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BANKING AND MONETARY DEVELOPMENTS IN JULY 1959

RESEARCH LIBRARY

Summary. Total credit at commercial banks increased in July. Loans showed further rapid expansion and holdings of U. S. Government securities rose slightly. The seasonally adjusted active money supply increased sharply. U. S. Government deposits also rose while time deposits at commercial banks showed little further change. Net borrowed reserves of member banks continued to average somewhat over \$500 million.

Bank credit. Loans and investments at all commercial banks increased \$1.5 billion in July, somewhat more than usual for this month. Loans rose \$1.3 billion, about twice as much as in the comparable period of 1955 and slightly more than in 1950 when there had been a sharp loan growth following the outbreak of hostilities in Korea. In most other years, loans have declined in July. Holdings of U. S. Government securities increased \$200 million in July 1959 in contrast with declines in other recent months. Banks subscribed to almost the entire \$3 billion issue of 258-day tax anticipation bills, dated July 8, and to the \$2 billion 1-year Treasury bills dated July 15. Subsequently, however, they sold Governments in substantial volume. Holdings of other securities were unchanged over the month.

At weekly reporting banks in leading cities credit increased about \$900 million in July, considerably more than usual.^{1/} At country member banks, credit growth was slightly larger than in other recent years. Loans continued to show record expansion at both city and country banks while holdings of U. S. Government securities increased slightly but less than usual.

^{1/} Effective July 1, the weekly reporting series covering banks in leading cities was revised and subsequent data are not entirely comparable with the former series. The principal changes were: (1) to increase the number of reporting banks and cities; (2) to create a new category of loans to nonbank financial institutions by reclassifying loans to sales finance and mortgage companies out of business loans, loans to mutual savings banks out of loans to banks, and loans to other financial institutions such as savings and loan associations out of "other loans"; (3) to provide a breakdown for all city banks between loans for purchasing and carrying U. S. Government securities and loans for purchasing and carrying other securities; and (4) to provide additional detail on maturities of U. S. Government notes and bonds, and on loans to banks. Total loans and investments now include loans to foreign banks, which amount to about \$600 million and exclude only loans to domestic commercial banks. The effect of the changes in coverage and concept was to increase the level of city bank credit outstanding by \$8.8 billion on July 1, from a total of \$94.7 billion for the old series to \$103.5 billion for the new series. The five week changes in city bank credit cited in the text are based on changes in the old series for the week ending July 1 combined with changes in the new series thereafter.

Not for publication

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

Item	End of June to last Wednesday in July ^{2/}					
	1959 ^{3/}	1958	1957	1956	1955	1954
<u>Total loans (excluding interbank)</u>	+ 1.3	- 1.4	- 1.0	- 0.4	+ 0.6	- 0.6
Business	+ 0.3	- 0.9	- 0.9	- 0.3	+ 0.2	- 0.3
Real estate	+ 0.3	+ 0.2	+ 0.1	+ 0.1	+ 0.2	+ 0.2
Security	+ 0.1	- 0.9	- 0.2	- 0.1	<u>1/</u>	- 0.4
Agricultural	+ 0.1	<u>1/</u>	- 0.1	- 0.1	- 0.2	<u>1/</u>
Consumer	+ 0.2	+ 0.1	+ 0.1	+ 0.1	+ 0.2	<u>1/</u>
All other	+ 0.3	<u>1/</u>	<u>1/</u>	- 0.1	+ 0.1	+ 0.1
U. S. Government securities	+ 0.2	- 0.5	+ 0.8	- 0.4	+ 0.4	+ 0.8
Other securities	<u>1/</u>	- 0.1	<u>1/</u>	- 0.2	- 0.1	+ 0.2
Total loans and investments (less interbank)	+ 1.5	- 2.0	- 0.2	- 1.0	+ 1.0	+ 0.4

Item	End of June to last Wednesday in July ^{2/}					
	1953	1952	1951	1950	1949	1948
<u>Total loans (excluding interbank)</u>	+ 0.3	+ 0.2	- 0.6	+ 1.0	- 0.7	+ 0.1
Business	+ 0.1	- 0.2	- 0.3	+ 0.4	n.a.	n.a.
Real estate	+ 0.1	+ 0.1	+ 0.1	+ 0.2	n.a.	n.a.
Security	+ 0.2	<u>1/</u>	- 0.1	+ 0.3	n.a.	n.a.
Agricultural	+ 0.1	+ 0.1	+ 0.1	- 0.1	n.a.	n.a.
Consumer	+ 0.1	+ 0.1	<u>1/</u>	+ 0.2	+ 0.1	+ 0.1
All other	<u>1/</u>	+ 0.1	- 0.2	+ 0.1	n.a.	n.a.
U. S. Government securities	+ 4.6	+ 1.7	+ 0.2	- 0.8	+ 1.2	+ 0.5
Other securities	<u>1/</u>	+ 0.1	+ 0.1	+ 0.2	+ 0.3	+ 0.1
Total loans and investments (less interbank)	+ 5.0	+ 2.1	- 0.3	+ 0.3	+ 0.7	+ 0.7

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

n.a. Not available

^{2/} Dates are for June 30 for all years except 1959, 1958, and 1957 which are for last Wednesday.^{3/} Data for all commercial banks will not be revised to conform with changes in weekly reporting data until all bank call data are available on new basis.Not for publication

Table 1 (continued)

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

Item	End of December to last Wednesday in July					
	1959 <u>2/3/</u>	1958	1957	1956	1955	1954
<u>Total loans (excluding interbank)</u>	+ 6.4	- 1.0	+ 1.4	+ 3.8	+ 5.0	- 0.8
Business	+ 2.4	- 2.6	+ 0.9	+ 2.6	+ 2.2	- 1.4
Real estate	+ 1.9	+ 0.8	+ 0.2	+ 1.1	+ 1.6	+ 0.7
Security	- 0.6	+ 0.3	- 0.6	- 0.7	<u>1/</u>	- 0.3
Agricultural	+ 0.1	+ 0.5	- 0.3	- 0.3	- 1.0	+ 0.1
Consumer	+ 1.6	- 0.1	+ 1.0	+ 1.2	+ 1.4	- 0.1
All other	+ 1.1	+ 0.1	+ 0.1	+ 0.1	+ 0.7	+ 0.2
U. S. Government securities	- 5.6	+ 5.9	- 2.3	- 5.4	- 5.3	+ 0.9
Other securities	<u>1/</u>	+ 2.0	+ 0.5	- 0.4	+ 0.4	+ 1.0
Total loans and investments (less interbank)	+ 0.9	+ 6.9	- 0.4	- 2.0	+ 0.1	+ 1.1

Item	End of December to last Wednesday in July					
	1953	1952	1951	1950	1949	1948
<u>Total loans (excluding interbank)</u>	+ 1.2	+ 1.7	+ 1.9	+ 2.8	- 2.2	+ 1.9
Business	- 0.4	- 0.8	+ 1.5	+ 0.2	n.a.	n.a.
Real estate	+ 0.6	+ 0.5	+ 0.7	+ 1.1	n.a.	n.a.
Security	- 0.2	+ 0.5	- 0.4	+ 0.5	n.a.	n.a.
Agricultural	- 0.1	+ 0.4	+ 0.3	- 0.3	n.a.	n.a.
Consumer	+ 1.3	+ 0.9	<u>1/</u>	+ 1.0	+ 0.4	+ 0.7
All other	+ 0.2	+ 0.2	<u>1/</u>	+ 0.3	n.a.	n.a.
U. S. Government securities	- 0.1	+ 1.4	- 3.3	- 2.0	+ 1.8	- 3.9
Other securities	+ 0.2	+ 0.8	+ 0.4	+ 1.2	+ 0.6	+ 0.3
Total loans and investments (less interbank)	+ 1.3	+ 3.9	- 1.0	+ 1.9	+ 0.2	- 1.8

1/ Less than \$50 million

n.a. Not available

2/ As a result of bank structure changes, total credit increased about \$700 million; loans about \$400 million; U. S. Government securities about \$200 million; and other securities about \$100 million.3/ Data for all commercial banks will not be revised to conform with changes in weekly reporting data until all bank call data are available on new basis.Not for publication

Table 1 (continued)

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

Item	Last Wednesday in June to last Wednesday in July <u>1/</u>					
	1959	1958	1957	1956	1955	1954
<u>Weekly reporting banks <u>2/</u></u>						
Total loans	+ 835	-1,645	- 886	- 421	+ 390	- 696
U. S. Government securities	+ 104	- 613	+ 324	- 532	+ 85	+ 496
Other securities	- 61	- 63	- 45	- 154	- 33	+ 50
Total loans and investments	+ 878	-2,321	- 607	-1,107	+ 442	- 150
<u>Country member banks</u>						
Total loans	+ 230	+ 23	- 43	+ 76	+ 175	+ 77
U. S. Government securities	+ 104	+ 60	+ 229	+ 54	+ 294	+ 232
Other securities	+ 33	- 64	- 34	- 50	- 2	+ 25
Total loans and investments	+ 367	+ 19	+ 152	+ 79	+ 466	+ 334
Item	Last Wednesday in June to last Wednesday in July <u>1/</u>					
	1953	1952	1951	1950	1949	1948
<u>Weekly reporting banks <u>2/</u></u>						
Total loans	+ 202	+ 3	- 368	+ 787	- 851	+ 119
U. S. Government securities	+3,494	+ 792	- 227	- 911	+1,412	+ 204
Other securities	+ 109	+ 175	+ 74	+ 192	+ 288	+ 114
Total loans and investments	+3,805	+ 970	- 521	+ 68	+ 849	+ 437
<u>Country member banks</u>						
Total loans	+ 135	+ 192	- 41	+ 211	+ 54	+ 93
U. S. Government securities	+ 971	+ 621	+ 222	- 53	+ 176	+ 180
Other securities	- 28	- 14	+ 16	+ 16	+ 14	+ 2
Total loans and investments	+1,077	+ 799	+ 197	+ 173	+ 243	+ 275

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

2/ Beginning July 1, 1959, changes are on revised basis.

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.

Not for publication

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 July <u>1/</u>					
	1959 <u>2/</u>	1958	1957	1956	1955	1954
Weekly reporting banks <u>3/</u>						
Total loans	+3,216	-2,502	- 209	+2,333	+3,084	-2,120
U. S. Government securities	-4,306	+5,579	-1,413	-4,072	-4,741	+1,421
Other securities	- 68	+1,448	+ 62	- 482	+ 65	+ 789
Total loans and investments	-1,158	+4,525	-1,560	-2,221	-1,592	+ 90
Country member banks						
Total loans	+2,290	+ 761	+1,165	+1,413	+1,532	+ 680
U. S. Government securities	-1,125	+ 306	- 810	-1,440	-1,014	- 412
Other securities	+ 77	+ 423	+ 354	+ 83	+ 289	+ 136
Total loans and investments	+1,242	+1,490	+ 709	+ 56	+ 806	+ 404
Item	End of December to last Wednesday in July <u>1/</u>					
	1953	1952	1951	1950	1949	1948
Weekly reporting banks <u>3/</u>						
Total loans	- 18	+ 369	+ 910	+1,477	-2,528	+ 531
U. S. Government securities	- 262	+1,044	-2,725	-1,742	+2,603	-2,357
Other securities	+ 105	+ 703	+ 140	+ 872	+ 632	+ 94
Total loans and investments	- 175	+2,116	-1,675	+ 607	+ 707	-1,732
Country member banks						
Total loans	+ 950	+1,029	+ 829	+1,029	+ 77	+1,128
U. S. Government securities	- 184	+ 240	- 908	- 85	- 213	- 785
Other securities	+ 76	+ 123	+ 166	+ 255	- 10	+ 231
Total loans and investments	+ 842	+1,392	+ 87	+1,199	- 145	+ 574

1/ Country bank data are for 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 securities +50; demand deposits adjusted +200; time deposits +150).

3/ Beginning July 1, 1959, changes are on revised basis.

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.

Over the January-July 1959 period, total credit at commercial banks was about unchanged (after adjustment for bank structure changes). This appeared to be about in line with the average movement in other recent years. Credit at city banks declined somewhat more than usual while credit expansion at country banks was greater than in most recent years. For all commercial banks combined, both the increase in loans and the reduction in holdings of U. S. Government securities were greater than in any other year.

Business loans at all commercial banks (which will not be revised to exclude loans to sales finance companies and other financial businesses until call report data become available) increased \$300 million in July, as shown in Table 1, slightly more than in 1955 and slightly less than in 1950. In most other years, business loans had declined. It appears that most of this increase was accounted for by loans to financial institutions in the business category (sales finance and mortgage companies). Loans to financial institutions at city banks increased \$145 million in the 4 weeks after July 1 and loans to sales finance companies rose \$135 million in the previous week.

Business loans at city banks (which now exclude sales finance and mortgage companies as well as other financial businesses) showed little net change in July, as large increases in some areas were offset by declines elsewhere. Loans to metals processors increased further. In all other recent years, these loans declined in this period. Loans to textile manufacturers showed record expansion. Loans to public utilities, which began increasing in the late spring following substantial net repayments earlier in the year, rose further whereas generally they decline in this period. Loans to food processors continued to decline and those to commodity dealers began to increase as is usual. Loans to trade concerns also increased whereas they had declined in July of every other recent year except 1955.

Real estate loans at all commercial banks are estimated to have increased \$300 million further in July. So far this year, growth of \$1.7 billion (after adjustment for bank structure changes) has been about the same as the record 1955 rise. Consumer loans also rose further in July bringing the increase since December to \$1.6 billion, slightly more than in any other year. Security loans rose somewhat in July as increases in loans for purchasing and carrying U. S. Government securities offset reductions in other security loans. Loans on Government securities rose sharply at the time of the Treasury financing in early July but subsequently repayments were large.

Not for publication

Table 2

Changes in Commercial and Industrial Loans 1/

(In millions of dollars)

Business of Borrower	Last Wednesday of June to last Wednesday of July							
	1959 <u>2/</u>	1958	1957	1956	1955	1954	1953	1952
Food processors	- 120	- 116	- 83	- 100	- 65	+ 5	- 119	- 24
Commodity dealers	+ 34	+ 20	+ 42	+ 142	+ 66	+ 66	+ 25	+ 59
Trade concerns	- 18	- 11	- 42	- 4	+ 30	- 27	- 16	- 32
Total	- 104	- 107	- 83	+ 38	+ 31	+ 44	- 110	+ 3
Sales finance	<u>3/</u> + 134	- 115	- 280	- 204	- 37	- 14	+ 36	- 32
All other - total	+ 91	- 563	- 303	+ 27	+ 132	- 275	- 39	-160
Metals and products	+ 42	- 358	- 229	- 121	- 46	- 133	- 50	-109
Textiles, apparel and leather	+ 55	- 22	+ 21	+ 29	+ 28	+ 36	+ 34	+ 20
Petroleum, coal, etc.	- 14	- 85	- 27	+ 64	+ 18	- 64	- 21	+ 29
Other manufacturing and mining	+ 61	- 11	+ 9	+ 75	+ 29	- 13	+ 11	+ 6
Public utilities	+ 62	- 126	- 83	- 28	+ 2	- 88	- 17	-165
Construction	- 1	+ 10	+ 9	- 16	+ 36	+ 16	- 5	+ 6
All other types of business	- 114	+ 29	- 3	+ 24	+ 65	- 29	+ 9	+ 53
Classified	+ 123	- 785	- 665	- 139	+ 125	- 245	- 113	-189
Unclassified	+ 5	- 67	- 122	- 90	<u>4/</u> - 100	<u>5/</u> - 115	- 41	- 10
Total change	+ 128	- 852	- 787	- 229	<u>4/</u> + 25	<u>5/</u> - 360	- 154	-199
Total change excluding sales finance	- 6	- 737	- 507	- 25	<u>4/</u> + 62	<u>5/</u> - 346	- 190	-167

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

2/ Includes changes on unrevised basis for week of July 1 and revised basis thereafter.

3/ Excludes sales finance after July 1.

4/ Includes CCC certificates of interest which are estimated to have declined \$100 million.

5/ Includes CCC certificates of interest which are estimated to have declined \$40 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 nearly 75 per cent of those of all commercial banks.

Not for publication

Table 2 (continued)

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

Business of Borrower	End of December to end of July							
	1959 <u>2/</u>	1958	1957	1956	1955	1954	1953	1952
Food processors	- 579	- 774	- 538	- 402	- 605	- 500	- 740	- 891
Commodity dealers	- 317	- 263	- 497	- 244	- 395	- 297	- 608	- 575
Trade concerns	+ 289	- 179	- 43	+ 167	+ 176	- 67	+ 192	- 138
● Total	- 607	-1,216	-1,078	- 479	- 824	- 864	-1,156	-1,604
Sales finance	<u>3/</u> + 455	- 968	+ 86	- 525	+ 552	- 189	- 53	- 249
<u>All other - total</u>	<u>+1,283</u>	<u>- 368</u>	<u>+1,729</u>	<u>+2,989</u>	<u>+1,655</u>	<u>- 506</u>	<u>+ 736</u>	<u>+1,119</u>
Metals and products	+ 886	- 212	+ 706	+1,241	+ 131	- 710	+ 395	+1,002
● Textiles, apparel and leather	+ 268	+ 62	+ 168	+ 267	+ 248	+ 91	+ 185	- 52
Petroleum, coal, etc.	- 156	- 225	+ 263	+ 488	+ 331	- 75	- 31	+ 205
Other manufacturing and mining	+ 260	+ 146	+ 223	+ 445	+ 182	- 14	+ 106	+ 82
Public utilities	- 94	- 303	+ 429	+ 337	+ 386	+ 38	+ 67	- 167
● Construction	+ 103	+ 66	- 3	+ 39	+ 169	+ 87	+ 13	+ 24
All other types of business	+ 16	+ 98	- 57	+ 172	+ 208	+ 77	+ 1	+ 25
Classified	+1,130	-2,553	+ 739	+1,985	+1,382	-1,559	- 473	- 735
Unclassified	+ 190	- 247	- 277	+ 29	<u>4/</u> - 279	<u>5/</u> - 297	- 274	- 101
● Total change	<u>3/</u> +1,320	-2,800	+ 462	+2,014	<u>4/</u> +1,103	<u>5/</u> -1,856	- 747	- 836
Total change excluding sales finance	+ 865	-1,832	+ 376	+2,539	<u>4/</u> + 551	<u>5/</u> -1,667	- 694	- 587

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

2/ Revised basis after July 1.

3/ Excludes sales finance after July 1.

4/ Includes CCC certificates of interest which are estimated to have declined \$820 million.

5/ Includes CCC certificates of interest which are estimated to have increased \$25 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 nearly 75 per cent of those of all commercial banks.

● Not for publication

Deposits and currency. Seasonally adjusted demand deposit and currency holdings of businesses and individuals increased \$1.4 billion in July, following little change in May and June. At the end of July, the money supply was 3-1/2 per cent above the level a year earlier. So far this year deposits and currency, seasonally adjusted, have increased \$2.9 billion, or at an annual rate of 3-1/2 per cent, about the same as in the first seven months of 1955.

U. S. Government deposits at commercial banks increased \$700 million in July. Usually they decline in this month.

Time deposits at commercial banks declined slightly in July. Reductions at city banks, not unusual in July, were about offset by further expansion at other banks. So far this year, these deposits have increased \$1.6 billion (after adjustment for bank structure changes) compared with \$6.2 billion last year and an average growth of \$1.4 billion over the 1946-1957 period. Time deposits at mutual savings banks increased moderately further in July bringing growth so far this year to \$1 billion (after adjustment for structure changes) slightly less than last year but slightly more than the average of earlier postwar years.

Deposit turnover. The seasonally adjusted annual rate of turnover of demand deposits in 337 cities outside New York and other financial centers increased further in July to a new postwar high of 25.4, almost 11 per cent above the rate in July 1958. Turnover also increased in New York City to 59.5 times, over 6 per cent above the rate a year ago.

Bank reserves. Net borrowed reserves of member banks averaged \$535 million in July compared with \$515 million in June, as shown in Table 4. In April and May, net borrowed reserves had averaged about \$300 million. Borrowings rose slightly in July to an average of \$955 million while excess reserves showed little change, averaging \$420 million. At central reserve city banks in New York net borrowed reserves increased \$140 million over the month but at other city banks they declined. Free reserves rose somewhat at country banks.

Not for publication

Table 3

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

Item	1959	1958	1959	1958	Year ending	
	June 25- July 29	June 26- July 30	Jan. 1- July 29 4/	Jan. 1- July 30	July 29, 1959 4/	July 30, 1958
<u>Seasonally adjusted data</u> 1/						
Demand deposits adjusted	+ 1.4	+ 2.1	+ 2.6	+ 4.4	+ 4.4	+ 1.5
Currency outside banks	2/	+ 0.1	+ 0.3	2/	+ 0.3	+ 0.1
Total	+ 1.4	+ 2.2	+ 2.9	+ 4.4	+ 4.7	+ 1.6
<u>Seasonally unadjusted data</u> 1/						
Demand deposits adjusted	+ 1.7	+ 2.4	- 3.1	- 2.2	+ 4.3	+ 1.5
Currency outside banks	2/	+ 0.1	- 0.4	- 0.4	+ 0.4	+ 0.1
Total	+ 1.7	+ 2.5	- 3.5	- 2.6	+ 4.7	+ 1.6
Time deposits	- 0.1	+ 0.8	+ 2.6	+ 7.3	+ 4.5	+ 9.7
Commercial banks	2/	+ 0.7	+ 2.1	+ 6.2	+ 3.0	+ 7.9
Mutual savings banks	+ 0.1	+ 0.1	+ 0.7	+ 1.2	+ 1.8	+ 1.2
U. S. Government deposits	+ 0.7	- 5.4	+ 1.0	+ 0.1	+ 1.1	+ 0.6
Total	+ 2.5	- 2.1	+ 0.1	+ 4.9	+10.4	+12.0
<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/						
Commercial	+ 1.7	- 1.4	+ 6.7	+ 2.7	+13.8	+ 7.2
Mutual savings	+ 1.3	- 1.5	+ 6.4	+ 1.0	+12.4	+ 4.3
Bank holdings of U. S. Government securities:	+ 0.1	+ 0.3	+ 0.9	+ 1.9	+ 1.9	+ 2.8
Federal Reserve Commercial	+ 0.7	- 0.6	- 5.5	+ 6.3	- 2.0	+ 8.7
Mutual saving and other	+ 0.6	- 0.1	+ 0.2	+ 0.7	+ 1.6	+ 1.6
Gold stock and foreign deposits at F. R. Banks	+ 0.2	- 0.5	- 5.6	+ 5.9	- 3.3	+ 7.8
Other factors	- 0.1	+ 0.1	- 0.1	- 0.2	- 0.3	- 0.7
Other factors	- 0.1	- 0.2	- 0.9	- 1.5	- 1.6	- 1.3
Other factors	+ 0.2	+ 0.1	- 0.2	- 2.6	+ 0.2	- 2.6

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. Data for 1958 are for last Wednesday throughout.

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 \$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

Table 3 (continued)

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

Item	1957	1956	1955	1954	1953	1952
	Jan.- July	Jan.- July	Jan.- July	Jan.- July	Jan.- July	Jan.- July
<u>Seasonally adjusted data</u> ^{1/}						
Demand deposits adjusted	+ 1.3	+ 0.8	+ 2.5	+ 1.8	+ 0.9	+ 2.5
Currency outside banks	+ 0.3	+ 0.1	+ 0.3	- 0.4	+ 0.4	+ 0.8
Total	+ 1.6	+ 0.9	+ 2.8	+ 1.4	+ 1.3	+ 3.3
<u>Seasonally unadjusted data</u> ^{1/}						
Demand deposits adjusted	- 4.8	- 4.6	- 2.8	- 3.3	- 4.1	- 2.4
Currency outside banks	- 0.5	- 0.5	- 0.3	- 1.0	- 0.3	- 0.1
Total	- 5.3	- 5.1	- 3.1	- 4.3	- 4.4	- 2.5
Time deposits	+ 4.5	+ 2.3	+ 1.8	+ 3.3	+ 2.6	+ 2.4
Commercial	+ 3.8	+ 1.2	+ 0.9	+ 2.3	+ 1.6	+ 1.5
Mutual savings	+ 0.9	+ 1.1	+ 1.1	+ 1.1	+ 1.1	+ 1.0
U. S. Government deposits	- 0.3	- 0.2	+ 1.4	- 0.4	+ 2.7	+ 3.7
Total	- 1.2	- 3.5	- 0.2	- 0.9	+ 0.9	+ 3.5
Item	1951	1950	1949	1948	1947	1946
	Jan.- July	Jan.- July	Jan.- July	Jan.- July	Jan.- July	Jan.- July
<u>Seasonally adjusted data</u> ^{1/}						
Demand deposits adjusted	+ 2.1	+ 2.9	+ 0.3	- 1.2	+ 1.5	n.a.
Currency outside banks	+ 0.7	- 0.2	- 0.3	- 0.3	n.a.	n.a.
Total	+ 2.8	+ 2.7	---	- 1.5	n.a.	n.a.
<u>Seasonally unadjusted data</u> ^{1/}						
Demand deposits adjusted	- 2.5	- 0.2	- 2.7	- 3.8	- 0.3	+ 4.4
Currency outside banks	+ 0.1	- 0.6	- 0.8	- 1.0	- 0.7	- 0.1
Total	- 2.4	- 0.8	- 3.5	- 4.8	- 1.0	+ 4.4
Time deposits	+ 0.8	+ 0.8	+ 0.9	+ 0.9	+ 1.8	+ 3.9
Commercial	+ 0.5	+ 0.3	+ 0.4	+ 0.5	+ 1.1	+ 2.7
Mutual savings	+ 0.4	+ 0.6	+ 0.6	+ 0.5	+ 0.6	+ 1.0
U. S. Government deposits	+ 1.3	^{2/}	- 1.7	+ 1.9	- 1.4	- 13.8
Total	+ 0.2	+ 0.5	- 4.5	- 2.0	- 0.6	- 5.5

n.a. Not available.

^{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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Over July, as shown in Table 5, reserves were absorbed by a currency outflow of \$235 million; this was somewhat larger than usual, but growth was less rapid than in the spring and early summer. In addition, required reserves rose \$205 million. Substantial increases in required reserves in early July associated with bank credit expansion resulting from bank purchases of new Treasury bills were offset in part by subsequent reductions. There was some further moderate gold outflow but most of the reduction in gold stock reflected the carry-over on an average basis of the payment of \$344 million in gold in late June to the International Monetary Fund in connection with the increase in quotas of member countries. Free gold was used to meet \$300 million of the payment and to that extent the transaction did not affect member bank reserve balances. Reserves were supplied in July principally by Federal Reserve purchases of \$460 million of U. S. Government securities.

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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
Second	- 363	- 52	- 56	- 393	137
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	- 258	- 89	- 64	- 284	178
May	- 318	- 51	- 41	- 360	133
June	- 513	- 15	- 63	- 535	101
July	- 535	- 154	- 46	- 481	146
June 24	- 419	- 46	- 56	- 519	202
July 1	- 604	- 12	- 39	- 493	- 60
8	- 592	- 107	- 71	- 545	131
15	- 591	- 160	- 47	- 491	106
22	- 381	- 192	- 31	- 457	299
29	- 498	- 146	- 33	- 404	85

Note: Data for second half of July 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	July		Jan. - July		Year ending July	
	1959	1958	1959	1958	1959	1958
<u>Member bank reserve balances</u>						
<u>Total</u>	+ 220	+ 9	- 228	- 811	+ 62	- 520
Required reserves <u>1/</u>	+ 206	- 21	- 132	- 890	+ 297	- 642
Effect of reduction in requirements	---	---	---	-1,440	---	-1,440
Effect of deposit change	+ 206	- 21	- 132	+ 550	+ 297	+ 798
Excess reserves <u>1/</u>	+ 14	+ 30	- 96	+ 79	- 235	+ 122
<u>Principal factors</u> (signs indicate effect on reserves)						
Currency in circulation	- 233	- 225	+ 321	+ 668	- 785	- 148
Gold stock and foreign accounts	- 348	- 226	- 896	-1,441	-1,578	-1,265
Treasury operations	+ 234	- 42	+ 321	+ 27	+ 371	+ 159
Federal Reserve float	+ 14	+ 26	- 473	- 501	+ 81	- 233
Other factors	+ 64	+ 44	- 3	- 189	- 76	- 111
<u>Effect of above factors on reserves</u>	- 269	- 423	- 730	-1,436	-1,987	-1,598
Federal Reserve loans and investments:						
<u>Total</u>	+ 489	+ 433	+ 501	+ 626	+2,049	+1,078
U. S. Govt. securities	+ 459	+ 469	+ 110	+1,236	+1,204	+1,867
Outright	+ 405	+ 520	+ 138	+1,603	+1,136	+2,020
Repurchase agreements	+ 54	- 52	- 28	- 367	+ 68	- 153
Acceptances	- 1	- 3	- 14	- 3	- 15	+ 19
Discounts and advances:						
To member banks	+ 36	- 33	+ 400	- 601	+ 848	- 808
To others	- 5	---	+ 5	- 6	+ 12	---

1/ Data for July 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:												
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. 28 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. 25	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. 25	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/	140.7	112.5	28.2	205.2	112.5	99.9	64.5	34.3	1.1	5.1	27.9	245.4
May 27p	140.9	112.6	28.3	205.8	110.7	100.4	64.9	34.4	1.1	5.7	28.1	244.8
June 24p	140.9	112.5	28.4	206.2	110.7	101.0	65.3	34.6	1.1	5.2	28.3	245.1
July 29p	142.3	113.9	28.4	207.6	112.4	100.9	65.3	34.7	1.0	5.9	28.3	247.6

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	Secu- rity	Farm	Con- sumer	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	5.0	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. 28	183.8	67.5	20.4	95.9	39.2	25.6	4.2	5.0	15.9	8.1
Feb. 25	181.9	65.5	20.4	96.0	39.2	25.7	4.0	5.0	16.0	8.2
Mar. 25	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	63.5	20.9	99.3	40.6	26.3	4.3	4.9	16.5	8.6
May 27p	183.6	62.4	20.8	100.5	41.4	26.6	4.1	4.9	16.8	8.8
June 24p	183.8	60.6	20.6	102.6	42.5	26.9	4.0	5.0	17.2	9.1
July 29p	185.3	60.8	20.6	103.9	42.8	27.2	4.1	5.1	17.4	9.4

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 bank structure changes.

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.

Loans by type have been revised in accordance with preliminary member bank call data for June 10, 1959. Data for all commercial banks will not be revised to conform with changes in weekly reporting data until all bank call data are available on new basis.

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August 19, 1959