

FEDERAL RESERVE BANK
of KANSAS CITY

MAY 20 1959

RESEARCH LIBRARY

BANKING AND MONETARY DEVELOPMENTS IN APRIL 1959

July L.4.3

Summary. Total credit at commercial banks increased in April reflecting principally substantial loan growth. Holdings of U. S. Government and other securities also rose. The seasonally adjusted active money supply increased further. Time deposits rose moderately and U. S. Government deposits increased whereas they usually decline in April. Member bank reserve positions continued to tighten. Private short-term money market rates rose further.

Bank credit. Total loans and investments at all commercial banks increased \$2.6 billion in April. Total loans rose \$1.8 billion, reflecting growth in all major categories. Holdings of U. S. Government securities increased \$400 million. On April 1, commercial banks subscribed to approximately \$3.6 billion of the total \$4.4 billion Treasury cash offerings, but they subsequently reduced their holdings of U. S. Government securities substantially. ^{1/} The net rise for the month was entirely at country banks; holdings at city banks declined slightly. Holdings of other securities rose \$300 million; about half of this was in New York City reflecting in part bank purchases of a special offering of New York State tax anticipation bills.

Total credit growth in April was about half as large as in April last year, which included a cash financing at the mid-month. It was about comparable with growth in 1957 and 1955, both of which included Treasury cash offerings. In most earlier years credit had declined. Exclusive of the substantial expansion in security loans (and after adjustment for structure changes) adjusted loan growth of \$1.2 billion in April was larger than in any other recent year, over twice the average growth in the 1955-1957 period. The \$400 million increase in holdings of U. S. Government securities was much less than in other years which included financing.

So far this year, credit at all commercial banks (after adjustment for structure changes) has declined about \$1.3 billion--comparable with reductions in 1955 and 1956 and about the same as the average decline over the entire 1948-1957 period. In 1958, credit had risen contraseasonally. Holdings of U. S. Government

^{1/} Final data indicate commercial banks subscribed to \$1,331 million of the \$1,745 million of 4 per cent Treasury notes maturing May 15, 1963, and to \$335 million of the \$620 million of 4 per cent Treasury bonds maturing October 1, 1969. Commercial bank subscriptions to the \$2 billion 289-day special Treasury bills are not available but commercial banks probably took most of the issue.

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Table 1

Estimated Changes in Loans and Investments at All Commercial Banks
(In billions of dollars)

Item	Last Wednesday in March to last Wednesday in April					
	1959 ^{3/}	1958	1957	1956	1955 ^{2/}	1954 ^{2/}
<u>Total loans (excluding interbank)</u>	+ 1.8	+ 0.4	+ 0.6	+ 0.6	+ 0.6	- 0.5
Business	+ 0.2	- 0.8	<u>1/</u>	+ 0.3	+ 0.2	- 0.5
Real estate	+ 0.4	+ 0.1	<u>1/</u>	+ 0.2	+ 0.2	+ 0.1
Security	+ 0.5	+ 0.9	+ 0.2	+ 0.1	+ 0.2	<u>1/</u>
Agricultural	+ 0.1	<u>1/</u>	- 0.1	- 0.1	- 0.5	- 0.3
Consumer	+ 0.3	+ 0.1	+ 0.3	+ 0.3	+ 0.3	<u>1/</u>
All other	+ 0.3	+ 0.1	+ 0.1	<u>1/</u>	+ 0.1	+ 0.1
U. S. Government securities	+ 0.4	+ 3.2	+ 1.8	- 0.4	+ 1.4	+ 1.4
Other securities	+ 0.3	+ 0.4	+ 0.2	<u>1/</u>	<u>1/</u>	+ 0.1
Total loans and investments (less interbank)	+ 2.6	+ 4.1	+ 2.4	+ 0.2	+ 2.0	+ 1.1

Item	Last Wednesday in March to last Wednesday in April					
	1953	1952	1951	1950 ^{2/}	1949 ^{2/}	1948 ^{2/}
<u>Total loans (excluding interbank)</u>	+ 0.3	+ 0.4	<u>1/</u>	<u>1/</u>	- 1.1	<u>1/</u>
Business	- 0.1	- 0.6	- 0.1	- 0.3	n.a.	n.a.
Real estate	+ 0.1	+ 0.1	+ 0.1	+ 0.2	n.a.	n.a.
Security	<u>1/</u>	+ 0.6	- 0.2	+ 0.2	n.a.	n.a.
Agricultural	- 0.1	+ 0.1	+ 0.1	- 0.1	n.a.	n.a.
Consumer	+ 0.3	+ 0.1	<u>1/</u>	+ 0.1	+ 0.1	+ 0.1
All other	+ 0.2	+ 0.1	+ 0.1	- 0.1	n.a.	n.a.
U. S. Government securities	- 1.6	- 0.6	- 0.3	- 0.3	+ 1.1	+ 0.8
Other securities	+ 0.1	+ 0.1	<u>1/</u>	+ 0.2	- 0.1	- 0.1
Total loans and investments (less interbank)	- 1.3	- 0.2	- 0.3	- 0.1	- 0.1	+ 0.7

^{1/} Less than \$50 million.

^{2/} Data for April are affected by the date of the last Wednesday of March relative to the April 1 personal property tax date in Cook County, Illinois.

^{3/} Total credit increased about \$200 million as a result of inclusion of a national bank in Hawaii. Loans were increased about \$120 million; Government securities about \$60 million; and other securities about \$20 million.

Note: Data for April 29, 1959, are preliminary estimates based on data reported by a sample of member banks. Revised data will be available at the end of May.

Table 1 (Continued)

Estimated Changes in Loans and Investments at All Commercial Banks
(In billions of dollars)

Item	December 31 to last Wednesday of April					
	1959 ² / ₁	1958	1957	1956	1955	1954
<u>Total loans (excluding interbank)</u>	+1.7	-1.3	+0.1	+1.9	+1.4	-1.1
Business	<u>1</u> / ₁	-2.1	+0.3	+1.6	+0.7	-1.0
Real estate	+1.0	+0.2	<u>1</u> / ₁	+0.6	+0.8	+0.2
Security	-0.3	+0.9	-0.5	-0.6	-0.2	-0.6
Agricultural	-0.1	+0.3	-0.1	-0.2	-0.8	+0.5
Consumer	+0.6	-0.4	+0.4	+0.5	+0.6	-0.3
All other	+0.4	-0.1	-0.1	+0.1	+0.2	<u>1</u> / ₁
U. S. Government securities	-2.8	+4.6	-1.1	-3.4	-3.4	-1.3
Other securities	+0.3	+1.4	+0.4	-0.1	+0.7	+0.5
Total loans and investments (less interbank)	-0.7	+4.7	-0.7	-1.6	-1.2	-1.9

Item	December 31 to last Wednesday of April					
	1953	1952	1951	1950	1949	1948
<u>Total loans (excluding interbank)</u>	+0.7	+0.2	+1.7	+0.6	-1.4	+0.8
Business	-0.1	-0.7	+1.7	-0.3	n.a.	n.a.
Real estate	+0.3	+0.2	+0.4	+0.6	n.a.	n.a.
Security	-0.5	+0.3	-0.6	+0.3	n.a.	n.a.
Agricultural	-0.1	+0.1	+0.1	-0.2	n.a.	n.a.
Consumer	+0.9	+0.2	<u>1</u> / ₁	+0.3	+0.1	+0.4
All other	+0.2	<u>1</u> / ₁	+0.2	-0.1	n.a.	n.a.
U. S. Government securities	-4.4	-1.0	-3.5	-1.5	-0.6	-2.9
Other securities	+0.3	+0.4	+0.2	+0.8	<u>1</u> / ₁	+0.2
Total loans and investments (less interbank)	-3.6	-0.6	-1.7	<u>1</u> / ₁	-2.0	-2.0

¹/₁ Less than \$50 million.

²/₁ Structure changes increased total credit about \$640 million; loans, about \$370 million; Government securities, about \$200 million; and other securities about \$70 million.

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Table 1 (continued)
Changes in Loans and Investments at City and Country Banks
(In millions of dollars)

Item	Last Wednesday in March to last Wednesday in April <u>1/</u> <u>2/</u>					
	1959 <u>3/</u>	1958	1957	1956	1955	1954
<u>Weekly reporting banks</u>						
Total loans	+ 921	- 11	+ 241	+ 255	+ 370	- 635
U. S. Government securities	- 89	+2,440	+ 808	- 486	+1,098	+1,310
Other securities	+ 203	+ 241	+ 63	- 60	- 70	+ 129
Total loans and investments	+1,035	+2,670	+1,112	- 291	+1,398	+ 804
Demand deposits adjusted	+1,176	+1,192	+1,223	+1,175	+1,379	+2,296
<u>Country member banks</u>						
Total loans	+ 753	+ 290	+ 261	+ 246	+ 200	+ 53
U. S. Government securities	+ 418	+ 648	+ 543	- 50	+ 199	+ 86
Other securities	+ 76	+ 101	+ 65	+ 42	+ 41	+ 25
Total loans and investments	+1,247	+1,039	+ 869	+ 238	+ 440	+ 164
Demand deposits adjusted	+ 902	+1,029	+ 511	+ 380	+ 511	- 180
Item	Last Wednesday in March to last Wednesday in April <u>1/</u> <u>2/</u>					
	1953	1952	1951	1950	1949	1948
<u>Weekly reporting banks</u>						
Total loans	+ 14	+ 33	- 229	+ 30	-1,024	- 292
U. S. Government securities	-1,401	- 503	- 81	- 196	+1,201	+1,042
Other securities	+ 45	+ 33	- 25	+ 117	- 33	- 30
Total loans and investments	-1,342	- 437	- 335	- 49	+ 144	+ 720
Demand deposits adjusted	+ 901	+ 411	+ 627	+ 987	+1,266	+1,331
<u>Country member banks</u>						
Total loans	+ 203	+ 210	+ 112	+ 82	- 24	+ 141
U. S. Government securities	- 238	- 127	- 174	- 65	- 92	- 84
Other securities	+ 5	+ 47	+ 19	+ 39	- 7	- 7
Total loans and investments	- 30	+ 130	- 43	+ 56	- 123	+ 50
Demand deposits adjusted	- 97	- 48	- 126	+ 136	+ 26	- 17

1/ Data for April are affected by the closeness of the last Wednesday of March to the April 1 tax date in Cook County, Illinois. Years most affected are 1948, 1949, 1950, 1954, and 1955.

2/ Country bank data are for June and December call dates.

3/ Country bank assets and liabilities were increased about \$350 million in April as a result of inclusion of a national bank in Hawaii and the shifting of six national banks in Alaska from nonmember banks. (Loans +200; U.S.Govt.+100; other sec.+50; dem.dep.adj.+200; time +150)
Note: Data for country banks include interbank loans, but interbank loans outstanding at these banks have generally been less than \$100 million although on March 12, 1959, they were close to \$200 million. Data for weekly reporting banks include interbank loans prior to 1952.

Table 1 (continued)
Changes in Loans and Investments at City and Country Banks
(In millions of dollars)

Item	End of December to last Wednesday in April <u>1/</u>					
	1959 <u>2/</u>	1958	1957	1956	1955	1954
<u>Weekly reporting banks</u>						
Total loans	+ 421	-1,663	- 705	+1,238	+ 838	-1,933
U. S. Government securities	-2,618	+4,125	- 682	-2,613	-2,919	- 640
Other securities	+ 289	+1,034	+ 178	- 21	+ 353	+ 535
Total loans and investments	-1,908	+3,496	-1,209	-1,396	-1,728	-2,038
Demand deposits adjusted	-1,241	-1,188	-1,519	-1,975	-1,476	-2,109
<u>Country member banks</u>						
Total loans	+ 960	+ 256	+ 496	+ 772	+ 507	+ 379
U. S. Government securities	- 315	+ 353	- 391	- 894	- 734	- 568
Other securities	+ 27	+ 323	+ 257	+ 54	+ 235	+ 27
Total loans and investments	+ 672	+ 932	+ 362	- 68	+ 7	- 162
Demand deposits adjusted	-1,154	-1,033	-1,525	-1,523	- 888	-1,734
Item	End of December to last Wednesday in April <u>1/</u>					
	1953	1952	1951	1950	1949	1948
<u>Weekly reporting banks</u>						
Total loans	- 127	- 250	+ 879	+ 22	-1,549	- 168
U. S. Government securities	-3,718	- 765	-2,869	-1,547	- 36	-1,752
Other securities	+ 200	+ 273	+ 64	+ 618	+ 149	+ 45
Total loans and investments	-3,645	- 742	-1,926	- 907	-1,436	-1,875
Demand deposits adjusted	-1,197	-1,072	-1,428	-1,104	-1,619	-2,014
<u>Country member banks</u>						
Total loans	+ 641	+ 450	+ 729	+ 487	+ 72	+ 598
U. S. Government securities	- 690	- 124	- 835	+ 78	- 357	- 825
Other securities	+ 16	+ 74	+ 81	+ 134	- 70	+ 134
Total loans and investments	- 33	+ 400	- 25	+ 699	- 354	- 94
Demand deposits adjusted	-1,530	-1,364	-1,036	- 260	-1,236	-1,199

1/ Country bank data are for June and December call dates.

2/ Country bank assets and liabilities were increased about \$350 million in April as a result of inclusion of a national bank in Hawaii and the shifting of six national banks in Alaska from nonmember banks. (Loans +200; U.S.Govt.+100; other sec.+50; dem.dep.adj.+200; time +150)

Note: Data for country banks include interbank loans, but interbank loans outstanding at these banks have generally been less than \$100 million although on March 12, 1959, they were close to \$200 million. Data for weekly reporting banks include interbank loans prior to 1952.

securities fell more than usual in the first four months of 1959 compared with other postwar years but loans rose more. Loan growth (adjusted for structure changes) totaled \$1.3 billion, about the same as in 1955, somewhat below 1951 and 1956, but well above other recent years.

Business loans at commercial banks increased \$200 million in April, following a \$1 billion increase in March, which included tax borrowing. Last April, business loans declined \$800 million. The 1959 growth was about the same as that in 1955 and 1956; in all other recent years, these loans had declined.

In April, borrowing by sales finance companies and trade concerns was heavier than usual. Loans to metals processors increased only slightly further, reflecting considerable slackening from the rate of growth earlier in the year. Seasonal repayments by food processors and commodity dealers were smaller than usual. Public utility concerns, however, continued to reduce their borrowing substantially.

So far this year, business loans at all commercial banks have been about unchanged as a small decline at weekly reporting city banks has probably been offset by small growth at other banks. Within the city bank group, reductions in New York City exceeded growth in other cities. Last year, business loans at all commercial banks declined \$2.1 billion with \$650 million in New York. On the average, over the postwar years, business loans have shown little change in this period.

During the first four months of the year, borrowing by trade concerns exceeded that of the comparable period of any other year, and borrowing by textile companies was also somewhat larger than usual. Borrowing by metals processors was substantial but less than in several other years. Seasonal repayments by food processors and commodity dealers were smaller than usual. Loans to sales finance companies showed little change whereas they ordinarily decline. On the other hand, loan repayments by public utilities were much larger than in any other year and those by petroleum concerns were somewhat larger.

Real estate loans increased substantially further in April. Growth of \$135 million at weekly reporting banks was about the same as in 1947 and 1955 and much more than in any other year. The substantial total loan growth outside the weekly reporting banks in April indicated that real estate loans probably rose in considerable volume at these banks too. So far this year, growth in real estate loans at all commercial banks (after adjustment for structure changes) has been at a

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Table 2

Changes in Commercial and Industrial Loans 1/
(In millions of dollars)

Business of Borrower	Last Wednesday of March to last Wednesday of April							
	1959	1958	1957	1956	1955	1954	1953	1952
Food processors	- 124	- 177	- 74	- 55	-130	-147	- 216	- 295
Commodity dealers	- 49	- 23	- 83	- 80	-109	- 88	- 117	- 131
Trade concerns	+ 118	+ 23	+ 64	+ 91	+ 60	+ 7	+ 65	+ 20
Total	- 55	- 177	- 93	- 44	-179	-228	- 268	- 406
Sales finance	+ 133	- 268	+ 92	+ 41	+198	- 11	+ 105	+ 3
All other - total	- 122	- 443	- 26	+ 52	+ 80	-176	+ 43	- 97
Metals and products	+ 37	- 300	- 19	+ 87	- 43	-135	+ 19	+ 41
Textiles, apparel and leather	+ 12	- 56	+ 6	+ 1	- 6	- 29	- 25	- 35
Petroleum, coal, etc.	- 28	- 60	+ 29	+ 57	+ 76	+ 23	+ 13	- 26
Other manufacturing and mining	+ 21	- 32	+ 11	+ 18	+ 16	- 9	---	+ 5
Public utilities	- 202	+ 59	- 39	- 118	- 8	- 75	+ 66	- 70
Construction	+ 18	+ 16	+ 4	+ 28	+ 27	+ 15	- 12	+ 17
All other types of business	+ 20	- 70	- 18	- 21	+ 18	+ 34	- 18	- 29
Classified	- 44	- 887	- 27	+ 48	+100	-415	- 119	- 499
Unclassified	+ 74	+ 32	- 57	+ 50	<u>2/-152</u>	<u>3/-165</u>	- 85	- 72
Total change	+ 30	- 855	- 84	+ 98	<u>2/- 52</u>	<u>3/-580</u>	- 204	- 571

1/ Prior to week ending January 11, 1956, included changes in agricultural loans.

2/ Includes CCC certificates of interest which are estimated to have declined \$130 million.

3/ Includes CCC certificates of interest which are estimated to have declined \$50 million.

Note: Classified data are for a sample of about 210 banks reporting changes in their larger loans; these banks hold over 95 per cent of total commercial and industrial loans of all weekly reporting banks and about 75 per cent of those of all commercial banks. Data are preliminary for week of April 29, 1959.

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Table 2 (Continued)

Changes in Commercial and Industrial Loans 1/
(In millions of dollars)

Business of Borrower	Last Wednesday in December to last Wednesday in April							
	1959	1958	1957	1956	1955	1954	1953	1952
Food processors	- 391	- 577	- 379	- 245	-409	- 397	- 452	- 717
Commodity dealers	- 225	- 237	- 336	- 183	-369	- 302	- 418	- 464
Trade concerns	+ 210	+ 157	+ 60	+ 187	+ 49	+ 61	+ 182	+ 104
Total	<u>- 406</u>	<u>- 971</u>	<u>- 775</u>	<u>- 241</u>	<u>-729</u>	<u>- 760</u>	<u>- 688</u>	<u>-1,285</u>
Sales finance	+ 9	- 778	+ 228	- 280	+303	- 230	- 1	- 322
<u>All other - total</u>	<u>+ 215</u>	<u>- 127</u>	<u>+ 799</u>	<u>+1,689</u>	<u>+747</u>	<u>- 102</u>	<u>+ 618</u>	<u>+1,032</u>
Metals and products	+ 530	+ 1	+ 542	+ 913	+ 72	- 148	+ 340	+ 989
Textiles, apparel and leather	+ 141	+ 94	+ 142	+ 139	+186	+ 60	+ 129	- 18
Petroleum, coal, etc.	- 105	- 84	+ 82	+ 261	+271	- 52	+ 50	+ 166
Other manufacturing and mining	+ 115	+ 76	+ 123	+ 232	+ 59	- 7	+ 25	+ 60
Public utilities	- 412	- 131	+ 101	+ 186	+ 98	- 19	+ 100	- 79
Construction	+ 23	+ 2	- 40	- 2	+ 31	+ 25	+ 5	- 19
All other types of business	- 77	- 85	- 151	- 40	+ 30	+ 39	- 31	- 67
Classified	- 182	-1,875	+ 253	+1,167	+320	-1,092	- 70	- 572
Unclassified	+ 9	- 198	- 173	+ 51	<u>2/</u> -200	<u>3/</u> - 105	- 187	- 54
Total change	- 173	-2,073	+ 80	+1,218	<u>2/</u> +122	<u>3/</u> -1,197	- 257	- 626

1/ Prior to week ending January 11, 1956, included changes in agricultural loans.

2/ Includes CCC Certificates of interest which are estimated to have declined \$300 million.

3/ Includes CCC Certificates of interest which are estimated to have increased \$125 million.

Note: Classified data are for a sample of about 210 banks reporting changes in their larger loans; these banks hold over 95 per cent of total commercial and industrial loans of all weekly reporting banks and about 75 per cent of those of all commercial banks. Data are preliminary for week of April 29, 1959.

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near-record level. This has also been true of consumer loans which increased \$300 million in April for a total of \$600 million over the first four months of 1959.

Loans for purchasing and carrying securities increased \$500 million in April. Loans on U. S. Government securities increased early in the month in connection with Treasury financing operations, and subsequent reductions offset this rise only in part. Loans for purchasing and carrying securities other than those of the U. S. Government continued to rise.

Deposits and currency. Demand deposit and currency holdings of businesses and individuals rose about \$700 million more than the usual seasonal amount in April, as shown in Table 3. This followed seasonally adjusted growth of \$900 million during the first quarter of 1959. At the end of April, the money supply was close to 4-1/2 per cent above the year-ago level; last year in April, there had also been substantial growth. So far this year, the money supply has increased \$1.6 billion, an annual rate of 3-1/2 per cent. In the comparable period last year, it rose \$1.8 billion, an annual rate of 4 per cent.

U. S. Government deposits increased \$700 million in April compared with an average April decline of \$1 billion over the past decade. Time deposits at commercial banks increased moderately further in April. So far this year, time deposits at commercial banks (after adjustment for structure changes) have increased \$800 million compared with \$3.8 billion last year and \$2.3 billion in 1957. Growth in 1959 was about comparable with most other recent years, however. At mutual savings banks (after adjustment for structure changes) growth has been less than last year but about comparable with most other recent years.

Deposit turnover. The seasonally adjusted annual rate of demand deposit turnover rose further at all reporting centers in April. The rate was 25 times at banks outside New York City and other financial centers, 57.3 times in New York City, and 32.8 times in six other financial centers. During the first quarter of 1959, the seasonally adjusted rate had increased to an average of 23.9 times at banks outside New York and other financial centers; this was four per cent above the first quarter of 1958 and slightly above the recent peak in the third quarter of 1957. (Seasonally adjusted data for deposit turnover have been revised recently by the Federal Reserve Bank of New

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Estimated Changes in Deposits and Currency
(In billions of dollars)

Item	1959	1958	1959	1958	Year ending	
	March 26 April 29	March 27 April 30	Jan. 1 April 29	Jan. 1 April 30	April 29 1959	April 30 1958
<u>Seasonally adjusted data 1/ 4/</u>						
Demand deposits adjusted	+ 0.6	+ 0.8	+ 1.5	+ 2.1	+ 5.6	- 0.1
Currency outside banks	+ 0.1	+ 0.2	+ 0.1	- 0.3	+ 0.4	+ 0.1
Total	+ 0.7	+ 1.0	+ 1.6	+ 1.8	+ 6.0	2/
<u>Seasonally unadjusted data 1/ 4/</u>						
Demand deposits adjusted	+ 2.5	+ 2.6	- 2.7	- 3.1	+ 5.6	- 0.1
Currency outside banks	2/	+ 0.2	- 0.8	- 0.7	+ 0.3	+ 0.2
Total	+ 2.5	+ 2.8	- 3.5	- 3.8	+ 5.9	+ 0.1
Time deposits	+ 0.4	+ 1.1	+ 1.6	+ 4.5	+ 6.3	+ 8.7
Commercial banks	+ 0.4	+ 1.1	+ 1.3	+ 3.8	+ 4.6	+ 7.0
Mutual savings banks	2/	+ 0.1	+ 0.3	+ 0.8	+ 1.8	+ 2.1
U. S. Government deposits	+ 0.7	- 0.4	+ 0.2	+ 1.3	- 0.9	+ 1.3
Total	+ 3.6	+ 3.5	- 1.9	+ 2.1	+ 11.2	+ 10.1
<u>Factors affecting deposits and currency</u> (signs indicate effect on deposits and currency)						
Bank loans and investments other than U. S. Govt. sec. 3/	+ 2.3	+ 1.0	+ 2.1	+ 1.1	+ 10.8	+ 7.7
Commercial	+ 2.0	+ 0.8	+ 2.0	+ 0.1	+ 8.9	+ 4.8
Mutual savings	+ 0.2	+ 0.2	+ 0.5	+ 1.0	+ 2.3	+ 2.5
Bank holdings of U. S. Government securities:	+ 0.4	+ 3.4	- 3.5	+ 3.9	+ 2.4	+ 5.1
Federal Reserve	+ 0.1	+ 0.2	- 0.7	- 0.6	+ 1.9	+ 0.5
Commercial	+ 0.4	+ 3.2	- 2.8	+ 4.6	+ 0.8	+ 5.3
Mutual saving and other	- 0.1	- 0.1	2/	- 0.1	- 0.3	- 0.8
Gold stock and foreign deposits at F. R. Banks	2/	- 0.5	- 0.2	- 0.8	- 1.7	- 0.2
Other factors	+ 0.9	- 0.4	- 0.3	- 2.1	- 0.3	- 2.5

1/ Seasonally adjusted data are for last Wednesday throughout; unadjusted data are for last Wednesday except in case of June and December call dates, when available.

2/ Less than \$50 million.

3/ Total includes foreign loans on gold, holdings of bankers' acceptances at the Federal Reserve, and loans to foreign banks; changes in these items are generally relatively small. In addition even if there were no changes in these items, changes at commercial and mutual savings banks would not add to total change which is "net" because commercial banks exclude all interbank loans, domestic and foreign.

4/ In April 1959 as a result of the addition of a bank in Hawaii, demand deposits adjusted increased about \$100 million and time deposits increased about \$100 million. In January 1959 as a result of the addition of all banks in Alaska, time deposits at commercial banks increased almost \$100 million and demand deposits adjusted increased about \$100 million. As the result of the absorption of a mutual savings bank, time deposits at commercial banks increased \$300 million, and those at mutual savings banks declined \$300 million.

Not for publication

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Table 3 (con't.)

Estimated Changes in Deposits and Currency
(In billions of dollars)

Item	First Four Months					
	1957	1956	1955	1954	1953	1952
<u>Seasonally adjusted data</u> ^{1/}						
Demand deposits adjusted	+ 0.6	+ 0.3	+ 2.3	^{2/}	+ 1.1	+ 1.5
Currency outside banks	^{2/}	<u>- 0.1</u>	<u>+ 0.2</u>	<u>- 0.2</u>	<u>+ 0.3</u>	<u>+ 0.5</u>
Total	+ 0.6	+ 0.2	+ 2.5	- 0.2	+ 1.4	+ 2.0
<u>Seasonally unadjusted data</u> ^{1/}						
Demand deposits adjusted	- 4.1	- 3.8	- 2.1	- 3.9	- 3.5	- 3.1
Currency outside banks	<u>- 0.9</u>	<u>- 1.3</u>	<u>- 1.2</u>	<u>- 1.4</u>	<u>- 0.5</u>	<u>- 0.4</u>
Total	<u>- 5.0</u>	<u>- 5.1</u>	<u>- 3.2</u>	<u>- 5.2</u>	<u>- 4.0</u>	<u>- 3.5</u>
Time deposits	+ 2.7	+ 0.9	+ 0.9	+ 1.6	+ 1.4	+ 1.3
Commercial banks	+ 2.3	+ 0.4	+ 0.4	+ 1.0	+ 0.8	+ 0.7
Mutual savings banks	+ 0.4	+ 0.6	+ 0.6	+ 0.6	+ 0.7	+ 0.5
U. S. Government deposits	<u>+ 0.2</u>	<u>+ 0.6</u>	<u>+ 0.5</u>	<u>+ 0.2</u>	<u>- 2.4</u>	<u>+ 1.0</u>
Total	<u>- 2.1</u>	<u>- 3.6</u>	<u>- 1.8</u>	<u>- 3.4</u>	<u>- 5.0</u>	<u>- 1.2</u>

Item	First Four Months					
	1951	1950	1949	1948	1947	1946
<u>Seasonally adjusted data</u> ^{1/}						
Demand deposits adjusted	+ 0.5	+ 1.5	+ 0.3	- 1.1	+ 1.0	n.a.
Currency outside banks	<u>+ 0.4</u>	<u>+ 0.2</u>	<u>- 0.1</u>	<u>- 0.1</u>	<u>n.a.</u>	<u>n.a.</u>
Total	+ 0.9	+ 1.7	+ 0.2	- 1.2	n.a.	n.a.
<u>Seasonally unadjusted data</u> ^{1/}						
Demand deposits adjusted	- 2.8	- 1.5	- 3.1	- 4.4	- 2.0	+ 1.6
Currency outside banks	<u>- 0.8</u>	<u>- 0.8</u>	<u>- 1.2</u>	<u>- 1.1</u>	<u>- 0.6</u>	<u>- 0.3</u>
Total	<u>- 3.6</u>	<u>- 2.3</u>	<u>- 4.3</u>	<u>- 5.5</u>	<u>- 2.6</u>	<u>+ 1.4</u>
Time deposits	^{2/}	+ 0.9	+ 0.6	+ 0.5	+ 1.0	+ 2.2
Commercial banks	^{2/}	+ 0.5	+ 0.3	+ 0.3	+ 0.6	+ 1.5
Mutual savings banks	+ 0.2	+ 0.4	+ 0.3	+ 0.3	+ 0.3	+ 0.6
U. S. Government deposits	<u>+ 2.8</u>	^{2/}	<u>- 0.4</u>	<u>+ 1.4</u>	<u>- 0.2</u>	<u>- 4.9</u>
Total	<u>- 0.8</u>	<u>- 1.4</u>	<u>- 4.0</u>	<u>- 3.6</u>	<u>- 1.8</u>	<u>- 1.3</u>

^{1/} Seasonally adjusted data are for last Wednesday throughout; unadjusted data are for last Wednesday except in case of June and December call dates, when available.

^{2/} Less than \$50 million.

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York). Turnover in six financial centers in early 1959 also slightly exceeded the 1957 peak but in New York City it was still somewhat below the mid-1958 peak.

Bank reserves. Net borrowed reserves of member banks averaged \$240 million in April, \$100 million higher than in March as shown in Table 4. The average level of borrowings rose to \$675 million, \$75 million higher than a month earlier and excess reserves dropped to \$440 million, somewhat below the March level. Reserve positions were considerably tighter at central reserve city banks in New York City and somewhat tighter at reserve city banks in April than they had been in March. They were about unchanged at country banks and somewhat easier at central reserve city banks in Chicago, but the latter reflected the usual reductions in borrowings following the April personal property tax date in Cook County, Illinois.

Over the month of April, as shown in Table 5, reserves were absorbed mainly by an increase in required reserves and an outflow of currency into circulation. Required reserves increased \$400 million in the week of April 8, reflecting bank purchases of new Treasury issues on April 1; in the following three weeks they declined \$165 million. Gold stock declined \$45 million over the month, on the average, but foreign deposits at the Reserve Banks also dropped somewhat. On a weekly average basis, gold stock declined over \$100 million during April and there were further reductions in early May. The outflow of gold had slackened in late 1958 and in the first quarter of 1959 had totaled \$85 million.

During April reserves were supplied principally by System purchases of U. S. Government securities; securities purchased under repurchase contracts increased substantially early in the month when funds were being absorbed through the increase in required reserves but these acquisitions were permitted to run off by the monthend.

Interest rates. The effective rate on Federal funds remained at 3 per cent on all but two days in April. The rate on 4-6 months prime commercial paper rose to 3-1/2 per cent from 3-3/8 per cent; that on bankers' acceptances to 3-1/8 per cent from 2-7/8 per cent; and that on 3-6 months finance paper, to 3-3/8 - 3-1/2 per cent from 3-1/4 - 3-3/8 per cent.

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Table 4

Free Reserves

(excess reserves minus member bank borrowings;
based on average of daily figures; in millions of dollars)

	All member	New York	Chicago	Reserve City	Country
<u>Quarterly averages</u>					
1958: First	314	- 10	- 16	- 27	366
Second	508	18	4	63	422
Third	341	- 28	1	- 55	424
Fourth	25	- 44	- 17	- 194	280
1959: First	- 82	- 25	- 67	- 215	225
1958: January	122	- 46	- 25	- 144	337
February	324	- 25	- 6	1	353
March	495	42	- 18	62	408
April	493	- 3	- 7	44	459
May	547	51	7	89	399
June	484	7	12	57	408
July	546	16	4	56	471
August	383	- 22	---	- 22	426
September	95	- 79	- 3	- 201	378
October	96	- 8	- 3	- 198	305
November	20	- 43	- 16	- 189	268
December	- 41	- 80	- 32	- 197	268
1959: January	- 59	- 65	- 53	- 223	281
February	- 47	- 28	- 26	- 195	202
March	- 140	16	- 122	- 228	194
April	- 237	- 89	- 64	- 286	201
March 25	- 143	16	- 205	- 206	252
April 1	- 145	71	- 143	- 192	119
8	- 262	- 61	- 159	- 254	212
15	- 258	- 110	- 62	- 275	189
22	- 195	- 180	- 43	- 292	320
29	- 241	- 19	- 22	- 292	192
May 6	- 275	- 54	- 31	- 343	152

Note: Data for last half of April and May are preliminary.

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Table 5

Changes in Member Bank Reserves, with Relevant Factors
(Monthly average of daily figures; in millions of dollars)

Item	April		January-April		Year ending April	
	1959	1958	1959	1958	1959	1958
<u>Member bank reserve balances</u>						
<u>Total</u>	+235	-336	- 235	-1,026	+ 270	- 693
Required reserves ^{1/}	+257	-328	- 157	-1,072	+ 454	- 809
Effect of reduction in requirements	--	-504	--	-1,126	- 314	-1,126
Effect of deposit change	+257	+176	- 157	+ 54	+ 768	+ 317
Excess reserves ^{1/}	- 22	- 8	- 78	+ 46	- 184	+ 116
<u>Principal factors</u> (signs indicate effect on reserves)						
Currency in circulation	- 78	- 64	+1,066	+1,279	- 651	- 39
Gold stock and foreign accounts	- 16	-384	- 181	- 525	-1,779	- 66
Treasury operations	- 9	- 1	- 28	- 23	+ 72	+ 110
Federal Reserve float	- 17	- 29	- 559	- 579	+ 73	- 246
Other factors	+ 70	- 10	- 4	- 253	- 13	+ 32
<u>Effect of above factors on reserves</u>	- 50	-488	+ 294	- 101	-2,298	- 209
<u>Federal Reserve loans and investments:</u>						
<u>Total</u>	+286	+152	- 530	- 924	+2,568	- 482
U. S. Govt. securities	+215	+163	- 651	- 333	+2,012	+ 410
Outright	+138	+184	- 678	+ 23	+1,900	+ 517
Repurchase agreements	+ 77	- 11	+ 27	- 357	+ 113	- 108
Special certificates	--	- 11	--	--	--	--
Acceptances	- 3	- 2	- 9	- 5	- 8	+ 14
Discounts and advances:						
To member banks	+ 75	- 8	+ 119	- 580	+ 546	- 881
To others	- 1	- 1	+ 11	- 6	+ 18	- 25

^{1/} Data for April 1959 are preliminary.

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Deposits and Currency
(In billions of dollars)

Year or month	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Seasonally adjusted money supply 1/			Seasonally adjusted money supply and time dep. at com'l. banks (1+7)	Demand deposits adjusted	Time deposits				U. S. Gov't. deposits 2/	Cur- rency outside banks	Total deposits and currency (5+6+10 +11)
Total (2+3)	Demand deposits adjusted	Cur- rency outside banks	Total (7+8+9)			Commer- cial	Mutual savings	Postal savings				
End of Dec.												
1947	111.1	85.2	25.9	146.3	87.1	56.4	35.2	17.7	3.4	2.3	26.5	172.3
1948	108.8	83.5	25.3	144.6	85.5	57.5	35.8	18.4	3.3	3.6	26.1	172.7
1949	109.0	84.3	24.7	145.1	85.8	58.6	36.1	19.3	3.2	4.1	25.4	173.9
1950	114.3	89.8	24.5	150.6	92.3	59.2	36.3	20.0	2.9	3.7	25.4	180.6
1951	120.1	94.5	25.6	158.0	98.2	61.5	37.9	20.9	2.7	3.9	26.3	189.9
1952	124.7	97.8	26.9	165.4	101.5	65.8	40.7	22.6	2.5	5.6	27.5	200.4
1953	126.8	99.5	27.3	170.5	102.5	70.4	43.7	24.4	2.4	4.8	28.1	205.7
1954	129.7	102.8	26.9	176.5	106.6	75.3	46.8	26.3	2.1	5.1	27.9	214.8
1955	133.2	105.8	27.4	181.6	109.9	78.4	48.4	28.1	1.9	4.4	28.3	221.0
1956	134.4	106.7	27.7	185.0	111.4	82.2	50.6	30.0	1.6	4.5	28.3	226.4
1957	133.2	105.1	28.1	189.3	110.3	89.1	56.1	31.7	1.3	4.7	28.3	232.3
1958:												
Mar. 26	134.0	106.4	27.6	192.8	104.6	92.5	58.8	32.4	1.3	6.4	27.4	230.9
Apr. 30	135.0	107.2	27.8	194.9	107.2	93.6	59.9	32.5	1.2	6.0	27.6	234.4
May 28	135.5	107.6	27.9	196.2	105.8	94.6	60.7	32.7	1.2	6.1	27.8	234.3
June 23	135.4	107.4	28.0	196.9	106.2	95.5	61.5	32.8	1.2	10.0	27.8	239.5
July 30	137.6	109.5	28.1	199.9	108.1	96.4	62.3	32.9	1.2	4.8	27.9	237.2
Aug. 27	137.3	109.2	28.1	200.0	107.5	97.0	62.7	33.1	1.2	6.2	28.0	238.7
Sept. 24	136.7	108.9	27.8	199.4	108.1	97.2	62.7	33.3	1.2	5.0	27.9	238.1
Oct. 29	138.1	110.2	27.9	201.0	111.0	97.4	62.9	33.4	1.2	4.2	28.0	240.6
Nov. 26	138.8	110.6	28.2	200.9	111.9	96.7	62.1	33.5	1.1	6.3	28.8	243.7
Dec. 31	139.4	111.3	28.1	202.6	115.5	98.3	63.2	34.0	1.1	4.9	28.7	247.5
1959:												
Jan. 28p 3/	138.5	110.7	27.8	201.9	113.8	98.4	63.4	33.8	1.1	5.3	27.6	245.1
Feb. 25p	139.1	111.2	27.9	202.8	111.3	98.7	63.7	34.0	1.1	5.0	27.7	242.7
Mar. 25p	140.3	112.2	28.1	204.4	110.3	99.5	64.1	34.3	1.1	4.4	27.9	242.0
Apr. 29p 4/	141.0	112.8	28.2	205.5	112.8	99.9	64.5	34.3	1.1	5.1	27.9	245.6

p Preliminary

1/ Seasonally adjusted series begins in 1947 and is available only for last Wednesday of the month. 2/ At commercial, savings, and Federal Reserve Banks. 3/ As a result of the addition of all banks in Alaska, time deposits at commercial banks increased almost \$100 million and demand deposits adjusted increased about \$100 million. As a result of the absorption of a mutual savings bank, time deposits at commercial banks increased \$300 million and those at mutual savings banks declined \$300 million. 4/ As a result of inclusion of a national bank in Hawaii, demand deposits adjusted increased about \$100 million and time deposits at commercial banks about \$100 million.

Loans and Investments at All Commercial Banks
(In billions of dollars)

Date	Loans and investments	U. S. Govt. securities	Other securities	Total loans	Business	Real estate	Security	Farm	Consumer	All other
1947: Dec: 31	116.2	69.2	9.0	37.9	18.2	9.4	2.1	1.7	3.8	2.8
1948: Dec: 31	114.2	62.6	9.2	42.4	18.9	10.8	2.3	2.9	4.8	3.1
1949: Dec: 31	120.1	67.0	10.2	42.9	17.1	11.5	2.6	3.1	5.8	3.4
1950: Dec: 31	126.6	62.0	12.4	52.2	21.9	13.5	2.9	2.9	7.4	4.2
1951: Dec: 31	132.5	61.5	13.3	57.6	25.9	14.6	2.6	3.4	7.5	4.5
1952: Dec: 31	141.5	63.3	14.1	64.0	27.9	15.7	3.2	3.9	9.4	4.9
1953: Dec: 31	145.5	63.4	14.7	67.4	27.2	16.7	3.6	5.0	10.9	5.1
1954: Dec: 31	155.7	69.0	16.3	70.4	26.9	18.4	4.5	5.2	10.9	5.6
1955: Dec: 31	160.3	61.6	16.7	82.0	33.2	20.8	5.0	4.5	13.2	6.5
1956: Dec: 31	164.5	58.6	16.3	89.7	38.7	22.5	4.3	4.2	14.6	7.0
1957: Dec: 31	169.3	58.2	17.9	93.2	40.5	23.1	4.2	4.1	15.7	7.3
1958: Jan: 29	166.2	57.7	17.9	90.5	38.8	23.1	3.6	4.2	15.5	7.2
Feb: 26	167.1	58.3	18.2	90.6	38.6	23.2	3.9	4.4	15.3	7.1
Mar: 26	169.9	59.6	18.9	91.5	39.2	23.2	4.2	4.4	15.2	7.1
Apr: 30	174.0	62.8	19.3	91.9	38.4	23.3	5.1	4.4	15.3	7.2
May 28	173.8	63.1	19.4	91.3	38.1	23.5	4.4	4.4	15.4	7.2
June 23	178.2	64.2	20.1	93.9	38.9	23.7	5.6	4.6	15.5	7.5
July 30	176.2	64.1	19.9	92.2	37.9	23.9	4.5	4.6	15.6	7.4
Aug: 27	178.3	66.1	20.2	92.1	38.3	24.1	3.6	4.6	15.6	7.6
Sept: 24	177.9	64.7	20.6	92.6	38.7	24.3	3.7	4.7	15.6	7.5
Oct: 29	180.1	66.2	20.5	93.4	38.9	24.7	3.6	4.8	15.6	7.7
Nov: 26	182.7	67.7	20.3	94.7	39.3	25.0	3.9	4.9	15.6	8.0
Dec: 31	184.4	66.4	20.6	97.5	40.4	25.3	4.7	5.0	15.8	8.3
1959: 1/ Jan: 28p	183.8	67.5	20.4	95.9	39.2	25.6	4.2	5.0	15.9	8.1
Feb: 25p	181.9	65.5	20.4	96.0	39.2	25.7	4.0	5.0	16.0	8.2
Mar: 25p	181.1	63.2	20.6	97.4	40.2	25.9	3.9	4.8	16.1	8.4
2/ Apr: 29p	183.7	63.6	20.9	99.2	40.4	26.3	4.4	4.9	16.4	8.7

1/ Total credit increased over \$400 million in January as a result of bank structure changes.

2/ Total credit increased about \$200 million as a result of the inclusion of a national bank in Hawaii.

Note: Data exclude interbank loans. Total loans are after and types of loans before deductions for valuation reserves. Consumer and "other loans" are partly estimated for all dates. Other data are partly estimated on all but June and December call dates. Data for April 29, 1959 are preliminary estimates based on data reported by a sample of member banks. Loans by type have been revised in accordance with preliminary member bank loan data for March 12, 1959.

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