57	53	54	58	61	43	44	43	40	42	45	49
Cement.....	67	68	58	55	59	68	71	61	63	51	48	54	64	69
Glass.....	98	97	106	103	106	105	104	94	96	113	108	113	114	111
Marble, granite, slate.....	53	54	39	43	43	46	48	42	44	24	29	30	35	39
Pottery.....	88	87	92	93	93	93	91	79	77	81	84	85	85	84
<i>Textiles, Products</i>	101.8	99.2	103.5	105.5	102.9	98.8	95.9	81.9	79.7	87.5	91.3	*89.5	81.4	77.9
Fabrics.....	90.6	90.1	95.9	95.5	*90.7	88.3	87.1	75.0	75.3	84.8	84.2	*78.5	75.2	74.0
Carpets, rugs.....	78	74	82	82	80	80	75	63	58	72	71	67	68	59
Cotton goods.....	87	85	96	96	92	91	89	73	72	89	87	83	81	78
Cotton small wares.....	82	80	88	85	81	79	76	73	72	81	75	76	73	68
Dyeing, finishing textiles.....	126	124	130	130	128	125	123	106	103	110	109	109	105	99
Hats, fur-felt.....	87	82	91	92	87	65	69	55	63	85	84	69	39	47
Hosiery.....	155	153	144	145	140	140	134	158	150	146	151	*146	144	134
Knitted outerwear.....	67	68	59	68	65	60	61	52	54	47	57	53	47	50
Knitted underwear.....	73	74	75	77	79	77	74	64	65	66	69	72	68	65
Knitted cloth.....	133	128	137	*135	*135	131	127	101	100	112	*108	107	101	103
Silk, rayon goods.....	74	71	73	69	66	64	62	54	52	57	54	52	50	49
Woolen, worsted goods.....	73	80	87	85	71	67	72	56	65	73	72	57	53	60
Wearing apparel.....	122.8	115.6	116.1	123.7	*126.6	118.6	111.8	90.5	83.5	87.5	*99.8	*105.7	88.7	80.7
Clothing, men's.....	106	99	106	110	112	104	95	77	69	80	86	88	72	64
Clothing, women's.....	178	166	162	176	181	168	162	121	114	113	134	*142	119	112
Corsets, allied garments.....	112	113	115	116	*117	115	114	119	120	112	118	*120	120	116
Men's furnishings.....	132	127	112	121	*124	118	115	108	103	95	113	*117	101	96
Millinery.....	91	82	79	90	97	87	75	71	58	59	77	103	74	54
Shirts, collars.....	122	121	120	125	126	125	121	100	99	98	108	113	111	101

*Revised.

Factory Employment and Payrolls—Continued

[Index numbers of the Bureau of Labor Statistics; adjusted to Census of Manufactures through 1937. 1923-25 average=100]

Industry and group	Factory employment							Factory payrolls						
	1939		1940					1939		1940				
	Apr.	May	Jan.	Feb.	Mar.	Apr.	May	Apr.	May	Jan.	Feb.	Mar.	Apr.	May
<i>Leather, Manufactures</i>	100.2	92.5	97.4	99.3	98.2	94.2	87.1	79.8	68.6	82.3	82.6	80.3	70.7	63.8
Boots, shoes.....	100	91	96	98	98	93	85	77	64	79	80	78	67	58
Leather.....	86	83	87	87	84	83	81	81	79	86	83	80	78	77
<i>Food, Products</i>	117.6	120.5	119.5	118.8	118.8	119.7	121.3	112.1	118.8	117.0	115.5	117.1	117.7	121.3
Baking.....	143	146	141	142	143	143	145	129	137	131	132	134	134	138
Beverages.....	265	277	255	254	262	268	278	303	324	279	284	300	312	330
Butter.....	92	98	89	89	90	94	100	77	82	75	76	78	81	85
Canning, preserving.....	108	108	91	92	98	103	98	88	93	81	78	78	83	88
Confectionery.....	76	74	83	84	82	77	76	68	70	80	81	77	74	76
Flour.....	74	78	79	79	79	78	79	70	72	73	74	73	72	73
Ice cream.....	93	97	112	109	107	104	106	97	105	119	111	112	110	119
Slaughtering, meat packing.....	46	52	70	38	40	44	47	49	56	63	44	45	48	49
Sugar, beet.....	102	88	90	92	96	94	95	88	73	71	77	79	77	80
Sugar refining, cane.....														
<i>Tobacco Manufactures</i>	63.1	64.2	59.0	61.7	63.6	63.8	64.3	55.0	57.7	52.9	54.0	58.1	58.7	62.1
Tobacco, snuff.....	62	61	63	62	61	59	59	64	65	68	69	67	64	67
Cigars, cigarettes.....	63	65	58	62	64	64	65	54	57	51	52	57	58	61
<i>Paper, Printing</i>	111.1	111.2	115.1	114.6	114.4	113.8	114.9	104.5	105.1	110.0	108.6	110.0	109.7	113.1
Boxes, paper.....	109	109	117	115	114	113	114	116	116	122	119	122	121	124
Paper, pulp.....	106	107	114	113	113	112	115	105	106	118	117	115	115	124
Book, job printing.....	99	99	103	101	100	100	99	85	86	92	87	88	87	88
Newspaper, periodical printing.....	115	115	114	115	117	117	117	108	108	106	108	111	111	112
<i>Chemicals, Petroleum, and Coal Products</i>	116.6	112.9	121.0	121.0	122.8	123.4	121.1	110.5	119.6	131.0	131.4	132.5	133.4	133.7
Petroleum refining.....	117	118	122	121	121	121	122	129	132	134	134	136	137	137
Other than petroleum.....	116.4	111.7	120.9	121.1	123.1	123.9	120.9	110.7	115.7	130.3	130.4	131.5	132.3	132.8
Chemicals.....	117	117	136	136	135	135	136	130	131	160	159	160	160	162
Cottonseed oil, cake, meal.....	85	75	103	98	90	79	68	67	58	99	89	81	69	60
Druggists' preparations.....	109	108	119	119	119	119	119	118	118	129	130	131	131	129
Explosives.....	84	86	104	106	108	114	118	94	96	121	128	129	133	141
Fertilizers.....	177	124	105	109	152	175	132	136	106	83	84	113	136	121
Paints, varnishes.....	123	123	124	123	124	124	126	126	130	129	128	131	132	136
Rayon, allied products.....	302	296	314	313	309	306	304	279	273	320	321	316	311	311
Soap.....	79	78	84	84	83	81	81	95	94	100	100	100	98	98
<i>Rubber Products</i>	82.1	81.2	90.0	88.0	87.3	84.7	84.1	81.0	80.0	94.1	88.4	88.3	86.5	87.1
Rubber boots, shoes.....	59	59	59	57	57	56	54	57	55	56	53	56	55	54
Rubber tires, inner tubes.....	67	67	74	73	72	70	69	72	72	86	81	79	78	80
Rubber goods, other.....	134	131	150	145	144	140	141	124	122	145	135	138	133	132

† Revised.

NOTE.—Figures for May 1940 are preliminary. Back data may be obtained from the Bureau of Labor Statistics. Underlying figures are for payroll period ending nearest middle of month.

HOURS AND EARNINGS OF WAGE EARNERS IN MANUFACTURING INDUSTRIES

[Compiled by the Bureau of Labor Statistics]

Industry group	Average hours worked per week							Average hourly earnings (cents per hour)						
	1939			1940				1939			1940			
	Mar.	Apr.	Dec.	Jan.	Feb.	Mar.	Apr.	Mar.	Apr.	Dec.	Jan.	Feb.	Mar.	Apr.
Total.....	37.3	36.6	38.6	37.4	37.3	37.5	37.2	64.5	64.2	66.2	66.3	66.3	66.5	66.5
<i>Durable goods</i>	36.8	36.6	39.6	38.1	37.9	38.3	38.2	71.1	71.0	72.7	72.7	72.6	72.8	72.9
Iron, Steel, Products.....	35.8	35.1	39.4	37.6	36.5	36.1	36.0	75.2	75.2	77.2	76.6	76.4	76.3	76.4
Machinery.....	38.0	37.7	41.3	40.4	40.1	40.7	40.5	72.8	72.6	73.2	73.5	73.7	73.9	73.9
Transportation Equipment.....	34.4	35.5	38.5	37.4	37.6	38.4	38.3	90.0	89.7	90.1	89.4	89.6	90.0	90.2
Nonferrous Metals, Products.....	38.3	37.2	40.9	39.2	38.4	38.9	38.6	66.7	67.0	70.3	70.1	69.6	69.7	70.0
Lumber, Products.....	38.5	38.2	38.6	36.9	38.0	38.4	38.4	49.2	49.8	51.3	51.2	51.3	51.5	51.8
Stone, Clay, Glass Products.....	36.2	35.5	37.5	35.1	35.3	35.7	36.5	65.2	64.8	66.0	66.4	66.2	66.4	66.4
<i>Nondurable goods</i>	37.7	36.6	37.7	36.9	36.8	36.9	36.2	59.1	58.8	60.5	60.7	60.8	61.0	60.9
Textiles, Products.....	36.3	34.7	35.9	34.8	35.1	35.1	34.2	48.9	48.0	49.7	49.9	50.5	50.5	49.5
Fabrics.....	36.7	35.3	37.2	36.0	35.7	35.1	34.5	45.9	45.8	47.9	48.1	48.4	48.2	48.2
Wearing apparel.....	35.7	33.6	33.5	32.5	34.0	35.2	33.6	54.1	51.8	53.3	53.4	54.4	54.3	51.9
Leather, Manufactures.....	38.2	35.7	35.7	37.2	36.7	35.6	32.5	52.4	53.7	53.7	53.4	53.7	54.1	54.3
Food, Products.....	40.1	39.3	40.5	39.6	39.4	39.8	39.4	62.9	62.7	63.3	64.1	63.9	64.1	64.3
Tobacco Manufactures.....	34.2	34.0	35.8	33.3	32.8	34.5	34.7	47.4	47.4	48.9	49.6	49.1	49.0	49.3
Paper, Printing.....	38.3	38.1	39.4	38.1	37.8	38.0	38.1	77.1	77.2	78.3	78.3	78.3	78.9	79.6
Chemicals, Petroleum, and Coal Products.....	38.5	38.2	39.0	38.4	38.4	38.4	38.5	72.8	72.1	75.1	75.6	75.6	74.6	74.2
Petroleum refining.....	36.3	35.6	36.4	35.5	35.9	36.2	36.5	97.3	97.3	97.2	97.4	97.5	97.1	97.4
Other than petroleum refining.....	39.4	39.1	39.8	39.4	39.2	39.2	39.2	64.3	63.5	67.5	68.0	68.1	67.0	66.5
Rubber Products.....	36.1	35.7	38.1	36.6	35.3	35.8	36.0	76.3	76.0	77.6	77.6	77.7	78.0	77.9

† Revised.

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 ¹	
					Factories		Commercial		Educational ¹		Other ¹			
	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	23.5	21.3	24.0	21.1	17.4	34.8	24.0	121.0	76.3
May	308.5	-----	133.8	-----	13.0	-----	19.5	-----	16.4	-----	27.8	-----	97.9	-----
June	288.3	-----	111.9	-----	15.8	-----	26.8	-----	12.5	-----	37.8	-----	83.6	-----
July	299.9	-----	109.3	-----	17.4	-----	22.9	-----	19.4	-----	28.7	-----	102.1	-----
August	312.3	-----	127.2	-----	10.4	-----	21.1	-----	13.8	-----	24.6	-----	115.3	-----
September	323.2	-----	129.7	-----	20.7	-----	26.6	-----	10.1	-----	24.9	-----	111.1	-----
October	261.8	-----	118.3	-----	16.8	-----	22.6	-----	9.5	-----	23.8	-----	70.8	-----
November	299.8	-----	116.6	-----	18.5	-----	20.4	-----	9.7	-----	29.2	-----	105.5	-----
December	354.1	-----	88.7	-----	15.3	-----	17.4	-----	7.7	-----	17.4	-----	207.7	-----
Year	3,550.5	-----	1,334.3	-----	174.8	-----	246.9	-----	201.4	-----	342.5	-----	1,250.6	-----

¹ Not strictly comparable with data for earlier years due to changes in classification.

CONSTRUCTION CONTRACTS AWARDED, BY TYPES OF FINANCING

[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						Publicly-financed ¹						Privately-financed ¹					
	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	-----	64	116	137	108	128	-----	84	116	180	143	161	-----
July	159	295	322	240	300	-----	67	153	131	98	137	-----	93	141	191	142	163	-----
August	169	275	281	313	312	-----	92	153	104	171	158	-----	76	122	178	142	154	-----
September	167	234	207	301	323	-----	97	116	80	160	144	-----	70	119	127	141	179	-----
October	201	226	202	358	262	-----	114	101	78	203	92	-----	87	125	124	154	170	-----
November	188	208	198	302	300	-----	118	89	93	179	144	-----	70	119	106	123	156	-----
December	284	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	1,162	1,705	1,708	-----	837	1,341	1,761	1,492	1,842	-----

¹ Back figures—See BULLETIN for February 1935, 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
	May	April	May
Boston	23,130	19,155	22,147
New York	62,993	48,962	64,852
Philadelphia	15,408	17,575	20,855
Cleveland	34,089	31,241	31,043
Richmond	39,339	31,625	31,619
Atlanta	31,297	30,608	29,731
Chicago ¹	61,185	61,094	52,322
St. Louis ¹	20,379	16,169	21,086
Minneapolis	11,857	9,416	10,557
Kansas City ¹	13,890	14,505	8,298
Dallas	15,347	20,154	15,977
Total (11 districts)	328,914	300,504	308,487

¹ Revised. Comparable figures for earlier months available on request.

COMMERCIAL FAILURES, BY DISTRICTS

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

Federal Reserve district	Number			Liabilities		
	1940		1939	1940		1939
	May	April	May	May	April	May
Boston	88	106	86	1,154	1,391	1,245
New York	477	440	514	4,540	6,320	5,707
Philadelphia	71	99	103	1,072	1,466	1,021
Cleveland	79	46	76	1,120	497	607
Richmond	51	48	48	604	348	779
Atlanta	55	70	62	462	829	715
Chicago	175	201	176	1,392	2,215	2,692
St. Louis	43	38	24	415	438	221
Minneapolis	25	19	24	362	272	153
Kansas City	37	55	74	302	422	774
Dallas	24	23	26	316	215	370
San Francisco	113	146	121	1,329	1,834	1,613
Total	1,238	1,291	1,334	13,068	16,247	15,897

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 ¹					Merchandise imports ²					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	-46	99	61	147
March.....	195	257	275	268	351	199	307	173	190	217	-4	-61	102	77	135
April.....	193	269	274	231	324	203	287	160	186	212	-10	-18	115	45	112
May.....	201	290	257	249	^p 325	192	285	148	202	^p 211	9	5	109	47	^p 114
June.....	186	265	233	236		191	286	146	179		5	-21	87	57	
July.....	180	268	228	230		195	265	141	169		-15	3	87	61	
August.....	179	277	231	250		193	246	166	176		-14	31	65	74	
September.....	221	297	246	^r 289		216	233	168	182		5	63	79	107	
October.....	265	333	278	332		213	224	178	215		52	108	100	117	
November.....	226	315	252	292		196	223	176	235		30	92	76	57	
December.....	230	323	269	368		245	209	171	247		-15	115	98	121	
Year.....	2,456	3,349	3,094	^r 3,177		2,423	3,084	1,960	2,318		33	265	1,134	^r 859	

^p Preliminary. ^r Revised.

¹ Including both domestic and foreign merchandise.

² 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]

	1939		1940				
	May	Jan.	Feb.	Mar.	Apr.	May	
							Adjusted for seasonal variation
Total	62	78	73	69	70	72	
Coal.....	51	83	68	66	75	78	
Coke.....	42	90	65	70	73	73	
Grain and grain products.....	81	73	75	75	79	74	
Livestock.....	40	39	40	39	37	38	
Forest products.....	40	47	44	43	43	45	
Ore.....	58	114	107	105	102	98	
Miscellaneous.....	70	86	83	77	74	77	
Merchandise ¹	61	62	61	60	59	60	
	Without seasonal adjustment						
Total	62	72	68	67	67	71	
Coal.....	44	95	80	70	63	67	
Coke.....	40	106	88	73	62	70	
Grain and grain products.....	73	66	69	69	70	66	
Livestock.....	36	38	33	31	34	34	
Forest products.....	41	41	43	44	44	47	
Ore.....	81	25	26	26	42	134	
Miscellaneous.....	73	74	71	74	76	80	
Merchandise ¹	61	58	59	60	60	60	

¹ In less-than-carload lots.

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]

Month	Sales ¹				Stocks (end of month)			
	Adjusted for seasonal variation		Without seasonal adjustment		Adjusted for seasonal variation		Without seasonal adjustment	
	1939	1940	1939	1940	1939	1940	1939	1940
January.....	88	92	69	71	67	68	60	61
February.....	87	89	69	71	68	71	65	68
March.....	88	89	82	86	68	70	69	71
April.....	88	89	88	86	67	69	69	71
May.....	85	87	87	89	66	68	68	70
June.....	86		83		67		64	
July.....	86		60		67		60	
August.....	89		69		67		65	
September.....	91		67		68		71	
October.....	90		99		69		77	
November.....	95		106		71		82	
December.....	96		168		68		64	
Year.....			90				68	

¹ Based on daily average sales—with allowance for changes from month to month in number of Saturdays and in number of Sundays and holidays. Adjustment for seasonal variation makes allowance in March and April for the effects upon sales of changes in the date of Easter.

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

WHOLESALE PRICES, BY GROUPS OF COMMODITIES

[Index numbers of the Bureau of Labor Statistics. 1926=100]

Year, month, or week	All commodities	Farm products	Foods	Other commodities								
				Total	Hides and leather products	Textile products	Fuel and lighting materials	Metals and metal products	Building materials	Chemicals and allied products ¹	House-furnishing goods	Miscellaneous
1929	95.3	104.9	99.9	91.6	109.1	90.4	83.0	100.5	95.4	94.0	94.3	82.6
1930	86.4	89.3	90.5	85.2	100.0	80.3	78.5	92.1	89.9	88.7	92.7	77.7
1931	73.0	64.8	74.6	75.0	86.1	66.3	67.5	84.5	79.2	79.3	84.9	69.8
1932	64.8	48.2	61.0	70.2	72.9	54.9	70.3	80.2	71.4	73.9	75.1	64.4
1933	65.9	51.4	60.5	71.2	80.9	64.8	66.3	79.8	77.0	72.1	75.8	62.5
1934	74.9	65.3	70.5	78.4	86.6	72.9	73.3	86.9	86.2	75.3	81.5	69.7
1935	80.0	78.8	83.7	77.9	89.6	70.9	73.5	86.4	85.3	79.0	80.6	68.3
1936	80.8	80.9	82.1	79.6	95.4	71.5	76.2	87.0	86.7	78.7	81.7	70.5
1937	86.3	86.4	85.5	85.3	104.6	76.3	77.6	95.7	95.2	82.6	89.7	77.8
1938	78.6	68.5	73.6	81.7	92.8	66.7	76.5	95.7	90.3	77.0	86.8	73.3
1939	77.1	65.3	70.4	81.3	95.6	69.7	73.1	94.4	90.5	76.0	86.3	74.8
1939—April	76.2	63.7	68.6	80.5	90.9	66.9	73.4	94.0	89.6	75.6	85.4	74.4
May	76.2	63.7	68.2	80.6	91.6	67.5	73.9	93.5	89.5	75.6	85.5	74.2
June	75.6	62.4	67.6	80.2	92.3	67.3	73.0	93.2	89.5	75.2	85.6	73.8
July	75.4	62.6	67.5	80.2	92.5	67.6	72.8	93.2	89.7	74.5	85.6	73.4
August	75.0	61.0	67.2	80.1	92.7	67.8	72.6	93.2	89.6	74.2	85.6	73.3
September	79.1	68.7	75.1	82.1	98.5	71.7	72.8	94.8	90.9	76.6	86.6	76.6
October	79.4	67.1	73.3	83.8	104.6	75.5	73.9	95.8	92.8	77.6	87.8	77.6
November	79.2	67.3	72.3	84.0	104.0	76.4	74.1	96.0	93.0	77.4	88.4	77.0
December	79.2	67.6	71.9	83.9	103.7	78.0	72.8	96.0	93.0	77.7	88.5	77.4
1940—January	79.4	69.1	71.7	83.9	103.6	77.9	72.7	95.8	93.4	77.7	87.9	77.7
February	78.7	68.7	71.1	83.2	102.4	75.4	72.4	95.3	93.2	77.5	88.0	77.3
March	78.4	67.9	70.2	82.9	101.8	74.0	72.2	95.5	93.3	77.0	88.0	76.9
April	78.6	69.4	71.6	82.5	101.8	72.9	71.8	94.5	92.5	76.8	88.4	77.7
May	78.4	67.9	71.4	82.5	101.3	72.9	71.7	94.5	92.5	76.7	88.5	77.7
Week ending—												
1940—March 2	78.4	68.8	70.5	83.2	102.8	73.6	72.8	95.5	93.3	77.4	89.5	76.9
March 9	78.3	68.5	69.9	83.1	102.4	73.3	72.8	95.5	93.3	77.1	89.6	76.8
March 16	78.2	68.0	70.4	83.0	102.5	73.0	72.6	95.5	93.2	77.0	89.6	76.9
March 23	77.9	67.5	69.9	82.9	102.1	72.7	72.6	95.4	93.3	76.9	89.5	76.5
March 30	77.9	68.1	69.8	82.8	102.0	72.5	72.3	95.5	93.1	76.7	89.5	76.6
April 6	77.6	67.0	69.7	82.7	101.6	71.9	72.5	95.4	93.2	76.5	89.4	76.6
April 13	78.0	68.0	70.8	82.7	102.1	71.9	72.5	95.4	92.8	76.6	89.9	76.6
April 20	78.5	69.6	71.9	82.6	102.5	71.6	72.3	95.3	92.8	76.9	89.9	76.8
April 27	79.0	71.6	72.8	82.5	102.5	71.5	72.2	94.9	92.7	77.0	89.9	76.9
May 4	78.9	71.3	72.5	82.6	102.5	71.5	72.3	95.0	92.6	76.8	89.9	76.8
May 11	78.4	69.2	71.6	82.5	102.2	72.3	72.4	94.5	92.0	76.8	89.9	76.8
May 18	78.5	68.2	71.7	82.9	102.4	72.6	72.3	94.7	92.7	76.8	89.9	78.2
May 25	77.8	66.8	70.7	82.7	101.4	72.4	72.4	94.7	92.6	76.6	89.9	77.4
June 1	77.8	67.8	70.8	82.5	100.5	72.2	72.3	94.7	92.5	76.6	89.9	76.9
June 8	77.4	66.7	70.5	82.4	99.6	71.9	72.2	94.8	92.1	76.4	89.9	77.0
June 15	77.4	66.8	70.2	82.4	99.6	71.8	72.2	94.9	92.4	76.4	89.9	77.2
June 22	77.1	65.6	70.1	82.4	99.6	71.9	71.9	94.8	92.3	76.3	89.9	77.2

Subgroups	1939					1940				
	May	Feb.	Mar.	Apr.	May	May	Feb.	Mar.	Apr.	May
Farm Products:										
Grains	59.6	72.8	73.4	77.2	71.2					
Livestock and poultry	73.2	65.6	67.1	68.4	69.6					
Other farm products	58.7	68.9	66.3	67.4	65.5					
Foods:										
Dairy products	58.6	80.0	78.6	77.4	72.8					
Cereal products	73.8	82.4	82.4	83.2	81.0					
Fruits and vegetables	63.8	58.7	58.7	65.7	69.2					
Meats	78.6	68.4	69.2	71.1	73.8					
Other foods	61.4	66.3	63.0	63.2	62.2					
Hides and Leather Products:										
Shoes	101.3	108.2	108.4	108.2	107.9					
Hides and skins	72.1	97.0	94.3	94.8	92.2					
Leather	83.1	94.2	93.5	93.2	93.6					
Other leather products	95.6	100.0	100.0	100.0	100.0					
Textile Products:										
Clothing	81.7	84.9	85.1	84.7	85.0					
Cotton goods	63.3	73.6	71.8	70.2	69.4					
Hosiery and underwear	60.2	64.5	62.2	61.7	61.3					
Silk ²	45.6	51.6	49.9	45.4	47.0					
Rayon ²	28.5	29.5	29.5	29.5	29.5					
Woolen and worsted goods	75.4	87.2	84.5	83.8	83.4					
Other textile products	65.3	76.8	74.9	74.6	75.7					
Fuel and Lighting Material:										
Anthracite	75.3	79.2	79.2	77.4	76.5					
Bituminous coal	99.0	98.2	97.3	96.4	95.8					
Coke	104.2	109.7	109.6	109.6	109.6					
Electricity	79.3	78.2	77.1	-----	-----					
Gas	86.0	81.6	80.4	82.0	-----					
Petroleum products	52.5	50.9	50.4	50.4	50.7					
Metals and Metal Products:										
Agricultural implements	93.4	93.4	93.4	93.5	92.5					
Farm machinery	94.6	94.6	94.7	94.7	93.7					
Iron and steel	95.7	96.3	96.4	94.3	94.2					
Motor vehicles	93.0	94.7	94.8	94.8	94.8					
Nonferrous metals	73.1	79.2	79.7	79.2	80.3					
Plumbing and heating	79.3	79.1	81.0	80.9	80.6					
Building Materials:										
Brick and tile	91.7	91.2	90.4	90.2	90.2					
Cement	91.5	91.4	91.2	90.3	90.5					
Lumber	91.2	97.6	97.8	96.1	96.6					
Paint and paint materials	81.6	86.8	87.2	86.7	86.0					
Plumbing and heating	79.3	79.1	81.0	80.9	80.6					
Structural steel	107.3	107.3	107.3	107.3	107.3					
Other building materials	89.6	92.9	92.7	92.3	92.2					
Chemicals and Allied Products¹										
Chemicals ¹	84.4	85.3	85.1	85.0	85.1					
Drugs and pharmaceuticals ¹	77.4	81.3	81.4	81.8	82.0					
Fertilizer materials ¹	68.4	71.0	70.6	70.7	70.8					
Mixed fertilizers ¹	72.7	74.2	73.9	73.8	73.8					
Oils and fats ¹	46.6	51.0	47.8	46.8	46.1					
Housefurnishing Goods:										
Furnishings	89.8	94.2	94.2	94.5	94.8					
Furniture	81.0	81.5	81.5	81.9	81.9					
Miscellaneous:										
Auto tires and tubes	60.5	55.6	55.6	58.0	58.0					
Cattle feed	87.4	93.7	95.2	100.1	93.3					
Paper and pulp	80.4	89.5	89.0	89.5	90.7					
Rubber, crude	34.2	38.7	38.3	39.4	44.1					
Other miscellaneous	81.4	86.6	85.8	85.1	84.3					

² Revised.

¹ Revised series.

² New series.

Back figures.—For monthly and annual indexes of groups, see Annual Report for 1937 (table 86); for indexes of subgroups, see Annual Report for 1937 (table 87).

STATISTICS FOR FEDERAL RESERVE CHART BOOK—CURRENT SERIES

	Chart book page	1940					Chart book page	1940				
		May 22	May 29	June 5	June 12	June 19		Mar.	April	May		
WEEKLY FIGURES		<i>Wednesday figures; in billions of dollars</i>					MONTHLY FIGURES		<i>Index numbers 1923=100</i>			
RESERVES, GOLD, AND CURRENCY							BUSINESS CONDITIONS					
Reserve Bank credit—total	3, 5	2.52	2.51	2.53	2.52	2.54	Wholesale commodity prices: ⁴					
Bills discounted	5	(1)	(1)	(1)	(1)	(1)	United States:					
U. S. Gov't securities	5	2.48	2.48	2.48	2.48	2.47	All commodities	31, 32	78.4	78.6	78.4	
Gold stock	3	19.07	19.16	19.28	19.43	19.77	Farm products	31	67.9	69.4	67.9	
Money in circulation	3, 9	7.61	7.69	7.72	7.72	7.74	Foods	31	70.2	71.6	71.4	
Treasury cash	3	2.20	2.20	2.21	2.20	2.20	Other commodities	31	82.9	82.5	82.5	
Treasury deposits	3, 6	.37	.38	.31	.27	.30	England	32	104.5	107.1	107.9	
Member bank balances	3, 6	13.22	13.22	13.39	13.51	13.71	France	32				
Required reserves	6	6.85	6.85	6.85	6.90	6.95	Germany	32	81.4			
Excess reserves—total ¹	7	6.41	6.41	6.51	6.62	6.80	Industrial production ⁵	35	104	102	106	
New York City ²	7	3.47	3.46	3.49	3.51	3.67	Manufacturing production: ⁵					
Chicago ²	7	.49	.51	.54	.57	.54	Total	37	101	98	103	
Reserve city banks ³	7	1.64	1.64	1.64	1.69	1.68	Durable ⁶	37	44	42	45	
Country banks ³	7	.81	.80	.84	.85	0.91	Nondurable ⁶	37	57	57	58	
WEEKLY REPORTING MEMBER BANKS							Factory employment		43	100.8	99.6	99.0
Total, 101 cities:							Factory payrolls		43	98.2	96.3	96.4
Loans and investments	14	23.54	23.52	23.53	23.66	23.60	Freight-car loadings ⁵	45	69	70	72	
Investments	14	14.98	15.05	15.09	15.19	15.15	Department store sales ⁵	47	89	89	87	
Loans	14	8.56	8.48	8.44	8.47	8.44	Department store stocks ⁵	47	70	69	68	
Adjusted demand deposits	15	20.20	20.29	20.31	20.62	20.50	<i>In millions of dollars</i>					
Time deposits	15	5.31	5.31	5.32	5.31	5.31	Construction contracts awarded: ⁷					
U. S. Gov't deposits	15	.58	.58	.58	.58	.58	Total	41	255	263	265	
Domestic bank balances	15	8.49	8.43	8.49	8.45	8.53	Residential	41	105	115	118	
Foreign bank balances	15	.69	.71	.70	.69	.69	Other	41	150	148	147	
New York City:							Exports and imports:					
U. S. Gov't obligations	16	5.04	5.10	5.17	5.21	5.21	Exports (incl. re-exports)	49	351	324	325	
Other securities	16	1.26	1.32	1.30	1.32	1.27	General imports	49	217	212	221	
Commercial loans	16	1.67	1.66	1.66	1.67	1.67	Excess of exports	49	135	112	114	
Brokers' loans	16	.40	.35	.31	.31	.29	Income payments:					
100 cities outside New York:							Total ⁸		50	5,926	5,899	5,919
U. S. Gov't obligations	17	6.46	6.39	6.39	6.41	6.42	Total unadjusted	50	5,938	5,913	5,647	
Other securities	17	2.23	2.25	2.23	2.26	2.26	Salaries and wages ⁸	50	3,735	3,713	3,739	
Commercial loans	17	2.72	2.71	2.71	2.71	2.72	Other ⁸	50	2,191	2,186	2,180	
MONEY RATES AND SECURITY MARKETS		<i>Averages of daily figures⁹; per cent per annum</i>					Cash farm income:					
F. R. Bank discount rate, N. Y.	19	1.00	1.00	1.00	1.00	1.00	Total ⁸	51	604	627	626	
Commercial paper	19	.56	.56	.56	.56	.56	Crops ⁸	51	201	156	180	
Bankers' acceptances	19	.44	.44	.44	.44	.44	Livestock and products ⁹	51	336	376	418	
U. S. Treasury bills	21	.08	.10	.11	.12	.09	Government payments	51	67	65	68	
U. S. Treasury notes	21, 25	.77	.83	.84	.80	.72	<i>In billions of dollars</i>					
U. S. Treasury bonds	21, 25	2.47	2.48	2.49	2.41	2.33	Central gold reserves:					
Corporate Aaa bonds	25	3.02	3.04	3.03	2.98	2.92	United States	8	18.43	18.77	19.21	
Corporate Baa bonds	25	5.13	5.22	5.22	5.19	5.09	England	8	(1)	(1)	(1)	
		<i>Wednesday figures; in unit indicated</i>					France		8	2.00	2.00	2.00
Stock prices, total ⁴	27, 29	70	71	70	75	76	Netherlands	8	.69	.65	0.65	
Industrial	27	82	82	81	87	88	U. S. Gov't interest-bearing debt—total	20	41.98	42.12	42.25	
Railroad	27	21	22	21	23	24	Bonds	20	29.69	29.80	29.86	
Public utility	27	71	73	72	76	77	Notes	20	6.13	6.13	6.13	
Volume of trading ¹ (mill. shares)	29	1.92	.80	.49	1.01	.67	Bills	20	1.31	1.31	1.30	
Brokers' loans (mill. dollars)	29	544	478	437	444	413	Special issues	20	4.86	4.88	4.97	
BUSINESS CONDITIONS		<i>Figures for week³; in unit indicated</i>					QUARTERLY FIGURES⁵		July-Sept. 1939	Oct.-Dec. 1939	Jan.-Mar. 1940	
Wholesale commodity prices: ⁴							Domestic corporation security issues, total		28	653	509	557
All commodities	33	77.8	77.8	77.4	77.4	77.1	New	28	92	67	107	
Farm products	33	66.8	67.8	66.7	66.8	65.6	Refunding	28	560	442	450	
Foods	33	70.7	70.8	70.5	70.2	70.1	<i>In millions of dollars</i>					
Other commodities	33	82.7	82.5	82.4	82.4	82.4	<i>Per cent per annum</i>					
Steel plant operations (per cent of capacity)	38	73.0	76.9	80.3	84.6	87.7	Customers' rates:					
Automobile production (thous. cars)	38	96.8	61.0	95.6	93.6	90.1	New York City	23	2.04	1.96	2.03	
Electric power production (mill. kw. hrs.)	39	2,449	2,332	2,453	2,516	2,508	7 other Northern and Eastern cities	23	2.78	2.59	2.67	
Total freight-car loadings (thous. cars)	39	687.4	639.1	702.6	712.4	728.1	11 Southern and Western cities	23	3.31	3.32	3.35	

¹ Preliminary. ² Estimated.

³ Less than \$5,000,000.

⁴ Averages of daily figures, see footnote 3.

⁵ Figures are shown under the Wednesday date included in the weekly period.

⁶ Index numbers, 1926=100.

⁷ Adjusted for seasonal variation.

⁸ Points in total index of manufacturing production.

⁹ Three-months moving average adjusted for seasonal variation.

¹⁰ Series revised for the period from January 1936 to November 1939, inclusive. Back figures may be obtained from the Division of Research and Statistics.

¹¹ Banking statistics for call report dates are shown in table on following page.

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

STATISTICS FOR FEDERAL RESERVE CHART BOOK—QUARTERLY BANKING SERIES

[In billions of dollars]

	Chart book page	1937		1938			1939				1940	
		June 30	Dec. 31	Mar. 7	June 30	Sept. 28	Dec. 31	Mar. 29	June 30	Oct. 2	Dec. 30	Mar. 26
All banks in the United States:												
Total deposits and currency.....	10	57.42	56.83	56.78	56.74	\$57.65	\$59.12	\$59.15	\$61.00	\$63.03	\$64.40	\$65.05
Time deposits.....	10	25.96	26.26	26.34	26.27	\$26.27	\$26.38	\$26.58	\$26.83	\$26.91	\$27.00	\$27.30
Demand deposits adjusted.....	10	25.26	24.05	24.13	24.39	\$25.10	\$26.01	\$26.01	\$27.32	\$29.10	\$30.05	\$30.60
Currency outside banks.....	10	5.53	5.69	5.50	5.47	\$5.50	\$5.83	\$5.68	\$6.05	\$6.23	\$6.50	\$6.30
Member banks:												
Demand deposits adjusted.....	11	21.40	20.39	20.51	20.89	21.60	22.29	22.36	23.59	25.12	25.68	26.46
Time deposits.....	11	11.35	11.52	11.59	11.56	11.46	11.51	\$11.62	11.72	11.73	11.85	11.98
Interbank balances.....	11	5.30	5.44	5.62	6.10	6.09	6.51	6.82	7.10	\$8.24	8.51	\$8.72
Loans and investments.....	11	32.74	31.75	31.52	30.72	31.63	32.07	32.10	32.60	33.08	33.94	34.16
Investments, total.....	11	18.45	17.79	17.98	17.78	18.69	18.86	19.05	19.46	19.61	19.98	20.22
U. S. Government obligations, total.....	12	12.69	12.37	12.45	12.34	13.01	13.22	13.35	13.78	13.81	14.33	14.42
Direct obligations.....	13	10.87	10.57	10.63	10.22	10.71	10.88	10.69	10.95	10.89	11.18	11.31
Guaranteed obligations.....	13	1.82	1.80	1.83	2.13	2.30	2.34	2.66	2.83	2.92	3.14	3.11
Other securities, total.....	12	5.77	5.42	5.52	5.44	5.68	5.64	5.70	5.69	5.79	5.65	5.80
State and local government securities.....	13	2.13	2.03	2.19	2.13	2.30	2.45	2.55	2.56	2.76	2.69	2.90
Other domestic.....	13	3.40	3.21	3.15	3.13	3.19	3.01	2.96	2.94	(⁶)	2.77	(⁶)
Foreign securities.....	13	.23	.18	.18	.18	.18	.18	.19	.19	(⁶)	.19	(⁶)
Loans, total.....	11	14.29	13.96	13.55	12.94	12.94	13.21	13.05	13.14	13.47	13.96	13.94
Security loans, total ^{1 2}	12	4.37	3.70	3.54	3.32	3.30	² 1.75	1.57	1.47	(⁶)	1.49	(⁶)
Brokers' loans.....	13	1.54	.95	.88	.70	.71	.97	.84	.73	(⁶)	.79	(⁶)
Loans on securities (excluding brokers' loans) ²	13	2.83	2.75	2.67	2.61	2.59	² .78	.73	.74	(⁶)	.70	(⁶)
Real estate loans.....	12, 13	2.51	2.55	2.56	2.61	2.66	2.72	2.75	2.83	(⁶)	2.96	(⁶)
Other loans, total ^{1 2}	12	7.41	7.71	7.45	7.01	6.97	² 8.74	8.73	8.85	(⁶)	9.51	(⁶)
Commercial loans ²	13	6.66	7.00	6.75	6.40	6.36	² 5.45	5.53	5.57	(⁶)	6.12	(⁶)
Open-market paper.....	13	.64	.64	.61	.49	.48	.44	.42	.42	(⁶)	.45	(⁶)
Loans to banks.....	13	.12	.07	.10	.12	.13	.12	.10	.06	(⁶)	.06	(⁶)
All other loans ³							³ 2.73	2.67	2.80	(⁶)	2.89	(⁶)

^p Preliminary. ^c Corrected.

¹ In chart 12 loans to banks on securities are included in the total of "security loans" prior to June 30, 1937 and in the total of "other loans" since that date.

² Figures are reported on somewhat different basis beginning December 31, 1938. For detailed explanation of the changes and for estimates on old basis as of December 31, 1938, see BULLETIN for April 1939, page 332.

³ Not originally plotted in chart book.

⁴ Partly estimated.

⁵ Detailed breakdown of loans and investments now available on June and December dates only.

NUMBER OF BANKS AND BRANCHES IN UNITED STATES, 1933-1940

[Figures for 1940 are preliminary]

End of year figures except where otherwise indicated	Member banks		Nonmember banks				Total	Branches	
	National	State	Other than mutual savings and private banks		Mutual savings	Private ²		In head-office cities	Outside head-office cities
			Insured ¹	Not insured ¹					
Number of Banking Offices									
1933.....	6,275	1,817	9,041		704	103	17,940		
1934.....	6,705	1,961	8,579		705	246	19,196		
1935.....	6,715	1,953	8,556	1,088	698	143	19,153		
1936.....	6,723	2,032	8,436	1,043	693	139	19,066		
1937.....	6,745	2,075	8,340	907	691	79	18,927		
1938.....	6,723	2,106	8,224	953	690	73	18,774		
1939.....	6,705	2,177	8,098	931	683	69	18,663		
1940 (March 31).....	6,697	2,195	8,052	926	⁴ 684	⁵ 67	18,621		
Number of Banks (Head Offices)									
1933.....	5,154	857	8,341		579	98	15,029		
1934.....	5,462	980	7,693	1,108	579	241	16,063		
1935.....	5,386	1,001	7,728	1,046	570	138	15,869		
1936.....	5,325	1,051	7,588	1,004	565	134	15,667		
1937.....	5,290	1,081	7,449	960	563	74	15,387		
1938.....	5,224	1,114	7,310	917	555	68	15,194		
1939.....	5,187	1,175	7,171	887	551	63	15,034		
1940 (March 31).....	5,177	1,198	7,125	881	551	61	14,993		
Number of Branches									
1933.....	1,121	960	700		125	5	2,911	1,784	1,127
1934.....	1,243	981	778		126	5	3,133	1,776	1,357
1935.....	1,329	952	828	42	128	5	3,284	1,754	1,530
1936.....	1,398	981	848	39	128	5	3,399	1,749	1,650
1937.....	1,485	994	891	37	128	5	3,540	1,757	1,733
1938.....	1,499	992	908	41	135	5	3,580	1,743	1,837
1939.....	1,518	1,002	927	44	132	6	3,629	1,738	1,891
1940 (March 31).....	1,520	997	927	45	133	6	3,628	1,729	1,899

¹ Federal deposit insurance did not become operative until January 1, 1934.

² 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.

³ Separate figures not available for branches of insured and not insured banks.

⁴ Comprises 51 insured banks with 25 branches and 500 uninsured banks with 108 branches. 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."

⁵ Comprises 1 insured bank with no branches and 60 uninsured banks with 6 branches.

EARNINGS AND EXPENSES OF MEMBER BANKS

EARNINGS, EXPENSES, AND DIVIDENDS OF ALL MEMBER BANKS DURING 1939, BY SIZE OF BANK

[Dollar amounts in thousands]

	Total all member banks ¹	Banks operating throughout entire year, with deposits on December 30, 1939 of									Banks operating less than 1 year ²
		\$100,000 and under	\$100,001 to \$250,000	\$250,001 to \$500,000	\$500,001 to \$750,000	\$750,001 to \$1,000,000	\$1,000,001 to \$2,000,000	\$2,000,001 to \$5,000,000	\$5,000,001 to \$10,000,000	\$10,000,001 and over	
Earnings:											
Interest and discount on loans	560,449	139	3,096	12,746	14,412	13,694	42,223	62,093	143,270	266,709	2,067
Interest and dividends on investments	444,145	19	800	4,617	6,551	7,182	24,875	42,189	98,678	257,875	1,359
Collection charges, commissions, fees, etc.	32,019	9	212	945	997	864	2,368	3,089	7,780	15,538	217
Foreign department	11,777		2	2			8	97	559	11,111	
Trust department	90,999		2	136	33	86	501	2,363	16,771	68,995	2,112
Service charges on deposit accounts	54,448	3	217	1,017	1,226	1,206	4,264	7,502	18,482	20,214	317
Rent received	83,005	4	117	729	1,015	995	3,398	7,157	25,589	43,089	312
Other current earnings	19,022	1	50	186		228	664	1,445	3,699	12,500	48
Total current earnings	1,295,864	175	4,404	20,378	24,435	24,258	78,301	125,935	314,828	696,631	6,432
Expenses:											
Interest on time and savings deposits	159,101	5	460	2,986	4,115	4,578	14,952	24,579	47,070	59,695	661
Salaries—officers	150,140	60	1,284	4,795	5,036	4,501	12,698	16,972	37,710	66,076	1,008
Salaries and wages—employees (other than officers)	237,791	5	221	1,329	1,917	2,173	8,625	17,203	56,041	148,940	1,337
Fees paid to directors and members of executive, discount, and advisory committees	7,536		50	273	321	318	977	1,352	2,184	2,015	46
Interest and discount on borrowed money	163	1	7	16	17	15	29	15	52	9	2
Real estate taxes	34,881	3	117	476	565	529	1,932	3,389	9,707	18,021	142
Other taxes	50,557	8	206	864	955	953	3,036	4,639	11,500	28,147	249
Other expenses	254,595	43	848	3,710	4,097	3,971	12,687	21,461	63,248	143,009	1,521
Total current expenses	894,764	125	3,193	14,449	17,023	17,038	54,936	89,610	227,512	465,912	4,966
Net earnings	401,100	50	1,301	5,929	7,412	7,217	23,365	36,325	87,316	230,719	1,466
Recoveries, profits on securities, etc.:											
Recoveries on loans	54,622	8	272	848	921	937	2,687	4,117	12,334	32,314	184
Recoveries on investments	56,101		39	389	629	588	2,534	4,991	17,624	28,987	380
Profits on securities sold	189,739	5	183	1,312	1,840	2,086	7,980	14,207	44,981	116,629	516
All other	26,089	1	59	284	312	298	952	1,971	5,310	16,792	110
Total	326,551	14	553	2,833	3,702	3,909	14,153	25,226	80,249	194,722	1,190
Losses and depreciation:											
On loans	108,125	25	426	1,368	1,645	1,570	4,974	7,871	21,402	68,470	374
On investments	179,563	1	163	1,260	2,152	2,466	8,627	16,525	47,001	100,777	591
On banking house, furniture and fixtures	37,985	6	167	667	772	705	2,478	4,369	9,805	18,678	338
All other	54,497	4	139	479	508	605	2,153	4,419	12,516	33,409	265
Total	380,170	36	895	3,774	5,077	5,346	18,232	33,184	90,724	221,334	1,568
Net profits	347,481	28	959	4,988	6,037	5,780	19,286	28,367	76,841	204,107	1,088
Cash dividends declared:											
On preferred stock ³	13,686		33	209	256	233	880	1,820	4,601	5,547	107
On common stock	193,451	20	476	2,019	2,311	2,283	7,174	10,306	27,025	141,077	760
Total³	207,137	20	509	2,228	2,567	2,516	8,054	12,126	31,626	146,624	867
Total deposits on Dec. 30, 1939	49,362,775	2,053	75,015	399,503	527,068	558,114	1,899,607	3,274,819	10,067,129	32,381,149	178,318
Number of officers on Dec. 30, 1939	34,172	51	931	2,886	2,607	2,091	5,052	4,937	7,084	8,190	343
Number of employees (full and part-time) on Dec. 30, 1939	158,137	11	409	1,944	2,315	2,305	7,695	13,174	39,659	89,349	1,276
Number of banks reporting during the year ended Dec. 30, 1939	6,393	26	398	1,060	849	645	1,348	1,063	768	126	110

¹ Revised.

NOTE—For statistics of earnings and expenses of all member banks during 1927-1939 and of member banks in each Federal Reserve district during 1938 and 1939, see May 1940 BULLETIN, pages 460-465. For averages of individual bank operating ratios during 1939, by Federal Reserve districts, size of banks, and ratio of time to total deposits, see June 1940 issue of Federal Reserve BULLETIN, pages 588-601.

² Figures differ slightly from those shown on page 460 of the May 1940 Federal Reserve BULLETIN, due to minor adjustments made incident to the recompilation of figures by size of bank.

³ Includes five banks with no deposits, operating throughout the year.

³ Includes interest on capital notes and debentures.

Earnings and Expenses of Member Banks—Continued

Earnings, Expenses, and Dividends of National Bank Members During 1939, by Size of Bank

[Figures compiled by Comptroller of the Currency]

[Dollar amounts in thousands]

	Total all national bank members	Banks operating throughout entire year, with deposits on December 30, 1939 of									Banks operating less than 1 year ¹
		\$100,000 and under	\$100,001 to \$250,000	\$250,001 to \$500,000	\$500,001 to \$750,000	\$750,001 to \$1,000,000	\$1,000,001 to \$2,000,000	\$2,000,001 to \$5,000,000	\$5,000,001 to \$50,000,000	\$50,000,001 and over	
Earnings:											
Interest and discount on loans	386,134	118	2,664	10,607	12,019	11,463	35,413	49,728	94,044	169,318	760
Interest and dividends on investments	297,084	17	710	4,058	5,626	6,270	21,875	35,206	67,861	155,092	369
Collection charges, commissions, fees, etc.	22,093	8	178	783	814	715	1,989	2,387	5,080	10,059	80
Foreign department	6,795			2			8	57	367	6,361	
Trust department	31,414		2	134	28	60	334	1,685	7,879	21,274	18
Service charges on deposit accounts	37,447	1	180	834	1,029	1,016	3,616	5,899	12,394	12,358	120
Rent received	51,902	3	102	620	856	826	2,935	5,700	16,294	24,449	117
Other current earnings	13,205	1	45	159	170	186	487	975	1,955	9,206	21
Total current earnings	846,074	148	3,881	17,197	20,542	20,536	66,657	101,637	205,874	408,117	1,435
Expenses:											
Interest on time and savings deposits	113,874	5	392	2,519	3,454	3,873	12,800	19,804	30,463	40,280	284
Salaries—officers	100,447	51	1,111	4,015	4,208	3,800	10,702	13,677	24,892	37,758	233
Salaries and wages—employees (other than officers)	145,721	4	190	1,122	1,613	1,849	7,382	13,836	35,844	83,614	267
Fees paid to directors and members of executive, discount, and advisory committees	5,316		44	230	280	270	856	1,121	1,506	999	10
Interest and discount on borrowed money	100	1	6	14	16	9	19	9	25	1	
Real estate taxes	21,814	2	104	403	477	447	1,649	2,727	5,886	10,059	60
Other taxes	32,518	6	179	718	802	797	2,539	3,764	7,454	16,238	21
Other expenses	159,992	38	732	3,150	3,438	3,358	10,804	17,007	41,422	79,671	372
Total current expenses	579,782	107	2,758	12,171	14,288	14,403	46,751	71,945	147,492	268,620	1,247
Net earnings	266,292	41	1,123	5,026	6,254	6,133	19,906	29,692	58,382	139,497	238
Recoveries, profits on securities, etc.:											
Recoveries on loans	39,728	6	226	720	773	662	2,303	3,354	7,930	23,704	50
Recoveries on investments	33,628		34	344	542	511	2,224	3,816	12,173	13,825	159
Profits on securities sold	124,473	5	165	1,143	1,636	1,858	7,010	11,776	30,119	70,539	222
All other	12,479	1	49	232	253	252	750	1,476	3,211	6,190	65
Total	210,308	12	474	2,439	3,204	3,283	12,287	20,422	53,433	114,258	496
Losses and depreciation:											
On loans	66,983	23	371	1,196	1,430	1,313	4,200	6,331	12,974	39,034	111
On investments	109,002	1	151	1,126	1,845	2,127	7,499	13,358	31,535	51,061	299
On banking house, furniture and fixtures	27,855	5	139	572	628	611	2,147	3,546	6,739	13,439	29
All other	22,058	4	109	415	418	425	1,689	3,024	5,669	10,218	87
Total	225,898	33	770	3,309	4,321	4,476	15,535	26,259	56,917	113,752	526
Net profits	250,702	20	827	4,156	5,137	4,940	16,658	23,855	54,898	140,003	208
Cash dividends declared:											
On preferred stock	8,905		27	188	235	206	747	1,379	2,676	3,429	18
On common stock	121,941	12	417	1,708	1,978	1,998	6,130	8,599	18,155	82,851	93
Total	130,846	12	444	1,896	2,213	2,204	6,877	9,978	20,831	86,280	111
Total deposits on Dec. 30, 1939	31,581,573	1,759	64,152	335,576	440,455	471,742	1,625,869	2,668,135	6,927,996	18,963,816	82,073
Number of officers on Dec. 30, 1939	25,617	45	806	2,451	2,207	1,777	4,327	4,015	4,771	5,138	80
Number of employees (full and part-time) on Dec. 30, 1939	99,243	8	349	1,625	1,954	1,953	6,573	10,559	25,292	50,621	309
Number of banks reporting during the year ended Dec. 30, 1939	5,209	22	340	890	709	546	1,157	872	555	78	40

^r Revised.

² Back figures.—See annual reports of the Comptroller of the Currency.

¹ Includes one bank with no deposits, operating throughout the year.

Earnings and Expenses of Member Banks—Continued

Earnings, Expenses, and Dividends of State Bank Members During 1939, by Size of Bank¹

[Dollar amounts in thousands]

	Total, all State bank members ²	Banks operating throughout entire year, with deposits on December 30, 1939 of									Banks operating less than 1 year ³
		\$100,000 and under	\$100,001 to \$250,000	\$250,001 to \$500,000	\$500,001 to \$750,000	\$750,001 to \$1,000,000	\$1,000,001 to \$2,000,000	\$2,000,001 to \$5,000,000	\$5,000,001 to \$50,000,000	\$50,000,001 and over	
Earnings:											
Interest and discount on loans	174,315	21	432	2,139	2,393	2,231	6,810	12,365	49,226	97,391	1,307
Interest and dividends on investments	147,061	2	90	559	925	912	3,000	6,983	30,817	102,783	990
Collection charges, commissions, fees, etc.	9,926	1	34	162	183	149	379	702	2,700	5,479	137
Foreign department	4,982							40	192	4,750	
Trust department	59,585			2	5	26	167	678	8,892	47,721	2,094
Service charges on deposit accounts	17,001	2	37	183	197	190	648	1,603	6,088	7,856	197
Rent received	31,103	1	15	109	159	169	463	1,457	9,295	19,240	195
Other current earnings	5,817		5	27	31	42	177	470	1,744	3,294	27
Total current earnings	449,790	27	613	3,181	3,893	3,719	11,644	24,298	108,954	288,514	4,947
Expenses:											
Interest on time and savings deposits	45,227		68	467	661	705	2,152	4,775	16,607	19,415	377
Salaries—officers	49,693	9	173	780	828	701	1,996	3,295	12,818	28,318	775
Salaries and wages—employees (other than officers)	92,070	1	31	207	304	324	1,243	3,367	20,197	65,326	1,070
Fees paid to directors and members of executive, discount, and advisory committees	2,220		6	43	41	48	121	231	678	1,016	36
Interest and discount on borrowed money	63		1	2	1	6	10	6	27	8	2
Real estate taxes	13,067	1	13	73	88	82	283	662	3,821	7,962	82
Other taxes	18,039	2	27	146	153	156	497	875	4,046	11,909	228
Other expenses	94,603	5	116	560	659	613	1,883	4,454	21,826	63,338	1,149
Total current expenses	314,982	18	435	2,278	2,735	2,635	8,185	17,665	80,020	197,292	3,719
Net earnings	134,808	9	178	903	1,158	1,084	3,459	6,633	28,934	91,222	1,228
Recoveries, profits on securities, etc.:											
Recoveries on loans	14,894	2	46	128	148	275	384	763	4,404	8,610	134
Recoveries on investments	22,473		5	45	87	77	310	1,115	5,451	15,162	221
Profits on securities sold	65,266		18	169	204	228	970	2,431	14,862	46,090	294
All other	13,610		10	52	59	46	202	495	2,099	10,602	45
Total	116,243	2	79	394	498	626	1,866	4,804	26,816	80,464	694
Losses and depreciation:											
On loans	41,142	2	55	172	215	257	774	1,540	8,428	29,436	263
On investments	70,561		12	134	307	339	1,128	3,167	15,466	49,716	292
On banking house, furniture and fixtures	10,130	1	28	95	144	94	331	823	3,066	5,239	309
All other	32,439		30	64	90	180	464	1,395	6,847	23,191	178
Total	154,272	3	125	465	756	870	2,697	6,925	33,807	107,582	1,042
Net profits	96,779	8	132	832	900	840	2,628	4,512	21,943	64,104	880
Cash dividends declared:											
On preferred stock ⁴	4,781		6	21	21	27	133	441	1,925	2,118	89
On common stock	71,510	8	59	311	333	285	1,044	1,707	8,870	58,226	667
Total⁴	76,291	8	65	332	354	312	1,177	2,148	10,795	60,344	756
Total deposits on Dec. 30, 1939	17,781,202	294	10,863	63,927	86,613	86,372	273,738	606,684	3,139,133	13,417,333	96,245
Number of officers on Dec. 30, 1939	8,555	6	125	435	400	314	725	922	2,313	3,012	263
Number of employees (full and part-time) on Dec. 30, 1939	58,894	3	60	319	361	352	1,122	2,615	14,367	38,728	967
Number of banks reporting during the year ended Dec. 30, 1939	1,184	4	58	170	140	96	191	191	213	48	70

¹ Corresponding figures for 1938 appear in the May 1939 BULLETIN, p. 379.

² Figures differ slightly from those shown on p. 460 of the May 1940 BULLETIN, due to minor adjustments made incident to the recompilation of figures by size of bank.

³ Includes four banks with no deposits, operating throughout the year.

⁴ Includes interest on capital notes and debentures.

INTERNATIONAL FINANCIAL STATISTICS

	PAGE
Gold reserves of central banks and governments	724
Gold production	725
Gold movements	725-726
International capital transactions of the United States	727-731
Central banks	732-735
Bank for International Settlements	736
Money rates	736
Discount rates of central banks	737
Commercial banks	737-738
Foreign exchange rates	739
Price movements:	
Wholesale prices	740
Retail food prices and cost of living	741
Security prices	741

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	Total ¹ (52 countries)	Countries in Tripartite Accord							Other countries					
		United States	United King- dom	France	Bel- gium	Neth- er- lands	Switzerland		Ar- gen- tina	Brazil	Brit- ish India	Bul- garia	Cana- da	Chile
							National Bank	B. I. S.						
1934—December	21,051	8,238	1,584	5,445	590	573	624	4	403	8	275	19	134	29
1935—December	21,604	10,125	1,648	4,395	611	438	454	8	444	17	275	19	189	29
1936—December	22,630	11,258	2,584	2,995	632	490	655	11	501	25	275	20	188	29
1937—December	23,964	12,760	2,689	2,564	597	930	648	5	469	32	274	24	184	30
1938—December	25,468	14,512	2,690	2,435	581	995	699	14	431	32	274	24	192	30
1939—May	25,119	15,957	1,067	2,574	524	823	598	21	428	33	274	24	214	30
June	25,270	16,110	1,067	2,574	540	900	598	20	428	34	274	24	213	30
July	25,492	16,238	1,162	2,574	573	769	595	18	427	34	274	24	212	30
August	26,097	16,646	1,162	2,714	614	769	585	9	431	35	274	24	218	30
September	25,234	16,932	1	2,714	615	752	585	5	449	36	274	24	218	30
October	25,303	17,091	1	2,714	611	754	579	6	449	37	274	24	212	30
November	25,513	17,358	1	2,714	608	700	559	7	453	38	274	24	213	30
December	25,702	17,644	1	2,714	609	690	547	7	466	40	274	24	214	30
1940—January	25,907	17,931	1	2,714	/609	690	535	10	466	41	274	24	211	30
February	26,197	18,177	1	2,714	/609	690	525	10	472	42	274	24	213	30
March	25,695	18,433	1	2,000	/609	690	519	10	482	42	274	24	211	30
April	26,015	18,770	1	2,000	/609	650	514	9	/482	44	/274	24	212	30
May	26,268	19,209	1	2,000	/609	/650	/524	/9	/482	/44	/274	/24	5	/30

End of month	Other countries—Continued														
	Co- lombia	Czecho- Slo- vakia	Den- mark	Egypt	Ger- many	Greece	Hun- gary	Italy	Japan	Java	Mex- ico	New Zea- land	Nor- way	Peru	Pol- and
1934—Dec	19	112	60	55	32	40	23	518	394	77	23	25	61	19	96
1935—Dec	16	112	54	55	33	34	23	270	425	54	44	23	84	20	84
1936—Dec	19	91	54	55	27	26	25	206	463	60	46	23	98	20	75
1937—Dec	16	92	53	55	28	24	25	210	261	79	24	23	82	20	83
1938—Dec	24	83	53	55	29	27	37	193	164	80	29	23	94	20	85
1939—May	20	65	53	55	29	31	24	/193	164	80	33	23	107	19	84
June	20	62	53	55	/29	31	24	/193	164	80	28	23	107	19	84
July	21	60	53	55	/29	30	24	/193	164	80	29	23	107	19	84
Aug.	20	60	53	55	/29	28	24	/193	164	88	29	23	107	20	/84
Sept.	21	58	53	55	/29	28	24	/193	164	88	30	23	107	20	/84
Oct.	21	57	53	55	/29	28	24	/193	164	88	32	23	103	19	-----
Nov.	21	56	53	55	/29	28	24	/193	164	88	34	23	103	19	-----
Dec.	21	56	53	55	/29	28	24	144	164	90	32	23	94	20	-----
1940—Jan.	23	56	53	55	/29	28	24	/144	164	90	27	23	84	20	-----
Feb.	24	56	53	55	/29	28	24	/144	164	90	23	23	84	20	-----
Mar.	23	56	53	/55	/29	28	24	137	164	90	25	23	/84	/20	-----
Apr.	23	56	53	/55	/29	28	24	/137	164	100	27	23	/84	/20	-----
May	23	/56	/53	/55	/29	/28	/24	/137	/164	/100	28	/23	/84	/20	-----

End of month	Other countries—Continued									Government gold reserves ¹ not included in previous figures for 52 countries				
	Portu- gal	Ruma- nia	South Africa	Spain	Swen- den	Tur- key	Uru- guay	Yugo- slavia	Other coun- tries ²	End of month	United States	United King- dom	France	Bel- gium
1934—Dec	68	104	184	740	159	22	82	53	161	1934—Dec	-----	-----	-----	31
1935—Dec	68	109	212	735	185	24	77	43	168	1935—Dec	-----	-----	-----	53
1936—Dec	68	114	203	/718	240	26	77	48	183	1936—Dec	-----	-----	-----	93
1937—Dec	69	120	189	/718	244	29	74	51	185	1937—Dec	-----	-----	-----	81
1938—Dec	69	133	220	/525	321	29	69	57	143	1938—Mar.	-----	1,489	-----	-----
1939—May	69	136	218	/525	344	30	68	57	126	June	44	-----	-----	62
June	69	137	219	/525	346	30	68	57	134	Sept.	-----	759	-----	-----
July	69	137	219	/525	348	30	68	57	135	Oct.	-----	-----	4 103	-----
Aug.	69	148	222	/525	355	30	68	57	136	Nov.	-----	-----	-----	130
Sept.	69	149	224	/525	357	29	68	59	131	Dec.	80	-----	-----	331
Oct.	69	150	243	/525	332	29	68	59	156	1939—Jan.	-----	-----	-----	381
Nov.	69	151	254	/525	333	29	68	59	156	Feb.	-----	-----	-----	465
Dec.	69	152	249	/525	308	29	68	59	151	Mar.	154	1,732	-----	559
1940—Jan.	69	152	253	/525	258	29	68	60	137	Apr.	-----	-----	-----	455
Feb.	69	153	268	/525	218	92	/68	61	147	May	-----	-----	-----	477
Mar.	69	153	272	/525	173	88	/68	61	149	June	85	-----	-----	17
Apr.	/69	154	279	/525	179	88	/68	62	150	Sept.	164	-----	-----	-----
May	/69	/154	/279	/525	189	/88	/68	/62	150	Dec.	156	-----	-----	44

^p Preliminary. ^r Revised.

¹ Figure carried forward from last previous official report, as indicated by last previous unfootnoted figure except in the case of Spain; Spanish figures officially reported on Aug. 1, 1936, and April 30, 1938.

² Certain figures included in total are preliminary or are carried forward from previous report dates (see footnote ¹). Also see section at end of table for data relating to certain additional gold reserves held by Governments.

³ These countries are: Albania, Algeria, Australia, Austria through Mar. 7, 1938, Belgian Congo, Bolivia, China, Danzig through Aug. 31, 1939, Ecuador, El Salvador, Estonia, Guatemala, Finland, Latvia, Lithuania, Morocco, and Thailand (Siam). Figures for certain of these countries have been carried forward from latest report date (see footnote ¹).

NOTE—For back figures and description of table see footnotes to table in BULLETIN for December 1937, p. 1262, and August 1936, p. 667; also see BULLETIN for July 1936, pp. 544-547, and June 1933, pp. 368-372.

For details regarding special transfers of gold by central banks to Government exchange funds, and vice versa, see notes to section at end of table and notes to tables on central banks, pp. 732-733.

¹ Reported at infrequent intervals or on delayed basis: U. S.—Exchange Stabilization Fund (Special A./o No. 1); U. K.—Exchange Equalization Account; France—Exchange Stabilization Fund and Renten Fund; Belgium—Treasury Gold in Canadian, Netherlands, and Swiss Funds, and in some other central reserves, not officially reported.

² Figure for Mar. 1937, first date reported.

³ Figure for Sept. 1937.

⁴ First date reported.

⁵ Transfers in 1939: from Bank to Account, \$1,648,000,000 on Jan. 6, and \$1,162,000,000 on Sept. 6; from Account to Bank, \$26,000,000 on Mar. 1, and \$94,000,000 on July 12.

GOLD PRODUCTION

Outside U. S. S. R.

[In thousands of dollars]

Year or month	Estimated world production outside U. S. S. R.	Production reported monthly											
		Total	Africa				North and South America					Other	
			South Africa	Rhodesia	West Africa	Belgian Congo	United States ¹	Canada	Mexico	Colombia	Chile	Australia	British India
<i>\$1=25-8/10 grains of gold 9/10 fine; i. e., an ounce of fine gold=\$20.67</i>													
1929	382,532	352,237	215,242	11,607	4,297	2,390	45,651	39,862	13,463	2,823	683	8,712	7,508
1930	401,088	365,258	221,626	11,476	4,995	2,699	47,248	43,454	13,813	3,281	428	9,553	6,785
1931	426,424	386,249	224,863	11,193	5,524	3,224	49,627	56,687	12,866	4,016	442	12,134	6,815
1932	458,102	413,459	238,981	12,000	5,992	3,642	50,626	62,938	12,070	5,132	788	14,563	6,782
1933	469,267	411,208	227,673	13,335	6,623	3,631	52,842	60,968	13,169	6,165	3,009	16,873	6,919
<i>\$1=15-5/11 grains of gold 9/10 fine; i. e., an ounce of fine gold=\$35</i>													
1933	794,498	696,218	385,474	22,578	11,214	6,148	89,467	103,224	22,297	10,438	5,094	28,568	11,715
1934	823,003	707,288	366,795	24,264	12,153	6,549	108,191	104,023	23,135	12,045	8,350	30,559	11,223
1935	882,633	751,979	377,090	25,477	13,625	7,159	126,325	114,971	23,858	11,515	9,251	31,240	11,468
1936	971,614	833,088	396,768	28,053	16,295	7,386	152,509	131,181	26,465	13,632	9,018	40,118	11,663
1937	1,041,576	892,535	410,710	28,296	20,784	8,018	168,159	143,367	29,591	15,478	9,544	46,982	11,607
1938	1,132,856	967,212	425,649	28,532	24,670	8,470	178,143	165,379	32,306	18,225	10,290	54,264	11,284
1939	1,204,954	1,018,375	448,753	28,009	28,515	8,759	195,298	178,225	32,300	19,951	11,376	56,182	11,008
1939—March	97,687	82,722	37,558	2,202	2,346	767	14,424	14,498	2,542	1,752	1,198	4,497	938
April	94,600	79,794	35,613	2,252	2,349	729	15,320	14,238	1,733	1,513	830	4,305	912
May	98,545	83,481	37,970	2,355	2,323	779	15,227	15,133	1,794	1,614	696	4,654	936
June	99,511	83,606	37,065	2,369	2,277	756	14,520	15,287	3,216	1,551	968	4,688	910
July	102,822	87,155	37,952	2,395	2,395	739	16,159	15,402	3,638	1,551	1,583	4,404	936
August	107,257	91,420	38,494	2,431	2,379	731	16,856	15,722	6,519	1,735	777	4,854	923
September	106,867	89,935	37,817	2,442	2,432	705	19,637	14,752	2,302	1,803	1,012	6,146	888
October	107,138	90,894	38,459	2,452	2,479	715	21,693	15,144	1,832	1,677	1,111	4,397	934
November	103,527	87,377	38,600	2,425	2,497	686	17,421	14,818	2,333	1,873	934	4,886	903
December	101,289	84,954	38,534	2,330	2,589	709	15,845	15,151	1,209	1,367	1,044	5,251	925
1940—January	104,651	88,793	39,777	2,384	2,662	739	16,972	14,853	3,078	1,958	993	4,486	891
February	97,605	81,362	38,575	2,345	2,663	728	13,317	14,188	1,901	1,633	735	4,411	868
March	103,214	87,178	40,162	2,345	2,695	732	16,217	15,014	1,901	1,717	735	4,791	868
April	103,877	87,560	40,879	2,345	2,730	732	16,408	14,525	1,901	1,717	735	4,720	868

Gold production in U. S. S. R. No regular Government statistics on gold production in U. S. S. R. are available, but data of percentage changes irregularly given out by officials of the gold-mining industry, together with certain direct figures for past years, afford a basis for estimating annual production, in millions of dollars, as follows—*at \$20.67 per fine ounce*: 1929, \$15; 1930, \$31; 1931, \$34; 1932, \$40; 1933, \$56; *at \$35 per fine ounce*: 1933, \$95; 1934, \$135; 1935, \$158; 1936, \$185; 1937, \$180; 1938 (preliminary), \$184.

¹ Preliminary. ² Corrected. ³ Revised.
⁴ Includes Philippine Islands production received in United States.
 NOTE.—For monthly figures back to January 1929 and for explanation of table see BULLETIN for March 1939, p. 227; February 1939, p. 151; June 1938, pp. 539-540; and April 1933, pp. 233-35. For annual figures of world production back to 1873 (including Russia-U. S. S. R.), see Annual Report of Director of Mint for 1939, p. 106; and 1936, pp. 108-109. Figures for Canada beginning January 1939 are subject to official revision.

GOLD MOVEMENTS

[In thousands of dollars at approximately \$35 a fine ounce]

Year or month	Total net imports or net exports (-)	United States														
		Net imports from or net exports (-) to:														
		United Kingdom	France	Belgium	Netherlands	Sweden	Switzerland	Canada	Mexico	Colombia	Philippine Islands	Australia	South Africa	Japan	British India	All other countries
1934 ¹	1,131,994	499,870	260,223	8,902	94,348	-----	12,402	86,829	30,270	16,944	12,038	1,029	12	4	76,820	32,304
1935	1,739,019	315,727	934,243	3	227,183	-----	968	95,171	13,667	10,899	15,335	3,498	65	-----	75,268	46,989
1936	1,116,684	174,093	573,871	3,351	71,006	2	7,511	72,648	39,966	11,911	21,513	23,280	8	-----	77,892	39,735
1937	1,685,503	591,531	-13,710	90,859	6,601	6	54,452	111,490	38,482	18,397	25,427	34,713	181	-----	50,762	29,998
1938	1,973,569	1,208,728	81,135	15,488	163,049	60,146	1,363	76,315	36,472	10,557	27,880	39,162	401	-----	168,740	67,975
1939	3,574,151	1,826,403	3,798	165,122	341,618	28,715	86,987	612,949	35,610	23,239	35,636	74,250	22,862	165,605	50,956	102,404
1939																
Mar	365,384	250,042	816	37,179	27,098	-----	8,227	6,852	3,822	4,234	3,326	4,303	10	11,410	3,685	4,381
Apr	605,797	354,925	21	84,803	44,564	8	55,680	7,665	1,649	2,114	2,179	4,844	100	5,528	4,944	6,972
May	429,404	302,667	3	41,651	40,449	-----	2,284	12,066	2,050	2,117	2,594	5,295	41	10,931	3,390	3,566
June	240,430	128,196	2	-----	55,081	-----	5,644	17,191	3,280	2,107	3,843	5,677	50	14,093	2,244	3,023
July	273,636	177,805	2	-----	45,554	10	5,628	15,196	4,150	2,123	3,022	5,034	50	10,958	2,760	6,365
Aug	259,921	163,738	2	-----	22,640	-----	-----	34,299	3,956	2,120	2,775	5,689	52	10,931	9,259	4,460
Sept	328,074	162,450	86	1	-----	-----	1,482	120,837	653	2,102	3,947	5,474	11	16,425	4,065	5,541
Oct	69,726	10,182	-----	-----	2,990	-----	-----	9,940	1,794	-----	3,188	8,420	2,142	12,497	2,703	15,870
Nov	167,980	18,556	28	-----	8,751	5,113	2,990	65,067	3,445	2,117	2,643	12,505	10,449	9,487	10,138	16,662
Dec	451,172	10,417	-----	-----	31,526	19,743	5,119	308,773	3,972	2,116	2,646	6,472	9,885	20,101	7,592	72,812
1940																
Jan	236,391	23,906	59	-----	30,415	16,601	1,208	52,716	2,550	3	3,360	6,155	20,297	37,680	9,743	31,698
Feb	201,422	21,321	40	974	16,181	32,448	13,931	46,866	2,006	3	1,896	4,241	18,872	4,919	6,722	31,001
Mar	459,827	35,268	35	-----	282,65	991	28,907	249,858	2,215	2,116	4,137	7,409	24,503	5,797	11,813	19,213
Apr	249,851	43,567	3	-----	3,273	39,654	32,617	44,967	2,396	2,111	3,776	3,374	28,798	4,710	3,139	11,277
May	435,132	62,042	40	-----	9,431	-----	-----	281,182	2,331	2,113	2,405	5,177	31,477	4,743	4,317	18,423

¹ Differs from official customhouse figures in which imports and exports for January 1934 are valued at approximately \$20.67 a fine ounce.
² Includes \$31,830,000 from Argentina.
³ Includes \$28,097,000 from China and Hong Kong; \$15,719,000 from Italy; \$10,953,000 from Norway; \$10,077,000 from Chile.
⁴ Includes \$4,503,000 from Argentina.
⁵ Includes \$5,157,000 from Hong Kong.
⁶ Includes \$6,363,000 from Italy; \$4,087,000 from Hong Kong.
⁷ Includes \$6,414,000 from Norway; \$5,586,000 from Italy.
⁸ Includes \$19,527,000 from Norway; \$5,452,000 from Hong Kong.
⁹ Includes \$13,878,000 from Norway; \$5,570,000 from U. S. S. R.; \$5,566,000 from Italy.
¹⁰ Includes \$11,760,000 from Italy.
¹¹ Includes \$16,108,000 from Italy; \$5,984,000 from Hungary.
¹² Includes \$8,248,000 from Italy.
 NOTE.—For gross import and export figures and for additional countries see table on p. 692.

Gold Movements—Continued

(In thousands of dollars at approximately \$35 a fine ounce)

		United Kingdom												
Year or month	Total net imports or net exports (-)	Net imports from or net exports (-) to:												
		United States	France	Germany ¹	Belgium	Netherlands	U.S.S.R.	Australia	South Africa, Rhodesia, West Africa	British India	Other British countries	Sweden	Switzerland	All other countries
1934	716,269	-497,166	348,100	121,017	-13,585	32,575	-----	41,790	335,253	206,693	62,397	-----	-9,123	188,228
1935	369,722	-435,502	142,137	-4,726	-17,476	10,706	-----	37,981	404,295	181,602	32,754	-----	-50,861	53,465
1936	1,169,931	-276,830	756,215	23,292	-15,133	-21,215	-----	26,723	488,814	128,421	28,067	-----	-10,129	3,998
1937	420,427	-834,009	541,187	46,147	-21,993	-16,572	-----	24,165	464,837	66,330	22,079	-----	-81	-55,032
1938	-285,638	-1,050,395	38,899	33,173	348,000	-46,463	-----	115,540	27,831	333,750	55,744	-----	-89,371	-78,029
1938—June	89,580	-20,811	-6,137	57	56,764	-12,037	-----	28,104	2,024	40,623	3,725	-----	9,929	-7,673
July	24,119	-10,529	-997	47	23,212	-5,750	-----	-----	2,490	31,516	6,418	-----	6,581	-11,429
Aug.	-73,132	-93,660	-5,726	6,164	-258	-10,041	-----	5,665	2,102	31,192	10,356	-----	3,035	-11,151
Sept.	-261,143	-360,016	685	14,358	120,075	-7,498	-----	8	2,839	16,831	3,023	-----	-4,750	-22,763
Oct.	-210,171	-308,528	69,604	4,077	33,982	535	-----	-----	705	6,530	4,204	-----	-20,792	-4,671
Nov.	-96,508	-105,220	-66	6,005	-2,328	-5,245	-----	-----	155	2,695	4,260	-----	618	1,017
Dec.	-66,726	-97,371	758	2,057	-898	9,990	-----	5,649	528	7,358	1,815	-----	531	1,511
1939—Jan.	-36,514	-50,814	-3	-33	211	-253	-----	5,672	681	5,671	304	-----	1,374	-3,790
Feb.	-143,005	-160,218	-68	11	396	779	-----	5,613	736	3,451	151	-----	-1,101	-1
Mar.	-259,984	-306,839	-183	88	23,477	1,039	-----	16,866	-----	5,559	1,417	-----	-1,148	-32
Apr.	-121,188	-357,518	-1,431	29	176,451	19,164	-----	-----	-----	12,656	4,805	-----	-47,875	-437
May	-294,077	-287,762	-262	4,018	2,008	49,004	-----	5,631	143	45,394	2,975	-----	-145,856	-3,793
June	-51,591	-127,293	-412	-39	415	22,963	-----	-----	-----	52,636	2,388	-----	911	-2
July	-147,332	-182,145	-330	-1	196	8,856	-----	-----	-----	38,423	3,078	-----	697	-1,138
Aug. ²	-318,511	-223,370	2,691	1	-7,491	-11,279	-----	-----	55	49,120	4,606	-----	-114,284	-4,966

Year or month	Germany		Switzerland							British India					
	Total net imports or net exports (-)	Total net imports or net exports (-)	United States	United Kingdom	France	Belgium	Italy	Netherlands	Germany ¹	All other countries	Total net imports or net exports (-)	Gold production in India	In Indian reserves ⁷	In gold earmarked for foreign account	In private holdings ⁸
1934	-90,920	-46,065	-12,784	-45,955	-20,235	18,397	19,431	2,580	-43	1,543	-230,720	11,223	173	-----	-219,670
1935	42,969	-230,788	647	-54,858	-181,725	-13,940	25,542	342	-9,607	2,812	-161,872	11,668	-----	-6	-150,398
1936	-1,868	122,278	-9,127	-1,714	39,305	14,531	51,299	4,600	-2,990	26,368	-121,066	11,663	-----	-----	-109,403
1937	-3,718	-56,946	-51,608	11,940	-45,061	27,739	-657	6,553	-16,461	10,609	-61,723	11,607	-41	-----	-60,075
1938	-35,224	-1,245	-1,128	76,620	-74,375	-1,067	11,314	25,125	-32,745	-4,989	-54,696	11,284	-----	12,078	-55,490
1939	-220,229	-88,524	-105,104	-13,431	-2,953	31,466	-18,039	-25,191	-----	1,546	-79,495	11,009	-3	50,913	-119,396
1938—July	1,468	-8,837	-2	16,128	-14,071	-6,041	-142	3,962	-8,893	222	-10,988	954	-----	-----	-10,034
Aug.	-6,864	-1,338	-2	10,464	-8,382	-1,283	-37	3,824	-6,267	342	-7,082	961	-----	-----	-6,121
Sept.	-36,626	9,424	-7	15,940	418	117	-2	924	1,884	-10,251	-957	949	-----	-----	-8
Oct.	-16,134	1,054	-1,140	907	-616	-158	-38	2,551	-56	3	-7,661	959	-----	1,909	-8,611
Nov.	-10,129	913	228	13	33	-117	-4	994	-265	31	-2,279	933	-----	5,690	-7,036
Dec.	-3,765	-5,690	-----	-1,854	-139	-166	-----	-2,884	-438	-209	211	998	-----	4,479	-3,270
1939—Jan.	33	-3,786	69	-680	549	-149	1	-2,294	-1,274	-7	-125	940	-----	11,423	-10,608
Feb.	-11,940	-2,112	-21	-763	24	-213	556	-1,581	-97	-15	-3,288	863	-----	7,749	-10,174
Mar.	9,999	-37,332	-10,786	1,547	-1,990	-1,509	-576	-8,327	-14,830	-860	-5,113	938	-3	4,812	-8,984
Apr.	9,967	-162,645	-54,266	-104,650	-4,805	-864	10,819	-3,876	-2,431	-2,573	-3,394	912	-----	5,197	-7,679
May	-5,807	8,059	-2,329	-5,419	-1,609	-73	19,585	-718	-1,138	-239	-4,202	937	-----	1,839	-5,104
June	-284	-10,696	-8,589	93	269	6	-8	725	-3,116	-76	-2,049	910	-----	5,749	-6,888
July	"	7,765	-2,856	1,033	-1,153	2	10,800	355	-171	-244	-10,264	936	-----	942	-10,270
Aug.	"	5,275	2	4,334	-1,929	-91	2,815	1,234	-887	-204	-5,274	923	-----	2,512	-6,863
Sept.	"	-2,730	-1,506	-1,030	-----	-1	-25	89	-243	-11	-5,213	888	-----	6,096	-10,421
Oct.	"	-2,855	-888	44	-541	-5	-4,583	-1,463	1,617	2,965	-12,365	934	-----	4,563	-15,994
Nov.	"	-15,187	-3,880	85	-907	-9	-6,255	-1,473	-2,743	-2	-7,691	903	-----	31	-6,819
Dec.	"	-3,989	-3,473	304	-1,338	-44	-1,662	-709	121	2,812	-20,517	925	-----	-----	-19,592
1940—Jan.	"	12	-----	-----	-----	-----	-----	-----	-----	-----	-25,082	891	-----	-----	^p -24,191

^p Preliminary.

¹ Beginning April 1938 figures refer to Greater Germany.

² Includes \$17,465,000 exported to Rumania and unspecified net imports of \$95,937,000.

³ Includes \$67,655,000 exported to Central and South America, excluding British countries.

⁴ Figures for April and May include exports to Canada of \$45,972,000 and \$144,910,000 respectively.

⁵ No figures published since August 1939.

⁶ Includes net exports to Canada of \$115,515,000.

⁷ Through March 1935 gold held by government; subsequently, gold held by Reserve Bank of India to which government gold was transferred.

⁸ Figures derived from preceding columns; gold movement plus production minus increases in Indian reserves and gold earmarked for foreign account in India.

⁹ Includes net import of \$19,926,000 from Czecho-Slovakia and net export of \$15,374,000 to Austria.

¹⁰ Includes net import of \$26,555,000 from Czecho-Slovakia.

¹¹ No figures published since June 1939.

¹² No figures published since December 1939.

NOTE.—Switzerland.—In some cases annual aggregates of official monthly figures differ somewhat from revised official totals published for year as a whole.

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.	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—Sept. 28.....	3,452.9	1,161.2	168.0	993.2	477.2	625.0	1,125.4	64.1
Oct. 26.....	3,672.2	1,298.9	205.3	1,093.6	496.3	638.4	1,182.4	56.2
Nov. 30.....	3,709.2	1,392.1	220.1	1,172.1	472.7	598.4	1,194.4	51.5
Dec. 28.....	3,779.2	1,432.7	216.3	1,216.5	478.1	610.0	1,210.9	47.6
1939—Mar. 1.....	3,986.0	1,544.9	265.1	1,279.7	548.5	641.3	1,192.6	58.8
Mar. 8.....	3,967.4	1,560.5	281.1	1,279.3	543.3	644.5	1,190.0	59.2
Mar. 15.....	4,015.6	1,568.1	297.3	1,280.8	553.4	643.6	1,189.5	61.1
Mar. 22.....	4,063.1	1,648.3	247.2	1,401.1	549.5	644.3	1,174.5	66.5
Mar. 29.....	4,134.7	1,683.0	256.8	1,436.2	550.5	646.7	1,180.6	63.9
Apr. 5.....	4,241.8	1,759.6	251.3	1,508.3	572.0	652.6	1,191.7	65.9
Apr. 12.....	4,317.6	1,819.8	278.6	1,541.2	582.2	652.9	1,193.8	68.9
Apr. 19.....	4,402.9	1,892.9	243.8	1,649.0	587.5	655.3	1,194.3	72.9
Apr. 26.....	4,479.6	1,934.4	240.9	1,693.5	611.8	657.5	1,202.9	73.0
May 3.....	4,523.7	2,019.6	245.9	1,773.6	596.1	621.8	1,211.9	74.4
May 10.....	4,544.5	2,030.7	264.5	1,766.2	591.3	637.1	1,210.2	75.3
May 17.....	4,567.6	2,042.8	292.8	1,750.0	597.3	642.3	1,211.8	73.4
May 24.....	4,570.0	2,046.3	299.1	1,747.3	596.0	644.1	1,209.3	74.2
May 31.....	4,570.8	2,041.5	302.1	1,739.5	599.8	647.6	1,209.2	72.7
June 7.....	4,550.0	2,008.2	327.8	1,680.4	601.3	658.4	1,210.6	71.6
June 14.....	4,555.9	2,019.8	364.4	1,655.5	593.7	661.5	1,208.3	72.6
June 21.....	4,584.2	2,031.7	364.5	1,667.3	608.7	664.3	1,205.6	73.8
June 28.....	4,593.6	2,048.3	361.8	1,686.5	607.5	664.5	1,199.3	74.0
July 5.....	4,611.6	2,049.7	306.9	1,742.9	608.0	678.5	1,199.3	76.1
July 12.....	4,588.9	2,031.2	293.6	1,737.5	607.9	677.1	1,194.4	78.4
July 19.....	4,591.0	2,042.5	288.6	1,753.9	604.5	677.0	1,185.0	81.9
July 26.....	4,613.4	2,066.2	301.2	1,765.0	606.9	678.0	1,180.0	82.3
Aug. 2.....	4,635.1	2,093.9	327.1	1,766.8	596.8	680.2	1,182.2	82.1
Aug. 9.....	4,662.7	2,139.1	323.2	1,815.8	609.9	652.8	1,176.5	84.5
Aug. 16.....	4,709.8	2,182.2	305.5	1,876.7	622.8	654.5	1,164.9	85.4
Aug. 23.....	4,827.9	2,287.3	332.5	1,954.9	633.0	656.9	1,165.1	85.5
Aug. 30.....	4,863.3	2,334.2	371.6	1,962.6	620.6	657.8	1,165.7	85.0
Sept. 6.....	4,882.3	2,341.5	409.0	1,932.5	623.5	661.7	1,171.3	84.2
Sept. 13.....	4,940.3	2,389.3	464.7	1,924.6	621.7	665.9	1,181.3	79.2
Sept. 20.....	4,976.0	2,434.6	510.7	1,923.9	612.5	674.4	1,173.4	81.1
Sept. 27.....	4,955.4	2,412.4	485.1	1,927.3	618.4	676.9	1,164.4	83.1
Oct. 4.....	4,896.8	2,386.5	483.6	1,902.9	594.6	684.6	1,150.2	80.9
Oct. 11.....	4,872.8	2,370.6	462.8	1,907.7	598.1	685.2	1,144.4	74.6
Oct. 18.....	4,871.2	2,360.6	441.6	1,919.0	601.7	686.7	1,141.7	80.5
Oct. 25.....	4,882.0	2,384.7	442.9	1,941.9	601.0	687.3	1,130.6	78.5
Nov. 1.....	4,858.6	2,366.9	494.8	1,872.0	599.6	688.7	1,123.7	79.8
Nov. 8.....	4,825.0	2,341.6	490.3	1,851.3	597.3	690.4	1,115.9	79.9
Nov. 15.....	4,862.7	2,362.4	481.6	1,880.8	618.8	693.2	1,109.2	79.2
Nov. 22.....	4,822.9	2,329.3	433.9	1,895.3	615.3	694.3	1,107.1	76.9
Nov. 29.....	4,875.6	2,377.4	435.9	1,941.5	622.0	695.4	1,103.7	77.1
Dec. 6.....	4,867.6	2,366.9	430.9	1,936.1	626.8	699.0	1,098.9	75.9
Dec. 13.....	4,860.0	2,366.6	413.3	1,953.3	619.7	700.7	1,096.5	76.5
Dec. 20.....	4,904.8	2,398.5	441.0	1,957.5	619.6	711.8	1,096.8	78.1
Dec. 27.....	4,893.0	2,383.5	430.0	1,953.5	612.8	720.1	1,098.5	78.1
1940—Jan. 3.....	4,880.4	2,321.8	433.5	1,888.3	650.4	725.7	1,102.6	79.9
Jan. 10.....	4,919.8	2,360.2	445.2	1,915.0	644.5	731.7	1,102.3	81.0
Jan. 17.....	4,921.9	2,368.4	435.2	1,933.2	636.1	733.7	1,100.6	83.1
Jan. 24.....	4,942.3	2,384.2	456.1	1,928.2	640.1	736.1	1,099.0	82.8
Jan. 31.....	4,918.0	2,368.5	449.6	1,918.9	626.1	738.0	1,098.1	87.3
Feb. 7.....	4,911.7	2,363.4	427.8	1,935.6	623.3	741.0	1,097.4	86.7
Feb. 14.....	4,929.4	2,380.8	452.0	1,928.7	621.5	743.3	1,097.8	86.0
Feb. 21.....	4,902.1	2,343.1	409.9	1,933.3	627.0	745.5	1,099.1	87.4
Feb. 28.....	4,930.1	2,365.4	432.9	1,932.5	627.7	748.7	1,102.0	86.3
Mar. 6.....	4,905.8	2,323.7	395.3	1,928.4	638.5	752.4	1,103.4	87.8
Mar. 13.....	4,928.1	2,348.0	404.3	1,943.8	633.5	755.2	1,102.2	89.2
Mar. 20.....	4,972.7	2,386.6	423.8	1,962.8	638.7	757.2	1,100.6	89.4
Mar. 27.....	4,988.8	2,409.6	431.2	1,978.4	636.9	758.1	1,097.8	86.5
Apr. 3.....	5,002.1	2,426.0	426.1	1,999.9	631.6	761.6	1,094.8	88.1

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

NET CAPITAL MOVEMENT TO THE UNITED STATES SINCE JANUARY 2, 1935—Continued

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

TABLE 2.—TOTAL CAPITAL MOVEMENT, BY COUNTRIES

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Germany	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other ¹
1935—Dec. 31.....	1,412.5	554.9	210.2	114.5	130.4	36.6	24.0	130.0	1,200.6	(2)	70.9	128.3	12.7
1936—Dec. 30.....	2,608.4	829.3	299.5	229.7	335.5	83.1	45.6	228.5	2,051.3	150.5	201.2	184.0	21.4
1937—Dec. 29.....	3,410.3	993.7	281.7	311.9	607.5	123.9	22.1	312.2	2,653.0	106.3	410.6	224.6	15.9
1938—Dec. 28.....	3,779.2	1,186.1	339.5	324.6	554.0	140.7	33.0	463.8	3,041.7	157.2	389.5	156.8	34.1
1939—Aug. 30.....	4,863.3	1,326.3	473.4	412.1	647.2	148.8	26.1	665.1	3,699.1	291.8	536.1	259.4	76.9
Sept. 27.....	4,955.4	1,368.1	459.6	448.4	671.1	151.1	32.9	686.0	3,817.2	260.9	528.0	276.4	72.9
Oct. 25.....	4,882.0	1,301.4	430.9	446.8	686.5	159.1	48.0	710.3	3,783.1	239.0	522.2	260.2	77.5
Nov. 29.....	4,875.6	1,157.2	453.1	457.8	719.1	162.9	55.8	725.3	3,731.2	263.2	504.0	287.3	89.9
Dec. 27.....	4,893.0	1,117.3	442.3	469.9	759.1	163.3	55.9	753.8	3,761.5	229.2	505.9	299.4	96.9
1940—Jan. 31.....	4,918.0	1,029.3	471.2	466.1	798.3	166.3	61.7	811.3	3,804.2	226.6	503.9	297.3	86.1
Feb. 28.....	4,930.1	1,006.4	468.1	469.0	826.3	166.0	60.8	838.1	3,834.8	224.2	507.8	285.7	77.5
Mar. 6.....	4,905.8	988.8	464.8	469.5	825.8	166.2	61.5	833.6	3,810.1	212.9	512.5	298.0	72.3
Mar. 13.....	4,928.1	978.5	466.1	467.8	847.2	167.4	65.4	826.9	3,819.4	213.3	514.9	311.7	68.8
Mar. 20.....	4,972.7	968.3	460.8	470.9	851.7	167.4	69.2	863.9	3,852.3	213.4	523.2	313.7	70.0
Mar. 27.....	4,988.8	961.8	463.0	466.0	855.4	167.3	68.5	863.7	3,845.6	231.0	527.1	315.2	69.9
Apr. 3.....	5,002.1	982.6	468.3	469.5	857.8	167.5	83.7	865.8	3,895.1	212.1	520.7	304.0	70.1

TABLE 3.—FOREIGN BANKING FUNDS IN UNITED STATES, BY COUNTRIES

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Germany	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ¹
1935—Dec. 31.....	603.3	128.6	129.6	55.7	72.4	— .8	7.3	60.7	453.5	46.0	33.5	58.8	11.5
1936—Dec. 30.....	930.5	163.5	144.2	65.9	109.8	2.7	23.0	79.7	588.9	86.8	149.3	90.4	15.2
1937—Dec. 29.....	1,168.5	189.3	111.8	76.3	288.4	9.6	6.9	109.4	791.7	76.3	166.3	126.2	8.0
1938—Dec. 28.....	1,432.7	366.7	158.8	84.4	203.7	—9.8	3.8	203.0	1,010.6	135.1	134.0	132.7	20.4
1939—Aug. 30.....	2,334.2	522.3	283.7	144.8	270.0	—18.5	—7.4	384.1	1,579.0	256.1	268.9	172.8	57.5
Sept. 27.....	2,412.4	584.5	263.8	172.0	286.2	—21.9	—1.6	399.5	1,682.5	225.2	262.0	188.5	54.3
Oct. 25.....	2,384.7	558.5	227.8	172.0	293.8	—20.0	12.8	428.7	1,673.5	209.0	258.1	186.4	57.6
Nov. 29.....	2,377.4	429.4	244.1	180.7	320.4	—18.4	16.7	446.9	1,620.0	227.4	240.0	218.5	71.4
Dec. 27.....	2,383.5	396.2	231.6	190.8	352.0	—22.2	16.7	473.1	1,638.2	185.0	243.6	238.9	77.8
1940—Jan. 31.....	2,368.5	332.3	258.5	186.3	381.8	—20.5	24.9	522.1	1,685.4	166.8	231.2	226.2	58.9
Feb. 28.....	2,365.4	304.4	256.4	186.2	397.3	—21.2	25.7	546.6	1,695.4	168.5	233.6	217.4	50.4
Mar. 6.....	2,323.7	285.0	252.8	186.8	393.8	—20.9	27.7	540.5	1,665.7	154.2	236.9	221.4	45.4
Mar. 13.....	2,348.0	283.4	254.3	184.0	413.1	—20.6	31.4	534.4	1,680.0	158.0	238.0	229.5	42.5
Mar. 20.....	2,386.6	273.9	249.4	187.0	414.0	—21.2	35.8	571.5	1,710.4	155.7	248.1	229.5	42.9
Mar. 27.....	2,409.6	271.2	252.9	184.6	418.0	—20.5	35.5	570.9	1,712.5	173.1	251.0	230.4	42.6
Apr. 3.....	2,426.0	289.1	258.6	185.7	418.5	—21.2	50.5	571.8	1,753.1	150.0	244.5	236.3	42.2

TABLE 4.—UNITED STATES BANKING FUNDS ABROAD, BY COUNTRIES

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Germany	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ¹
1935—Dec. 31.....	361.4	208.8	48.1	— .4	1.6	29.7	13.7	8.8	310.2	—4.6	20.1	37.3	—1.6
1936—Dec. 30.....	431.5	178.0	62.0	—3.3	2.7	66.0	16.3	22.0	343.7	36.9	24.9	30.4	—4.4
1937—Dec. 29.....	449.1	207.4	65.3	—4.4	2.6	105.1	6.5	26.9	409.3	—21.7	51.6	18.7	—8.7
1938—Dec. 28.....	478.1	204.5	65.5	—6.9	2.6	140.3	13.9	33.0	453.0	30.6	66.8	—65.0	—7.2
1939—Aug. 30.....	620.6	225.2	70.0	8.4	5.6	158.2	14.6	35.1	517.2	52.3	61.9	—5.7	—5.0
Sept. 27.....	618.4	226.1	70.0	9.1	5.2	164.1	15.1	38.2	527.7	46.6	57.4	—6.4	—6.9
Oct. 25.....	601.0	227.7	70.2	9.3	4.2	170.5	15.4	31.3	528.6	45.2	54.0	—20.0	—6.7
Nov. 29.....	622.0	245.6	73.3	12.0	3.4	172.7	17.8	27.8	552.6	52.7	52.0	—26.7	—8.5
Dec. 27.....	612.8	247.8	73.8	12.0	3.1	177.2	16.3	26.8	557.0	50.0	48.5	—34.3	—8.4
1940—Jan. 31.....	626.1	236.0	73.5	11.4	3.0	178.9	13.5	30.3	546.7	56.2	55.8	—32.0	— .6
Feb. 28.....	627.7	247.4	73.4	12.9	2.6	179.4	11.7	30.5	557.8	52.1	56.2	—37.7	— .7
Mar. 6.....	638.5	250.2	73.3	12.1	2.4	179.3	10.3	31.8	559.5	53.5	56.7	—30.2	—1.0
Mar. 13.....	633.5	243.4	72.8	12.4	2.5	180.2	10.7	30.7	552.6	49.7	57.8	—25.0	—1.6
Mar. 20.....	638.7	246.0	72.3	12.1	3.0	181.1	10.3	30.0	554.8	52.7	55.8	—23.7	— .8
Mar. 27.....	636.9	245.1	72.9	9.8	1.7	180.3	10.0	30.4	550.2	53.6	56.5	—22.8	— .6
Apr. 3.....	631.6	252.4	73.8	11.9	1.9	181.1	10.3	31.2	562.6	54.1	55.3	—40.0	— .4

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

² Inflow less than \$50,000.

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
NET CAPITAL MOVEMENT TO THE UNITED STATES SINCE JANUARY 2, 1935—Continued

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

TABLE 5.—FOREIGN SECURITIES, BY COUNTRIES
 Net Purchases by Foreigners

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Germany	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ¹
1935—Dec. 31.....	125.2	67.8	6.8	7.4	-1.2	13.3	2.9	46.1	143.1	-39.7	12.7	7.9	1.1
1936—Dec. 30.....	316.2	116.1	18.2	10.4	13.7	22.5	9.4	87.9	278.3	1.7	15.7	17.0	3.5
1937—Dec. 29.....	583.2	136.8	22.8	21.2	30.4	26.6	13.5	115.2	366.4	10.5	175.0	24.5	6.8
1938—Dec. 28.....	610.0	129.1	26.2	27.3	37.1	33.1	20.5	165.9	439.1	-38.9	166.3	33.8	9.7
1939—Aug. 30.....	657.8	127.4	28.3	29.7	43.2	36.4	24.4	181.3	471.2	-41.5	178.8	38.8	10.5
Sept. 27.....	676.9	124.9	33.8	29.7	43.4	36.4	24.8	183.1	476.0	-29.5	180.4	39.3	10.7
Oct. 25.....	687.3	124.8	41.1	29.4	43.3	36.4	24.9	185.0	485.0	-29.7	181.1	39.8	11.1
Nov. 29.....	695.4	124.3	41.7	29.2	43.3	36.5	26.1	186.5	487.6	-26.7	182.3	40.8	11.4
Dec. 27.....	720.1	125.6	42.1	29.4	44.8	36.6	27.6	188.6	494.6	-11.5	183.0	42.8	11.3
1940—Jan. 31.....	738.0	126.2	42.5	29.6	46.0	36.5	27.8	190.6	499.1	-2.2	184.5	43.2	11.3
Feb. 28.....	748.7	129.0	42.6	30.2	47.7	36.4	27.9	191.7	505.5	1.7	185.6	44.2	11.6
Mar. 6.....	752.4	129.5	42.6	30.7	47.9	36.4	27.9	192.1	507.1	2.8	186.3	44.5	11.7
Mar. 13.....	755.2	130.0	42.7	30.9	48.3	36.3	27.9	192.6	508.6	3.8	186.4	44.6	11.7
Mar. 20.....	757.2	130.5	42.7	31.2	48.7	36.3	27.8	192.7	509.9	3.9	186.6	45.0	11.7
Mar. 27.....	758.1	130.7	42.7	31.4	48.8	36.3	27.7	192.7	510.3	4.0	186.8	45.2	11.7
Apr. 3.....	761.6	130.9	42.6	31.3	49.0	36.3	27.6	192.9	510.8	6.4	187.5	45.3	11.8

TABLE 6.—DOMESTIC SECURITIES, BY COUNTRIES
 Net Purchases by Foreigners

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Germany	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ¹
1935—Dec. 31.....	316.7	149.8	23.4	50.5	55.1	-5.4	-1	12.9	286.2	2.8	3.7	21.4	2.6
1936—Dec. 30.....	917.4	367.7	64.7	157.6	200.2	-7.5	-3.3	38.5	818.0	32.6	15.5	44.1	7.1
1937—Dec. 29.....	1,162.0	448.7	70.3	213.8	275.3	-17.4	-4.9	55.7	1,041.6	37.6	18.2	54.7	9.8
1938—Dec. 28.....	1,210.9	472.6	76.5	212.9	301.7	-22.7	-5.4	56.6	1,062.3	27.8	23.4	56.4	11.0
1939—Aug. 30.....	1,165.7	433.5	72.2	220.6	313.4	-27.1	-5.7	56.7	1,063.6	13.0	24.7	50.6	13.7
Sept. 27.....	1,164.4	408.4	73.7	228.2	320.9	-27.4	-5.5	58.3	1,056.7	8.9	26.1	58.5	14.1
Oct. 25.....	1,130.6	369.8	72.9	227.0	329.1	-27.6	-5.4	59.4	1,025.1	5.3	27.0	59.2	13.9
Nov. 29.....	1,103.7	338.2	74.9	226.2	336.3	-28.0	-4.9	59.1	1,001.8	.7	28.6	58.7	13.8
Dec. 27.....	1,098.5	328.2	76.3	227.1	342.8	-28.2	-4.9	60.1	1,001.4	-3.1	29.8	56.1	14.3
1940—Jan. 31.....	1,098.1	315.7	77.1	229.4	349.2	-28.3	-4.7	62.4	1,000.8	-5.9	30.6	58.2	14.5
Feb. 28.....	1,102.0	306.5	76.8	230.4	359.7	-28.4	-4.7	63.4	1,003.8	-7.5	31.5	59.8	14.4
Mar. 6.....	1,103.4	304.8	76.7	230.7	361.7	-28.4	-4.7	63.7	1,004.5	-6.8	31.7	59.5	14.5
Mar. 13.....	1,102.2	301.9	77.0	231.0	363.5	-28.4	-4.9	64.0	1,004.2	-7.7	31.5	59.8	14.4
Mar. 20.....	1,100.6	298.1	77.0	231.0	366.1	-28.6	-4.9	64.1	1,002.8	-7.6	31.4	59.7	14.4
Mar. 27.....	1,097.8	295.6	75.7	231.2	367.2	-28.7	-4.9	64.2	1,000.4	-8.0	31.6	59.5	14.4
Apr. 3.....	1,094.8	291.2	75.9	231.5	368.1	-28.7	-4.9	64.5	997.5	-8.3	32.1	59.1	14.4

TABLE 7.—BROKERAGE BALANCES,² BY COUNTRIES

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Germany	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ¹
1935—Dec. 31.....	6.0	(³)	2.4	1.3	2.5	-2	.1	1.4	7.6	-4.5	1.0	2.9	-9
1936—Dec. 30.....	12.9	4.0	10.4	-9	9.1	-7	.3	4	22.6	-7.6	-4.2	2.1	(⁴)
1937—Dec. 29.....	47.5	11.5	11.5	5.0	10.8	(⁵)	.1	5.0	44.0	3.5	-5	.5	(⁵)
1938—Dec. 28.....	47.6	13.2	12.6	6.8	8.8	-2	.2	5.3	46.7	2.6	-9	-1.0	.2
1939—Aug. 30.....	85.0	17.8	19.1	8.6	15.0	-2	.2	7.4	68.0	11.9	1.9	3.0	.3
Sept. 27.....	83.1	24.2	18.4	9.4	15.3	-1	.2	7.0	74.3	9.7	2.1	-3.6	.7
Oct. 25.....	78.5	20.7	19.0	9.0	16.1	-1	.2	6.0	70.9	9.2	2.0	-5.2	1.5
Nov. 29.....	77.1	19.6	19.0	9.6	15.7	(⁵)	.1	5.0	69.1	9.0	1.1	-4.0	1.8
Dec. 27.....	78.1	19.5	18.5	10.7	16.4	-2	.1	5.2	70.2	8.9	1.1	-4.0	2.0
1940—Jan. 31.....	87.3	19.1	19.6	9.4	18.3	-2	.2	5.8	72.2	9.7	1.7	1.7	2.0
Feb. 28.....	86.3	19.1	19.0	9.2	19.1	-2	.2	5.9	72.3	9.3	.9	2.0	1.9
Mar. 6.....	87.8	19.3	19.2	9.3	20.0	-2	.2	5.5	73.4	9.1	.8	2.7	1.8
Mar. 13.....	89.2	19.9	19.4	9.5	19.8	-1	.2	5.3	74.0	9.5	1.3	2.7	1.8
Mar. 20.....	89.4	19.8	19.4	9.6	19.9	-2	.2	5.6	74.3	8.8	1.3	3.1	1.8
Mar. 27.....	86.5	19.2	18.7	9.1	19.7	-2	.2	5.5	72.2	8.3	1.3	2.9	1.8
Apr. 3.....	88.1	18.9	17.4	9.0	20.2	(⁴)	.2	5.5	71.2	10.0	1.3	3.4	2.2

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

² For explanation see BULLETIN for May 1937, pp. 395-396.

³ Inflow less than \$50,000.

⁴ Outflow less than \$50,000.

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

[Outstanding amounts in millions of dollars]

TABLE 8.—SHORT-TERM LIABILITIES TO FOREIGNERS—BY COUNTRIES

Date	Total	United Kingdom	France	Netherlands	Switzerland	Germany	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ¹
<i>Reported by Banks in New York City</i>													
1929—Dec. 31.....	2,672.7	301.5	923.7	99.1	105.2	204.5	157.4	371.3	2,162.8	241.8	188.2	49.0	31.0
1930—Dec. 31.....	2,335.0	214.5	799.4	122.2	222.2	161.0	111.2	281.3	1,911.7	216.8	130.8	38.2	37.5
1931—Dec. 30.....	1,303.5	104.9	549.2	44.6	66.0	41.1	33.2	122.2	961.2	148.3	103.3	69.0	21.6
1932—Dec. 28.....	745.6	169.7	71.1	11.9	78.0	32.9	39.8	66.2	469.6	98.2	121.7	43.5	12.6
1933—Dec. 27.....	392.0	48.9	27.0	8.0	11.5	17.5	11.7	31.1	155.7	86.1	96.7	42.7	10.9
1934—Nov. 28 ¹	466.7	59.1	32.7	12.7	9.7	25.8	14.3	41.7	196.0	91.9	106.6	60.3	11.9
<i>Reported by Banks in United States</i>													
1934—Dec. 5 ²	584.8	79.6	36.1	13.5	12.1	28.4	16.8	40.6	227.1	103.3	117.4	125.1	12.0
1935—Jan. 2.....	597.0	76.9	33.9	12.9	13.7	29.9	18.8	46.8	232.9	99.3	122.8	130.1	12.0
1935—Mar. 27.....	635.6	92.4	38.1	18.8	16.0	25.3	14.3	51.2	256.2	106.5	137.4	120.5	15.0
June 26.....	839.0	153.2	98.4	43.9	35.4	25.3	16.9	55.1	428.4	132.4	145.7	115.7	16.8
Sept. 25.....	922.9	162.4	84.1	51.2	50.7	27.4	16.5	68.1	480.6	144.3	155.4	144.9	17.7
Dec. 31.....	1,200.2	205.5	163.5	68.6	86.1	29.0	26.1	107.5	686.3	145.3	156.3	188.9	23.4
1936—Mar. 25.....	1,177.2	186.6	145.8	65.8	86.3	21.6	18.7	118.3	643.1	144.2	189.3	183.1	17.5
June 24.....	1,426.2	270.5	157.8	102.8	128.3	20.6	25.3	123.1	828.2	160.6	207.4	208.2	21.7
Sept. 30.....	1,459.6	293.7	163.2	76.8	147.3	19.2	29.2	128.8	858.3	170.7	200.5	210.2	19.8
Dec. 30.....	1,491.6	235.7	176.3	78.8	123.5	32.0	41.7	126.3	814.3	186.1	263.9	200.2	27.1
1937—Mar. 31.....	1,682.7	226.9	173.0	60.4	113.1	53.9	36.6	140.8	804.7	210.0	441.0	204.6	22.5
June 30.....	2,173.6	373.1	206.2	145.0	331.4	40.3	23.0	177.9	1,296.9	190.1	448.8	210.4	27.4
Sept. 29.....	2,304.8	385.8	197.3	167.6	425.5	48.7	27.5	223.4	1,475.9	219.3	353.8	229.9	25.8
Dec. 29.....	1,729.6	261.5	143.9	89.1	302.1	39.0	25.7	156.0	1,017.1	175.6	280.9	236.0	20.0
1938—Mar. 30.....	1,521.0	248.1	126.3	48.5	236.7	25.7	14.9	135.7	835.8	186.4	257.9	219.5	21.3
June 29.....	1,357.4	217.4	102.2	48.6	173.8	27.3	18.2	121.9	709.4	173.5	261.7	194.4	18.4
Sept. 28.....	1,732.4	308.5	165.6	82.2	191.0	17.6	17.2	232.8	1,015.0	190.8	285.0	207.9	33.7
Dec. 28.....	2,003.9	438.8	190.9	98.4	217.4	19.9	22.6	249.9	1,237.8	235.2	254.9	243.7	32.4
1939—Jan. 25.....	1,992.6	419.2	199.9	103.4	226.8	16.8	18.4	269.1	1,253.6	205.3	250.0	247.2	36.4
Feb. 22.....	2,089.0	445.2	216.5	119.4	238.4	16.7	13.0	257.7	1,306.8	223.2	264.6	258.5	35.9
Mar. 29.....	2,264.2	473.9	219.5	143.9	247.1	18.7	14.8	314.7	1,432.7	236.6	300.7	250.9	43.3
April 26.....	2,505.6	548.9	269.0	154.9	244.2	13.9	13.1	365.3	1,609.3	267.0	330.6	251.4	47.3
May 31.....	2,612.7	578.0	275.3	137.1	238.4	15.7	14.3	370.5	1,629.3	309.4	371.7	253.8	48.6
June 28.....	2,619.5	607.4	284.4	146.0	240.8	15.1	12.2	366.9	1,672.7	291.7	363.0	242.5	49.7
July 26.....	2,637.4	567.5	284.2	153.8	248.8	13.8	12.8	379.6	1,660.4	293.6	375.5	253.6	54.4
Aug. 30.....	2,905.4	594.5	315.9	158.7	253.6	11.1	11.4	431.0	1,806.2	356.2	389.8	283.7	69.4
Sept. 27.....	2,983.6	656.7	295.9	186.0	289.9	7.8	17.1	446.4	1,909.7	325.3	383.0	299.5	66.2
Oct. 25.....	3,010.9	630.6	259.9	186.0	307.4	9.6	31.0	475.6	1,909.2	309.2	379.0	352.4	69.6
Nov. 29.....	3,003.6	501.6	276.3	194.7	334.1	11.3	35.5	493.8	1,847.2	327.6	361.0	384.5	83.4
Dec. 27.....	3,009.7	463.4	263.7	204.7	365.6	7.5	35.5	520.0	1,865.4	285.1	364.5	404.9	89.7
1940—Jan. 31.....	2,994.7	404.5	290.6	200.3	395.5	9.1	43.7	569.0	1,912.6	266.9	352.2	392.1	70.9
Feb. 28.....	2,991.6	376.6	288.5	200.1	411.0	8.4	44.5	593.5	1,922.6	268.7	354.6	383.4	62.4
Mar. 6.....	2,949.9	357.1	285.0	200.7	407.4	8.7	46.5	587.4	1,892.9	254.4	357.9	387.4	57.4
Mar. 13.....	2,974.2	355.6	286.4	198.0	426.8	9.1	50.2	581.3	1,907.2	258.2	358.9	395.5	54.4
Mar. 20.....	3,012.8	346.0	281.5	201.0	427.7	8.5	54.6	618.4	1,937.6	255.8	369.0	395.5	54.9
Mar. 27.....	3,035.8	343.4	285.0	198.5	431.6	9.1	54.3	617.8	1,939.7	273.2	372.0	396.4	54.5
Apr. 3.....	3,052.3	361.3	290.7	199.7	432.2	8.4	69.3	618.7	1,980.3	250.1	365.5	402.3	54.1

Additional Detail Available from January 3, 1940⁴

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.....	407.1	159.2	28.1	21.4	56.3	142.2	250.7	57.7	36.4	26.8	37.0	58.8	34.0	323.9	165.4	71.4	58.0	29.1
Jan. 31.....	448.1	166.2	28.7	23.8	67.0	162.4	259.3	66.5	31.8	24.4	38.3	62.1	36.2	332.1	171.9	72.2	58.0	30.0
Feb. 28.....	453.8	176.6	27.2	23.7	69.4	161.9	263.7	68.7	30.0	24.7	38.3	65.2	36.7	325.3	176.3	68.5	50.8	29.7
Mar. 6.....	450.6	175.8	27.8	25.4	69.8	151.8	266.3	66.1	31.6	24.4	40.1	65.9	38.3	326.4	177.9	68.5	49.5	30.5
Mar. 13.....	443.5	175.1	27.9	26.3	70.2	144.0	269.6	68.6	32.6	24.1	40.9	64.8	38.7	330.9	179.1	69.1	50.0	32.7
Mar. 20.....	483.5	177.5	29.4	25.8	68.7	182.2	274.7	67.0	34.0	24.3	42.4	67.6	39.3	333.2	179.7	70.9	50.7	31.9
Mar. 27.....	482.1	179.2	29.9	25.2	68.4	179.4	279.0	68.1	34.9	23.4	44.3	68.8	39.4	332.9	177.6	75.4	47.1	32.8
Apr. 3.....	475.1	184.3	28.7	25.0	68.4	168.6	275.4	63.5	35.3	24.7	43.2	68.4	40.2	342.1	175.9	75.2	59.1	32.0

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

² Last report date on old basis.

³ First report date on new basis.

⁴ The figures in this supplementary table represent a partial analysis of the figures in the main table under the headings of 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 August 12, 1936, January 5, 1938, and October 18, 1939 (see BULLETIN for May 1937, p. 425; April 1939, p. 295; and April 1940, p. 362).

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 ¹	All other ¹
<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. 28.....	937.9	87.3	62.9	13.0	6.2	434.9	11.8	97.0	713.1	42.2	155.2	24.0	3.5
1933—Dec. 27.....	898.8	192.5	66.9	18.4	12.3	260.9	16.7	83.2	651.0	32.3	159.7	49.7	6.2
1934—Nov. 28 ²	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 ³	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
1935—Jan. 2.....	1,139.9	296.9	80.5	18.6	8.2	231.7	27.2	80.0	733.2	96.3	174.6	117.4	8.5
1935—Mar. 27.....	962.5	192.2	53.9	14.5	5.7	226.5	23.2	75.7	591.6	100.8	169.9	90.3	10.0
June 26.....	829.2	88.8	32.0	13.4	6.3	213.8	24.6	79.1	457.9	108.2	165.0	88.8	9.3
Sept. 25.....	785.2	87.3	62.7	16.5	7.8	199.9	21.0	65.9	461.0	77.9	153.0	64.3	9.1
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. 25.....	736.3	82.7	26.5	22.9	5.4	198.6	12.6	64.8	413.5	78.7	158.7	74.3	11.2
June 24.....	691.6	77.3	23.9	21.2	4.5	187.0	12.7	57.8	384.4	78.0	144.0	73.9	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. 28.....	626.0	87.7	13.3	25.5	5.4	90.9	13.3	46.7	282.8	65.7	99.2	162.6	15.7
1939—Jan. 25.....	603.2	98.5	8.7	23.8	4.5	88.6	14.4	43.9	282.4	52.4	95.7	157.9	14.8
Feb. 22.....	569.1	82.0	12.4	22.4	4.2	84.0	13.3	48.0	266.3	49.0	98.3	140.4	15.0
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
April 26.....	492.3	64.2	11.7	17.9	3.6	79.4	13.5	44.7	235.0	48.0	94.9	103.6	10.9
May 31.....	504.3	55.4	10.7	18.7	3.4	79.2	11.9	41.1	220.4	49.4	111.1	110.6	12.8
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
July 26.....	497.2	55.2	7.3	21.7	3.2	74.7	9.3	39.1	210.3	52.7	111.8	108.7	13.6
Aug. 30.....	483.5	66.9	8.7	10.3	2.5	73.0	12.6	44.7	218.6	44.0	104.1	103.3	13.5
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	15.4
Oct. 25.....	558.1	64.5	8.6	9.3	3.9	60.7	11.8	48.5	207.2	51.1	112.0	172.6	15.2
Nov. 29.....	537.1	46.5	5.4	6.6	4.7	58.5	9.4	52.0	183.1	43.6	114.0	179.3	17.0
Dec. 27.....	546.3	44.4	5.0	6.6	4.9	53.9	10.9	53.0	178.7	46.3	117.5	186.9	16.9
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. 6.....	520.5	42.0	5.4	6.6	5.7	51.8	16.9	48.0	176.3	42.8	109.2	182.8	9.5
Mar. 13.....	525.6	48.8	6.0	6.2	5.6	51.0	16.5	49.1	183.2	46.6	108.2	177.6	10.0
Mar. 20.....	520.4	46.1	6.4	6.6	5.1	50.1	16.9	49.8	181.0	43.6	110.2	176.3	9.3
Mar. 27.....	522.2	47.0	5.8	8.9	6.3	50.8	17.3	49.4	185.6	42.7	109.5	175.4	9.1
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

Additional Detail Available from January 3, 1940⁴

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. 6..	19.9	7.0	2.8	.9	3.9	5.3	69.0	11.7	31.2	9.8	9.7	5.7	.9	169.9	25.3	2.0	114.3	28.4
Mar. 13..	19.9	7.8	2.6	.7	4.0	4.8	68.9	11.8	31.0	9.8	10.4	4.8	1.0	164.9	26.8	1.6	107.5	29.0
Mar. 20..	20.5	8.0	2.3	.9	3.9	5.4	69.6	12.1	31.4	9.6	10.8	4.7	1.0	165.9	25.8	2.1	109.2	28.7
Mar. 27..	19.7	8.1	2.2	.8	3.9	4.7	70.1	12.2	31.6	9.4	11.2	4.7	1.0	165.4	25.7	1.5	109.6	28.6
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

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

² Last report date on old basis.

³ First report date on new basis.

⁴ 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 August 12, 1936, and October 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	Other assets ¹	Cash reserves		Discounts and advances	Securities		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	8.9	33.8	18.0
1933—Dec. 27	190.7	260.0	1.0	58.7	16.8	101.4	392.0	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	9.9	36.4	18.0
1935—Dec. 25	200.1	260.0	.6	35.5	8.5	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—Mar. 29	² 226.2	300.0	1.1	44.2	4.8	124.8	482.0	98.5	21.8	36.3	18.2
April 26	226.2	300.0	.9	37.1	6.2	129.5	489.1	91.4	27.0	37.6	17.7
May 31	226.2	300.0	.6	26.4	8.0	140.7	499.8	82.4	38.3	37.1	17.8
June 28	226.4	300.0	.7	27.4	6.8	136.7	499.0	101.4	15.4	37.0	17.9
July 26	³ 246.4	300.0	.6	35.5	8.0	128.0	510.9	91.4	26.0	36.7	18.1
Aug. 30	263.0	300.0	.7	33.5	6.4	137.8	529.5	90.1	31.1	39.0	18.2
Sept. 27	⁴ 1	580.0	.7	38.3	2.5	144.2	541.8	107.1	19.8	40.5	18.3
Oct. 25	.2	580.0	.9	53.0	4.6	127.7	527.1	116.8	12.6	39.2	17.7
Nov. 29	.2	580.0	1.1	51.6	4.5	132.1	528.7	103.5	27.8	40.2	17.8
Dec. 27	.2	580.0	1.0	25.6	4.3	176.1	554.6	117.3	29.7	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

Bank of France (Figures in millions of francs)	Assets							Liabilities						
	Gold ⁵	Foreign exchange	Domestic bills			Advances to Government ⁸	Loans on—		Other assets	Note circulation	Deposits		Other liabilities	
			Open market ⁶	Special ⁷	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	22,193	1,989	
1932—Dec. 30	83,017	4,484	6,802		3,458			2,515	9,196	95,028	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	993	5,837		3,971			3,211	8,288	93,412	3,718	15,359	1,907	
1935—Dec. 27	66,296	1,328	5,800		9,712			573	3,253	7,879	31,150	2,862	8,716	2,113
1936—Dec. 30	60,359	1,460	5,040	1,379	8,465	17,698		715	3,583	8,344	69,342	2,089	13,655	2,557
1937—Dec. 30	58,935	911	5,880	662	10,666	31,909		676	3,781	7,277	98,837	3,461	19,326	3,160
1938—Dec. 29	87,265	821	7,422	1,797	7,890	20,627		443	3,612	14,442	110,935	5,061	25,595	2,718
1939—Mar. 30	87,266	758	8,631	2,054	5,733	20,627		172	3,332	14,558	119,748	3,955	16,702	2,726
April 27	⁹ 92,296	756	8,609	2,165	6,012	20,577		127	3,362	14,452	124,666	3,755	17,255	2,649
May 25	92,266	754	8,164	2,276	4,774	20,577		79	3,401	14,264	121,391	4,573	17,570	3,020
June 29	92,266	722	8,074	2,279	5,006	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	123,290	5,468	16,058	2,781
Aug. 31	⁹ 97,266	218	9,396	1,708	15,009	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	20,577		930	3,661	16,482	144,562	2,342	18,022	2,926
Oct. 26	97,266	85	10,038	2,007	8,268	25,473		336	3,578	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	⁸ 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 ¹⁰	84,616	102	(10)	1,889	14,473	32,600		2,320	3,716	(10)	170,853	1,046	25,782	(10)

² Preliminary.

¹ Securities and silver coin held as cover for fiduciary issue, which has been fixed at £580,000,000 since Sept. 6, 1939; for information concerning previous status of fiduciary issue see BULLETIN for December 1939, p. 1140, and April 1939, p. 339.

³ Effective Mar. 1, 1939, gold valued at current prices instead of legal parity and about £5,500,000 transferred from Exchange Account to Bank. On Jan. 6, 1939, £200,000,000 of gold (at legal parity) transferred from Bank to Exchange Account.

⁴ On July 12, 1939, £20,000,000 of gold transferred from Exchange Account to Bank of England.

⁵ On Sept. 6, 1939, £279,000,000 transferred from Bank of England to Exchange Account.

⁶ By decree of Feb. 29, 1940 (see BULLETIN for May 1940, pp. 406-407), gold revalued on basis of 23.34 milligrams gold 0.900 fine per franc. Increment of about 17,000,000 francs supplemented by certain other funds was applied to the full repayment of advances to the Government granted under authority of the decree of Nov. 12, 1938, in the amount of 20,473,000,000 francs. Gold also revalued in Oct. 1936, July 1937, and Nov. 1938. For further details see BULLETIN for December 1939, p. 1140, and December 1938, p. 1091.

⁷ 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 Stabilization Fund on Mar. 7, 1940.

⁸ Bills and warrants endorsed by National Wheat Board (law of Aug. 15, 1936—see BULLETIN for October 1936, pp. 785-786), and bills rediscounted for account of Banques Populaires (law of Aug. 19, 1936—see BULLETIN for October 1936, p. 788).

⁹ Includes advances granted under authority of Conventions between Bank of France and Treasury of June 18, 1936, June 30, 1937, March 22, 1938, and April 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).

¹⁰ On April 20, and again on Aug. 3, 1939, 5,000,000,000 francs of gold transferred from Stabilization Fund to Bank of France; on Mar. 7, 1940, 30,000,000,000 francs of gold transferred from Bank of France to Stabilization Fund.

¹¹ Figures not yet available.

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 ¹			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	-----	259	322	735	640	836
1934—Dec. 31	84	79	4,066	146	-----	445	319	827	3,901	984
1935—Dec. 31	88	82	4,552	84	-----	349	315	853	4,285	1,032
1936—Dec. 31	72	66	5,510	74	-----	221	303	765	4,980	953
1937—Dec. 31	76	71	6,131	60	-----	106	286	861	5,493	1,059
1938—Dec. 31	76	71	8,244	45	-----	557	298	1,621	8,223	1,527
1939—May 31	77	71	7,547	40	-----	922	285	2,182	8,525	1,292
June 30	77	-----	8,159	48	-----	930	274	1,658	8,731	1,281
July 31	77	-----	8,461	36	-----	925	289	1,652	8,989	1,294
Aug. 31	77	-----	10,272	60	-----	1,013	296	1,964	10,907	1,480
Sept. 30	77	-----	10,105	24	-----	1,324	393	1,963	10,995	1,602
Oct. 31	77	-----	9,358	35	-----	1,440	366	2,375	10,820	1,520
Nov. 30	77	-----	10,148	36	-----	997	365	2,257	10,974	1,574
Dec. 30	78	-----	11,392	30	-----	804	393	2,498	11,798	2,018
1940—Jan. 31	77	-----	11,143	33	-----	374	401	2,487	11,505	1,628
Feb. 29	77	-----	11,825	37	-----	172	367	2,380	11,877	1,559
Mar. 30	78	-----	12,242	31	-----	144	394	2,557	12,176	1,760
Apr. 30	78	-----	12,188	31	-----	221	364	2,651	12,480	1,714
May 31	77	-----	12,569	31	-----	142	363	2,135	12,594	1,470

¹ Not shown separately on Reichsbank statement after June 15, 1939.

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
	May	Apr.	Mar.	May		May	Apr.	Mar.	May
National Bank of Albania (thousands of francs):			(Feb.)		National Bank of Belgium (millions of belgas):				
Gold			7,567	7,568	Gold and foreign exchange			4,472	3,648
Foreign assets			58,666	21,365	Discounts			1,041	538
Loans and discounts			7,030	4,929	Loans			62	65
Other assets			8,241	9,576	Other assets			506	471
Note circulation			27,150	19,093	Note circulation			5,770	4,425
Other sight liabilities			39,258	11,524	Demand deposits—Treasury			1	20
Other liabilities			15,095	12,821	Other			187	156
Central Bank of the Argentine Republic (millions of pesos):					Other liabilities			124	122
Gold reported separately			1,224	1,224	Central Bank of Bolivia (thousands of bolivianos):				
Other gold and foreign exchange			179	80	Gold at home and abroad			95,434	62,392
Negotiable Government bonds			244	276	Foreign exchange			91,925	68,145
Other assets			194	199	Loans and discounts			142,956	32,936
Note circulation			1,180	1,140	Securities—Government			429,407	407,291
Deposits—Member bank			477	391	Other			10,292	4,429
Government			110	169	Other assets			59,851	26,565
Other			3	2	Note circulation			385,436	297,859
Foreign exchange sold forward			16	29	Deposits			352,469	239,668
Other liabilities			56	47	Other liabilities			91,961	64,233
Commonwealth Bank of Australia (thousands of pounds):					National Bank of Bulgaria (millions of leva):				
Issue department:					Gold			2,006	2,006
Gold and English sterling			16,082	16,030	Net foreign exchange in reserve			4	4
Securities			45,300	40,505	Foreign exchange			1,800	2,245
Banking department:					Loans and discounts			1,110	888
Coin, bullion, and cash			3,151	2,704	Government debt			3,393	3,393
London balances			44,886	39,612	Other assets			2,030	1,555
Loans and discounts			34,835	35,560	Note circulation			4,526	3,917
Securities			38,203	37,558	Deposits			3,421	3,871
Deposits			114,294	107,623	Other liabilities			2,396	2,303
Note circulation			52,525	54,025					
Bank of Belgian Congo (millions of Belgian francs):			(Jan.)		Bank of Canada (thousands of Canadian dollars):				
Gold			171	166	Gold ¹			225,773	225,772
Foreign (gold) exchange			5	-----	Sterling and United States exchange			12,601	42,695
Loans and discounts			617	394	Canadian Gov't securities:				
Other assets			526	566	2 years or less			417,421	101,507
Note circulation			421	381	Over 2 years			93,995	107,574
Deposits			735	604	Other assets			23,074	12,054
Other liabilities			164	142	Note circulation			230,373	221,192
					Deposits—Chartered banks			238,305	213,912
					Dominion Government			52,719	32,165
					Other			7,532	8,295
					Other liabilities			18,163	14,037

¹ On May 1, 1940, gold transferred to Foreign Exchange Control Board in return for short-term government securities, (see pp. 677-678).

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
	May	Apr.	Mar.	May		May	Apr.	Mar.	May
Central Bank of Chile (millions of pesos):					Central Reserve Bank of El Salvador—Cont.				
Gold		146		145	Deposits			6,463	8,201
Discounts for member banks		101		62	Other liabilities			3,876	3,657
Loans to government		750		758	Bank of Estonia (thousands of krooni):				
Other loans and discounts		363		261	Gold	40,901	40,901	40,889	
Other assets		52		54	Foreign exchange (net)	4,278	4,356	15,691	
Note circulation	1,009			864	Loans and discounts	48,252	50,383	28,625	
Deposits—					Other assets	30,818	32,313	34,853	
Bank		148		114	Note circulation	64,690	64,703	52,747	
Other		90		146	Demand deposits	29,204	33,771	38,826	
Other liabilities		164		156	Other liabilities	30,356	29,480	28,485	
Bank of the Republic of Colombia (thousands of pesos):					Bank of Finland (millions of markkaa):				
Gold	39,699	40,186	40,192	35,548	Gold			1,180	1,128
Foreign exchange	3,912	3,306	4,569	6,689	Foreign assets			2,085	2,517
Loans and discounts	21,864	21,128	18,615	18,513	Loans and discounts			2,059	1,293
Government loans and securities	38,606	38,538	37,908	37,053	Domestic securities			328	327
Other assets	29,781	29,869	32,928	29,861	Other assets			343	135
Note circulation	53,785	53,485	52,576	54,336	Note circulation			3,378	2,226
Deposits	53,679	52,973	50,945	38,780	Deposits—Treasury				68
Other liabilities	26,398	26,570	30,691	34,529	Other			553	959
National Bank of Czecho-Slovakia ¹ (millions of koruny):					Other liabilities			2,064	2,147
Gold		1,596	1,602	1,854	Bank of Greece (millions of drachmas):				
Foreign exchange		739		812	Gold and foreign exchange (net)	4,225	3,830	3,711	
Discounts		362	358	2,140	Loans and discounts	13,366	13,111	10,141	
Loans		535	584	901	Government obligations	4,105	4,159	4,256	
Other assets		7,480	7,274	3,519	Other assets	2,465	2,083	1,970	
Note circulation		5,522	5,568	6,291	Note circulation	9,861	9,010	8,195	
Demand deposits		1,335	1,359	664	Deposits	12,480	12,194	10,202	
Other liabilities		3,856	3,627	2,271	Other liabilities	1,820	1,980	1,681	
National Bank of Denmark (millions of kroner):					National Bank of Hungary (millions of pengö):				
Gold		117	117	118	Gold	124	124	124	
Foreign exchange		9	7	93	Foreign exchange reserve	63	67	95	
Discounts		38	30	20	Discounts	539	565	459	
Loans—To Government agencies		107	98	69	Loans—To Treasury	343	313	299	
Other		422	324	147	Other	18	16	12	
Securities		188	191	187	Other assets	327	308	357	
Other assets		118	98	103	Note circulation	976	961	868	
Note circulation		707	609	435	Demand deposits	120	113	192	
Deposits		154	121	108	Certificates of indebtedness	94	94	99	
Other liabilities		138	135	194	Other liabilities	225	226	187	
Central Bank of Ecuador (thousands of sucres):			(Feb.)		Reserve Bank of India (millions of rupees):				
Gold			36,024	37,600	Issue department:				
Foreign exchange (net)			1,284	7,035	Gold at home and abroad			444	444
Loans and discounts			60,874	51,333	Sterling securities			1,135	595
Other assets			19,979	16,772	Indian Gov't securities			384	373
Note circulation			63,507	63,784	Rupee coin			559	662
Demand deposits			32,295	34,845	Note circulation			2,386	1,878
Other liabilities			22,360	14,111	Banking department:				
National Bank of Egypt ² (thousands of pounds):			(Feb.)		Notes of issue department			137	196
Gold			6,544	6,545	Balances abroad			285	101
Foreign exchange			2,602	1,759	Treasury bills discounted			12	2
Loans and discounts			9,916	5,961	Loans to Government				6
British, Egyptian, and other					Investments			78	69
Government securities			29,568	25,471	Other assets			13	11
Other assets			6,337	7,667	Deposits			408	276
Note circulation			24,627	21,139	Other liabilities			116	110
Deposits—Government			3,393	2,883	Bank of Japan (millions of yen):				
Other			17,791	15,153	Gold	501	501	501	
Other liabilities			9,157	8,229	Special foreign exchange fund	300	300	300	
Central Reserve Bank of El Salvador (thousands of colones):					Discounts	527	544	401	
Gold			13,228	13,207	Loans—Government			3	3
Foreign exchange			5,804	6,872	Other			118	220
Loans and discounts			1,546	567	Government bonds			2,726	1,668
Government debt and securities			4,858	5,154	Other assets			437	442
Other assets			1,171	961	Note circulation			3,405	3,311
Note circulation			16,268	14,903	Deposits—Government			699	711
					Other			115	149
					Other liabilities			392	320

^c Corrected.

¹ Name changed to National Bank of Bohemia and Moravia, Prague, by decree of March 31, 1939.

² Items for issue and banking departments consolidated.

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
	May	Apr.	Mar.	May		May	Apr.	Mar.	May
Bank of Java (millions of guilders):					Bank of Portugal—Cont.				
Gold		147	133	117	Note circulation			2,358	2,104
Foreign bills		20	22	11	Other sight liabilities			1,121	1,695
Loans and discounts		70	65	66	Other liabilities			1,026	986
Other assets		119	117	102	National Bank of Rumania (mil- lions of lei):				
Note circulation		206	199	192	Gold	21,029	20,964	18,662	
Deposits		123	109	78	Special exchange accounts	6,903	6,641	4,174	
Other liabilities		27	29	26	Loans and discounts	22,520	22,553	14,128	
Bank of Latvia (millions of lats):					Special loans ²	1,024	1,057	1,577	
Gold	72	71	71	93	Government debt	10,036	10,026	10,247	
Foreign exchange reserve	30	27	28	40	Other assets	15,785	15,131	12,786	
Loans and discounts	212	220	211	154	Note circulation	49,848	49,848	38,948	
Other assets	46	46	45	51	Demand deposits	10,004	9,508	10,614	
Note circulation	104	107	110	88	Other liabilities	17,445	17,015	12,013	
Deposits	202	194	186	211	South African Reserve Bank (thou- sands of pounds):				
Other liabilities	55	64	60	38	Gold	33,822	32,980	26,428	
Bank of Lithuania (millions of litu):					Foreign bills	8,200	8,205	8,030	
Gold		57	53	62	Other bills and loans	214	347	16	
Foreign exchange		15	12	6	Other assets	22,575	22,596	14,621	
Loans and discounts		168	163	128	Note circulation	18,922	20,319	17,694	
Other assets		62	63	36	Deposits	41,874	38,811	28,283	
Note circulation		171	168	168	Other liabilities	4,015	4,998	3,118	
Deposits		93	88	35	Bank of Sweden (millions of kronor):				
Other liabilities		37	36	29	Gold	416	395	382	759
Netherlands Bank (millions of guilder- ders):					Foreign assets (net)	432	453	505	593
Gold		1,160	1,014	1,209	Domestic loans and investments	969	881	738	220
Silver (including subsidiary coin)		12	10	17	Other assets	851	821	577	504
Foreign bills		1	1	3	Note circulation	1,467	1,537	1,342	1,012
Discounts		10	9	12	Demand deposits	179	375	223	+906
Loans		226	271	212	Other liabilities	1,021	638	637	157
Other assets		71	80	71	Swiss National Bank (millions of francs):				
Note circulation		1,166	1,100	1,046	Gold	2,124	2,145	2,471	
Deposits—Government		25	8	30	Foreign exchange	259	310	266	
Other		228	225	397	Discounts	270	156	65	
Other liabilities		59	52	50	Loans	82	79	33	
Reserve Bank of New Zealand (thousands of pounds):					Other assets	657	662	682	
Gold		2,802	2,802	2,802	Note circulation	2,031	2,013	1,737	
Sterling exchange reserve		13,848	13,034	4,564	Other sight liabilities	720	697	1,137	
Advances to State or State un- dertakings		22,778	22,105	19,517	Other liabilities	642	642	643	
Investments		2,958	3,146	3,771	Central Bank of the Republic of Turkey (thousands of pounds):				
Other assets		377	455	364	Gold	109,497	110,458	36,884	
Note circulation		17,945	18,379	15,572	Foreign Exchange—Free	36	12	1	
Demand deposits		22,351	20,785	13,562	In clearing accounts	28,499	29,983	11,199	
Other liabilities		2,467	2,378	1,884	Loans and discounts	259,399	252,465	131,223	
Bank of Norway (millions of kroner):					Securities	196,153	199,032	192,792	
Gold				236	Other assets	41,919	29,600	32,884	
Foreign assets				164	Note circulation	316,869	312,542	229,697	
Total domestic credits and securities			440	270	Deposits	178,406	165,426	52,305	
Discounts			(¹)	111	Other liabilities	140,228	143,582	122,981	
Loans			(¹)	38	Bank of the Republic of Uruguay (thousands of pesos):				
Securities			(¹)	121	Issue department:		(Jan.)		
Other assets			(¹)	55	Gold and silver			86,235	
Note circulation			579	458	Note circulation			93,997	89,670
Demand deposits—Government			12	76	Banking department:				
Other			94	111	Gold			21,454	20,285
Other liabilities			(¹)	81	Notes and coin			46,021	50,553
Central Reserve Bank of Peru (thousands of soles):					Loans and discounts			111,972	103,626
Gold and foreign exchange				45,059	Other assets			119,737	96,911
Discounts				28,874	Deposits			93,229	85,442
Government loans				92,926	Other liabilities			205,955	185,933
Other assets				3,208	National Bank of the Kingdom of Yugoslavia (millions of dinars):				
Note circulation				109,050	Gold	2,069	2,046	1,918	
Deposits				46,801	Foreign exchange	870	873	525	
Other liabilities				14,216	Loans and discounts	1,802	1,815	1,835	
Bank of Portugal (millions of escudos):					Government debt	3,073	3,073	2,230	
Gold				920	National defense bills	2,261	1,916		
Other reserves (net)				498	Other assets	3,402	3,473	3,160	
Non-reserve exchange				178	Note circulation	10,764	10,400	7,298	
Loans and discounts				433	Other sight liabilities	1,777	1,874	1,624	
Government debt				1,033	Other liabilities	935	922	747	
Other assets				1,276					

^r Revised.

¹ Figures not yet available.

² Agricultural and urban loans in process of liquidation.

BANK FOR INTERNATIONAL SETTLEMENTS

[In thousands of Swiss gold francs]

Assets	1940		1939	Liabilities	1940		1939
	May 31	Apr. 30	May 31		May 31	Apr. 30	May 31
Gold in bars.....		28, 215	64, 732	Demand deposits (gold).....		12, 588	13, 205
Cash on hand and on current account with banks.....		33, 465	6, 756	Short-term deposits (various currencies):			
Sight funds at interest.....		16, 852	16, 275	Central banks for own account.....		21, 863	109, 214
Rediscountable bills and acceptances (at cost).....		162, 415	219, 950	Other.....		2, 925	5, 418
Time funds at interest.....		21, 963	34, 464	Long-term deposits: Special accounts.....		229, 644	255, 128
Sundry bills and investments.....		195, 075	232, 208	Other liabilities.....		193, 398	193, 415
Other assets.....		2, 434	1, 995	Total liabilities.....		460, 419	576, 379
Total assets.....		460, 419	576, 379				

¹ See BULLETIN for December 1936, p. 1025.

MONEY RATES IN FOREIGN COUNTRIES

[Per cent per annum]

Month	United Kingdom (London)				Germany (Berlin)			Netherlands (Amsterdam)	
	Bankers' acceptances 3 months	Treasury bills, 3 months	Day-to-day money	Bankers' allowance on deposits	Private discount rate ¹	Money for 1 month	Day-to-day money ¹	Private discount rate	Money for 1 month
1929—May.....	5. 21	5. 21	4. 67	3½	7. 49	9. 65	9. 32	5. 37	5. 88
1930—May.....	2. 16	2. 11	1. 93	1	3. 89	5. 00	3. 62	2. 29	2. 53
1931—May.....	2. 24	2. 21	1. 87	1	4. 65	5. 83	5. 38	1. 39	1. 55
1932—May.....	1. 44	1. 10	1. 29	1½-1	4. 87	5. 96	5. 91	. 60	1. 03
1933—May.....	. 50	. 37	. 58	½	3. 87	5. 50	5. 24	2. 11	1. 69
1934—May.....	. 91	. 85	. 85	½	3. 87	5. 13	4. 72	1. 33	1. 22
1935—May.....	. 59	. 51	. 75	½	3. 09	3. 10	3. 17	3. 78	2. 96
1936—May.....	. 55	. 54	. 75	½	2. 92	2. 89	2. 76	2. 15	1. 82
1937—May.....	. 55	. 51	. 75	½	2. 88	2. 63	2. 69	. 17	1. 00
1938—May.....	. 53	. 51	. 75	½	2. 88	2. 88	2. 66	. 13	. 50
1939—May.....	. 73	. 70	. 75	½	2. 77	2. 53	2. 46	. 72	. 80
1939—September.....	3. 51	3. 23	2. 72	1-2	2. 75	(?)	2. 51	2. 94	3. 66
October.....	1. 88	1. 77	1. 71	½-1	2. 75	(?)	2. 23	1. 90	2. 24
November.....	1. 96	1. 18	1. 00	½	2. 65	(?)	2. 19	1. 75	2. 41
December.....	1. 23	1. 24	1. 03	½	2. 63	(?)	2. 39	2. 25	2. 75
1940—January.....	1. 10	1. 09	1. 02	½	2. 50	(?)	2. 03	1. 85	2. 64
February.....	1. 04	1. 02	1. 00	½	2. 50	(?)	2. 08	1. 58	2. 50
March.....	1. 03	1. 02	. 99	½	2. 50	(?)	2. 16	1. 35	2. 49
April.....	1. 03	1. 03	1. 00	½	-----	(?)	-----	1. 68	2. 75
May.....	1. 03	1. 02	1. 00	½	-----	(?)	-----	-----	-----

Month	Switzerland	Belgium (Brussels)	France (Paris)	Italy (Milan)	Hungary		Sweden (Stockholm)	Japan (Tokyo)	
	Private discount rate	Private discount rate	Private discount rate	Private discount rate	Prime commercial paper	Day-to-day money	Loans up to 3 months	Discounted bills	Call money overnight
1929—April.....	3. 45	3. 97	3. 44	6. 75	8½-9	7-9	4½-6½	5. 48-5. 66	3. 65
1930—April.....	2. 61	3. 33	2. 57	6. 43	6½-8¼	5-6½	3½-5½	5. 48	3. 65
1931—April.....	1. 06	2. 25	1. 47	5. 48	5½-7	4-5	3-5	5. 29-5. 48	2. 92
1932—April.....	1. 50	3. 26	1. 66	6. 00	5½-9	4½-5	5-7	6. 20-6. 57	5. 48
1933—April.....	1. 50	2. 50	1. 87	4. 00	4½-7½	3½	3½-5½	5. 48-5. 84	2. 37
1934—April.....	1. 50	2. 14	2. 70	3. 00	4½-7½	3½	2½-5	5. 29	2. 46
1935—April.....	1. 80	2. 38	2. 14	3. 50	4½-7½	3½	2½-4½	5. 11	2. 54
1936—April.....	2. 25	1. 38	5. 03	5. 00	4-6½	2¾	2½-5	4. 97	3. 11
1937—April.....	1. 00	1. 00	4. 00	4. 50	4-6½	2¾	2½-5	4. 75	2. 86
1938—April.....	1. 00	1. 50	3. 25	5. 00	4½-6½	2½	2½-5	4. 56	2. 45
1939—April.....	1. 00	4. 28	1. 88	5. 00	4½-6½	1½	2½-5	4. 47	2. 47
1939—August.....	1. 00	2. 24	1. 95	(?)	4½-6½	1½	2½-5	(?)	(?)
September.....	1. 25	3. 22	2. 70	(?)	4½-6½	1½	2½-5	(?)	(?)
October.....	1. 25	3. 19	2. 34	(?)	4½-6½	1½	2½-5	(?)	(?)
November.....	1. 25	3. 11	2. 12	(?)	4½-6½	1½	2½-5	(?)	(?)
December.....	1. 25	3. 11	2. 12	(?)	4½-6½	1½	3-5	(?)	(?)
1940—January.....	1. 25	2. 94	2. 12	(?)	4½-6½	1½	3-5	(?)	(?)
February.....	1. 25	2. 68	1. 94	(?)	4½-6½	1½	3-5	(?)	(?)
March.....	1. 25	-----	1. 89	(?)	4½-6½	1½	3-5	(?)	(?)
April.....	1. 25	-----	2. 00	(?)	-----	-----	-----	(?)	(?)

^c Corrected.

¹ Beginning February 1940 figures are those published in the League of Nations Monthly Bulletin of Statistics.

² No figures available since August 1939.

³ No figures available since July 1939.

⁴ No figures available since June 1939.

NOTE.—For explanation of table see BULLETIN for December 1939, p. 1144; September 1938, p. 757; May 1930, p. 318; November 1929, p. 736; July 1929, p. 503; April 1927, p. 289; and November 1926, pp. 794-796.

DISCOUNT RATES OF CENTRAL BANKS

[Per cent per annum]

Date effective	Central bank of—							Central bank of—	Rate June 30	Date effective	Central bank of—	Rate June 30	Date effective
	United Kingdom	France	Germany	Belgium	Netherlands	Switzerland	Japan						
In effect June 30, 1936	2	4	4	2	3½	2½	3.20	Albania	5½	Mar. 21, 1940	Japan	3.20	Apr. 7, 1936
July 7		3			3			Argentina	3½	Mar. 1, 1936	Java	3	Jan. 14, 1937
July 10								Belgium	2	Jan. 25, 1940	Latvia	5	Feb. 17, 1940
Sept. 9								Bolivia	6½	Aug. 9, 1938	Lithuania	6	July 15, 1939
Sept. 25		5						British India	3	Nov. 28, 1935	Mexico	3	Mar. 1, 1937
Oct. 2		3						Bulgaria	6	Aug. 15, 1935	Netherlands	3	Aug. 29, 1939
Oct. 9		2½						Canada	2½	Mar. 11, 1935	New Zealand	3	Sept. 6, 1939
Oct. 16		2						Chile	3-4½	Dec. 16, 1936	Norway	3	May 13, 1940
Oct. 20					2½			Colombia	4	July 18, 1933	Peru	6	May 20, 1932
Nov. 26						1½		Czechoslovakia	3	Jan. 1, 1936	Portugal	4-4½	Aug. 11, 1937
Dec. 3								Denmark	4½	May 22, 1940	Rumania	3½	May 5, 1938
Jan. 28, 1937		4						Ecuador	7	May 26, 1938	South Africa	3½	May 15, 1933
June 15		6						El Salvador	3	Mar. 30, 1939	Spain	4	Mar. 29, 1939
July 7		5						Estonia	4½	Oct. 1, 1935	Sweden	3½	May 17, 1940
Aug. 4		4						Finland	4	Dec. 3, 1934	Switzerland	1½	Nov. 26, 1936
Sept. 3		3½						France	2	Jan. 4, 1939	Turkey	4	July 1, 1938
Nov. 13		3						Germany	3½	Apr. 9, 1940	United Kingdom	2	Oct. 26, 1939
May 10, 1938				4				Greece	6	Jan. 4, 1937	U. S. S. R.	4	July 1, 1936
May 13		2½						Hungary	4	Aug. 29, 1935	Yugoslavia	5	Feb. 1, 1935
May 30				3				Italy	4½	May 18, 1936			
Sept. 28		3											
Oct. 27				2½									
Nov. 25		2½											
Jan. 4, 1939		2											
Apr. 17				4									
May 11				3									
July 6				2½									
Aug. 24	4												
Aug. 29													
Sept. 28	3												
Oct. 26	2												
Jan. 25, 1940				2									
Apr. 9													
In effect June 30, 1940	2	2	3½	2	3	1½	3.20						

¹ Not officially confirmed.
Changes since May 29: none.

COMMERCIAL BANKS

United Kingdom ¹ (Figures in millions of pounds sterling)	Assets						Liabilities			
	Cash reserves	Money at call and short notice	Bills discounted	Securities	Loans to customers	Other assets	Deposits			Other liabilities
							Total	Demand ²	Time ³	
10 London clearing banks										
1930—December	208	144	322	285	933	240	1,876	992	847	254
1931—December	184	119	246	297	905	222	1,737	868	846	237
1932—December	207	127	408	472	778	208	1,983	991	963	216
1933—December	213	119	311	555	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	864	238	2,238			232
1937—December	236	155	295	605	954	242	2,250			237
1938—December	235	150	244	606	940	250	2,172			254
1939—December	264	167	323	580	981	280	2,350			245
11 London clearing banks ³										
1936—December	244	195	322	660	890	249	2,315	1,288	1,012	245
1937—December	244	163	300	635	984	256	2,330	1,284	1,026	252
1938—December	243	160	250	635	971	263	2,254	1,256	997	269
1939—March	232	141	190	611	992	249	2,152	1,186	966	264
April	229	145	184	611	997	256	2,155	1,185	970	267
May	236	144	201	605	992	258	2,167	1,194	973	268
June	235	150	249	600	993	257	2,219	1,232	987	265
July	235	155	278	597	986	251	2,240	1,241	999	263
August	233	148	279	599	990	270	2,245	1,239	1,007	273
September	268	146	236	603	1,016	276	2,278	1,272	1,006	266
October	256	159	289	605	1,020	271	2,327	1,299	1,028	272
November	245	142	353	611	1,006	242	2,345	1,303	1,042	248
December	274	174	334	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			261
May	257	144	409	633	972	260	2,413			261

¹ Corrected.

² Averages of weekly figures through August 1939; beginning September 1939 figures refer to one week near end of month.

³ Through December 1937 excludes deposits in offices outside England and Wales, which are included in total. Figures for 10 banks not available beginning 1936.

⁴ District Bank included beginning in 1936.

NOTE.—For other back figures and explanation of tables see BULLETIN for October 1933, pp. 639-640.

Commercial Banks—Continued

France (4 large banks. End of month figures in millions of francs)	Assets					Liabilities				
	Cash reserves	Due from banks	Bills dis- counted	Loans	Other assets	Deposits			Own accept- ances	Other liabilities
						Total	Demand	Time		
1930—December	2,419	4,675	20,448	10,743	2,361	36,661	35,264	1,397	921	4,357
1931—December	11,311	2,168	18,441	9,274	2,130	38,245	37,023	1,222	576	4,503
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	29,484	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	33,678	33,042	537	721	4,484
1939—February	3,433	3,824	23,024	6,927	1,250	34,243	33,619	624	538	3,677
March	3,604	3,519	23,945	6,654	1,310	34,793	34,127	667	541	3,697
April	3,522	3,745	25,667	6,414	1,353	36,368	35,700	667	558	3,775
May	5,148	3,769	25,102	7,061	1,409	38,120	37,444	676	519	3,849
June	3,538	3,857	25,263	6,538	1,472	36,231	35,547	684	496	3,951
July	3,464	3,580	25,717	6,850	1,532	36,650	35,991	659	490	4,063
August	6,357	3,718	18,784	7,353	1,674	33,293	32,668	626	455	4,138
September	5,062	3,862	20,888	7,710	1,735	34,642	34,048	594	427	4,190
October	4,534	3,698	23,170	7,809	1,936	36,285	35,675	610	534	4,328
November	4,171	3,714	25,649	7,907	2,068	38,423	37,835	588	631	4,455
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

Germany ¹ (5 large banks. End of month figures in millions of reichsmarks)	Assets						Liabilities				
	Cash reserves	Due from banks	Bills dis- counted	Loans	Securi- ties	Other assets	Deposits			Credits obtained from banks	Other liabili- ties
							Total	Demand	Time		
1930—November	191	1,483	2,453	7,416	482	880	9,091	3,857	5,233	1,986	1,828
1931—November	173	817	1,431	5,377	807	1,127	6,062	3,252	2,810	1,328	2,341
1932—November	143	583	1,631	4,570	938	991	6,161	2,958	3,203	1,146	1,560
1933—November	131	471	1,702	3,731	860	1,003	5,754	2,624	3,130	661	1,481
1934—November	115	393	2,037	3,331	874	983	5,816	2,731	3,085	485	1,432
1935—November	139	316	2,162	2,884	1,027	983	5,376	2,435	2,941	686	1,449
1936—November	137	269	2,567	2,729	1,112	851	5,751	2,661	3,090	579	1,334
1937—November	148	299	3,205	2,628	1,020	812	6,264	2,912	3,352	513	1,335
1938—August	199	255	3,589	2,731	1,098	844	6,933	3,219	3,714	416	1,368
September	270	295	3,384	2,817	1,097	876	6,915	3,311	3,603	424	1,400
October	179	261	3,620	2,743	1,183	895	7,031	3,373	3,658	422	1,427
November	195	270	3,643	2,685	1,406	893	7,234	3,531	3,703	420	1,438
1939—January	184	285	3,934	2,708	1,178	895	7,334	3,619	3,716	414	1,426
February	175	307	3,888	2,798	1,145	902	7,377	3,576	3,801	410	1,437
March	219	308	3,904	2,833	1,112	901	7,458	3,693	3,765	401	1,418
April	189	271	4,364	2,761	1,082	891	7,745	3,870	3,875	398	1,414
May	237	292	4,537	2,772	1,073	852	7,981	3,996	3,985	396	1,385
June ²	214	306	4,108	2,988	1,080	829	7,793	3,793	3,999	390	1,342

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	Securi- ties	Other assets	Note circula- tion	Deposits payable in Can- ada excluding interbank deposits			Other liabili- ties
	Cash reserves	Security loans	Other loans and dis- counts					Total	Demand	Time	
1930—December	207	205	1,275	171	604	602	133	2,115	689	1,426	816
1931—December	201	135	1,253	146	694	510	129	2,058	698	1,360	752
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	1,384	507	103	2,303	755	1,548	790
1937—December	255	76	882	102	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—April	260	54	956	203	1,509	449	90	2,509	812	1,697	833
May	266	55	963	217	1,505	452	85	2,524	846	1,678	850
June	255	53	957	226	1,525	494	92	2,542	862	1,680	875
July	266	51	947	202	1,520	468	86	2,520	822	1,697	849
August	265	49	957	245	1,507	461	88	2,524	822	1,702	873
September	279	51	1,020	214	1,502	475	95	2,583	891	1,692	862
October	304	53	1,083	209	1,662	474	90	2,837	1,128	1,709	858
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	84	2,743	1,071	1,672	840

¹ Combined monthly balance sheets not published for December. Prior to merger of two of the banks in February 1932 figures refer to six large Berlin banks. Beginning in 1935 figures are not entirely comparable with those shown for previous years due to changes in reporting practice (see BULLETIN for June 1935, p. 389).

² No figures available since June 1939.

NOTE.—For other back figures and explanation of tables 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 (1926=100)	Canada (1926=100)	United Kingdom (1930=100)	France (1913=100)	Germany (1913=100)	Italy (1928=100)	Japan (October 1900=100)	Nether- lands (1928-30= 100)	Switzer- land (July 1914 =100)
1926.....	100	100	124	695	134	-----	237	106	144
1929.....	95	96	-----	627	137	95	220	100	141
1930.....	86	87	100	554	125	85	181	90	126
1931.....	73	72	88	500	111	75	153	76	110
1932.....	65	67	86	427	97	70	161	65	96
1933.....	66	67	86	398	98	63	180	63	91
1934.....	75	72	88	376	98	62	178	63	90
1935.....	80	72	89	338	102	68	186	62	90
1936.....	81	75	94	411	104	76	198	64	96
1937.....	86	85	109	581	106	89	238	76	111
1938.....	79	79	101	653	106	95	251	72	107
1939.....	77	75	103	-----	107	-----	278	74	111
1939—April.....	76	73	97	675	106	98	266	70	106
May.....	76	74	98	684	107	97	270	70	107
June.....	76	73	98	683	107	98	270	70	106
July.....	75	73	98	678	107	96	270	70	107
August.....	75	72	98	674	107	(²)	272	71	107
September.....	79	78	106	(²)	107	(²)	288	75	117
October.....	79	79	111	(²)	107	(²)	293	81	120
November.....	79	80	119	(²)	107	(²)	300	84	123
December.....	79	82	122	(²)	108	(²)	314	85	125
1940—January.....	79	83	126	(²)	108	(²)	320	86	128
February.....	79	83	129	(²)	108	(²)	317	88	130
March.....	78	83	130	(²)	109	(²)	312	88	132
April.....	79	83	133	(²)	(²)	(²)	314	-----	134
May.....	78	82	134	(²)	-----	(²)	312	-----	-----

^p Preliminary.

¹ Approximate figure, derived from old index (1913=100).

² No figures available since July 1939.

³ No figures available since August 1939.

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 commod- ities	Foods	Indus- trial products	Farm and food products	Indus- trial products	Agricul- tural products	Provi- sions	Indus- trial raw and semi- finished products	Indus- trial fin- ished products
1926.....	100	100	100	-----	-----	581	793	129	132	130	150
1929.....	105	100	92	-----	-----	579	669	130	125	132	157
1930.....	88	91	85	100	100	528	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	-----	-----	108	-----	95	126
1939—April.....	64	69	81	91	100	650	697	107	92	95	126
May.....	64	68	81	92	101	652	712	108	94	94	126
June.....	62	68	80	92	101	643	718	109	91	94	126
July.....	63	68	80	91	102	629	721	109	92	95	126
August.....	61	67	80	90	102	616	726	109	92	95	126
September.....	69	75	82	101	108	(¹)	(¹)	108	(¹)	95	126
October.....	67	73	84	109	111	(¹)	(¹)	108	(¹)	96	126
November.....	67	72	84	114	121	(¹)	(¹)	108	(¹)	97	126
December.....	68	72	84	118	124	(¹)	(¹)	108	(¹)	97	127
1940—January.....	69	72	84	123	127	(¹)	(¹)	108	(¹)	98	127
February.....	69	71	83	126	129	(¹)	(¹)	108	(¹)	98	127
March.....	68	70	83	125	131	(¹)	(¹)	110	(¹)	99	128
April.....	69	72	83	128	135	(¹)	(¹)	-----	(¹)	-----	-----
May.....	68	71	83	-----	-----	(¹)	(¹)	-----	(¹)	-----	-----

¹ No figures available since August 1939.

Sources.—See BULLETIN for April 1937, p. 372; March 1937, p. 276; October 1935, p. 678; 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	United States ¹ 1935=100	England July 1914=100	France July 1914=100	Germany 1913=100	Netherlands 1911=100	Switzerland June 1914=100	Year or month	United States ¹ 1935=100	England July 1914=100	France 1930=100	Germany 1913=100	Netherlands 1911=100	Switzerland June 1914=100
1926		161	554	146	161	160	1926		170		142	168	162
1929		154	611	156	162	156	1929	164			154	168	161
1930		145	614	146	150	152	1930	158	100		147	161	158
1931		131	611	131	136	141	1931	148	97		136	151	150
1932		126	536	116	119	125	1932	144	91		121	141	138
1933		120	491	113	120	117	1933	140	87		118	139	131
1934		122	481	118	124	115	1934	141	83		121	140	129
1935		125	423	120	118	114	1935	143	78		123	136	128
1936		130	470	122	120	120	1936	147	86		125	² 132	130
1937		139	601	122	127	130	1937	154	102		125	137	137
1938		141	702	122	130	130	1938	156	117		126	139	137
1939		141		123	130	132	1939	158			126	140	138
1939—April	94	135	734	122		129	1939—April		153		126		136
May	94	134	738	123		130	May		153	123	126		137
June	94	134	739	124	124	132	June	99	153		127	136	137
July	94	139	741	125		132	July		156		127		138
August	94	137	749	125	124	131	August		155	(³)	127	137	137
September	98	138	(⁴)	122	128	133	September	101	155	(³)	126	139	138
October	98	154	(⁴)	122	133	136	October		165	(³)	126	143	140
November	97	157	(⁴)	122	136	138	November		169	(³)	126	144	142
December	95	157	(⁴)	123	137	138	December	100	173	(³)	126	146	142
1940—January	95	157	(⁴)	124	138	139	1940—January		174	(³)	127	146	144
February	97	161	(⁴)	124	140	139	February		177	(³)	127	148	145
March	96	161	(⁴)	126		140	March	100	179	(³)	129		145
April	96	158	(⁴)			142	April		178	(³)			147
May	97	159	(⁴)				May		180	(³)			

¹ 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.

² Revised index from March 1936 (see BULLETIN for April 1937, p. 373). ³ No figures available since May 1939. ⁴ No figures available since August 1939. 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) ¹	England (December 1921=100)	France (1913=100)	Germany (average price)	Netherlands ²	(1926=100)				Netherlands (1930=100)
						United States	England	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	
1929	98.1	110.2	85.1	81.4	100.0	190.3	119.5	217.6	122.8	
1930	99.3	111.8	95.8	83.3	104.3	149.8	102.6	187.6	100.2	100
1931	90.9	108.4	96.9	³ 83.4	104.1	94.7	78.9	132.2	³ 78.0	70
1932	69.5	113.2	88.6	³ 67.1	94.8	48.6	67.9	105.2	³ 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	⁴ 101.8	111.8	96.3	97.4	102.6	104
1938	78.9	121.3	77.3	99.9	⁴ 105.9	83.3	80.8	89.7	100.1	96
1939	81.6	112.3		99.0	90.9	89.2	75.9		94.1	90
1939—April	79.4	110.8	86.6	99.0	95.2	81.9	75.1	97.9	94.9	87.2
May	80.2	113.5	85.1	99.0	98.0	83.1	77.0	103.0	94.1	89.3
June	81.4	113.5	84.0	99.0	96.3	86.0	76.6	98.3	92.5	91.6
July	81.6	112.5	84.3	99.0	94.4	86.1	75.8	100.4	91.7	89.3
August	81.0	110.9	82.9	99.0	92.6	86.3	75.3	94.0	93.2	88.6
September	80.9	106.9	(⁵)	98.9	79.6	92.4	72.0	(⁵)	92.8	92.1
October	82.9	109.5	(⁵)	98.9	80.3	95.3	74.9	(⁵)	92.3	87.7
November	83.0	112.3	(⁵)	99.0	80.9	94.2	76.0	(⁵)	94.5	85.8
December	82.1	112.4	(⁵)	99.0	77.2	91.8	75.7	(⁵)	97.8	84.3
1940—January	82.4	117.6	(⁵)	99.1	77.9	92.7	75.7	(⁵)	101.0	85.4
February	82.2	119.9	(⁵)	99.6	76.7	91.5	77.1	(⁵)	103.1	84.7
March	82.1	119.8	(⁵)	99.9	76.4	91.5	77.9	(⁵)	106.6	85.7
April	82.5	119.4	(⁵)	100.2		92.9	77.4	(⁵)	109.3	
May	79.4	116.8	(⁵)			83.0	73.1	(⁵)		

¹ Prices derived from average yields for 60 corporate bonds as published by Standard Statistics Co.

² Indexes of reciprocals of average yields. For old index, 1926-1936, 1926=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.

³ 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.

⁴ New index. See note 2.

⁵ No figures available since August 1939.

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

Wednesday:

Weekly Review of Periodicals

Thursday:

Condition of Federal Reserve Banks
Condition of Reporting Member Banks in New York City and Chicago (Also a part of statement of Condition of Reporting Member Banks in 101 Leading Cities released on following Monday)

Friday:

Department Store Sales

MONTHLY

Federal Reserve Bulletin—released about the 4th of the month (subscription price \$2.00 per annum, single copies 20 cents; outside of the United States, Canada, Mexico, and the insular possessions, annual subscription \$2.60, single copies 25 cents)

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 16th of the month

Business Indexes—released about the 16th of the month

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

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

Money Rates—released about the 3rd of the month

QUARTERLY

Member Bank Call Report (3 or 4 times a year depending upon number of calls for condition reports)

List of Stocks Registered on National Securities Exchanges. Issued annually in February with quarterly supplements (subscription price 25 cents for the List and three supplements; five or more copies on one order, 20 cents per copy; fifty or more copies on one order, 15 cents per copy).

ANNUALLY

Bank Debits—released ordinarily in February
Annual Report (covers calendar year)

BOOKS AND PAMPHLETS

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.

A set of **FEDERAL RESERVE CHARTS ON BANK CREDIT, MONEY RATES, AND BUSINESS** has been published by the Board and is for sale to the public at 50 cents a copy. Data available as of June 14, 1940, are plotted on the latest edition.

THE FEDERAL RESERVE ACT AS AMENDED to October 1, 1935, with mimeographed supplements showing amendments to date, has been printed by the Board and will be supplied without charge.

DIGEST OF RULINGS—from 1914 to October 1, 1937. Digests of rulings of Board; compilation showing textual changes made in the Federal Reserve Act; digests of court decisions and opinions of the Attorney General involving a construction of the Federal Reserve Act; and digests of court decisions involving Federal Reserve Banks. Price \$1.25 per copy. 683 pages.

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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. Legislation, designation of reserve cities, and changes in the reserve position of banks. 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 as indicated by Federal Reserve and Treasury statements. 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.

THE GOLD PROBLEM TODAY, by E. A. Goldenweiser—reprint of article, 4 pages, January 1940.

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

THE BANKS AND IDLE MONEY, by Woodlief Thomas—reprint of article, 9 pages, March 1940.

CHEAP MONEY AND THE FEDERAL RESERVE SYSTEM, by E. A. Goldenweiser—reprint of article, 5 pages, May 1940.

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

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² Also cashier.

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From a Painting on Wall of Board Room, Federal Reserve Building, Washington