

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM**Office Correspondence**Date January 15, 1946To Chairman EcclesSubject: Tables on Liquid AssetsFrom Richard A. Musgrave R. A. M

I am attaching two tables with data on the holding of liquid assets. Table I shows total holdings by type of assets for selected years from 1920 to 1945. Table II shows a breakdown by types of holders for 1940 and 1945.

A revised chart of Table I is being made and will be available in time.

Attachments 2

TABLE I

INFLATION POTENTIAL IN LIQUID ASSETS^{1/}

(in billions of dollars)

Type of Asset	June 30						Dec. 31
	1920	1929	1933	1940	1944	1945	1945
<u>Deposits</u>							
Demand	18.6	21.4	13.2	22.8	47.8	56.3	59.4
Time	15.8	28.6	21.7	26.7	35.0	43.4	48.2
U. S. Gov't	<u>0.3</u>	<u>0.4</u>	<u>0.8</u>	<u>0.8</u>	<u>19.5</u>	<u>24.4</u>	<u>24.6</u>
Total	34.7	50.4	35.7	50.3	102.3	124.7	132.2
<u>Currency</u>	4.1	3.6	4.8	6.5	20.7	24.9	26.8
<u>U. S. Securities</u>	18.9	10.0	10.3	12.0	66.9	84.2	89.7
Grand Total	57.7	64.0	50.8	68.8	189.9	233.2	248.7

^{1/} Items other than U. S. government deposits include holdings by individuals, unincorporated businesses and corporations. The figures exclude (1) holdings by government trust funds, Federal Reserve Banks, commercial banks, mutual savings banks, foreign governments and foreign banks. They also exclude (2) holdings by insurance companies, building and loan associations, nonprofit associations, state and local governments, and foreign individuals. Total deposit and currency holdings of the groups listed under (2) amounted to 6.4 billion dollars on June 30, 1945.

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TABLE II

LIQUID ASSET HOLDINGS BY TYPES OF HOLDERS ^{1/}
(in billions of dollars)

	June 1940	End of Dec. 1945
<u>Corporations</u>		
Demand Deposits	10.7	26.3
Time Deposits	0.7	0.7
Currency	0.7	1.0
U. S. Securities	<u>2.0</u>	<u>23.0</u>
Total	14.1	51.0
<u>Unincorporated Business</u>		
Demand Deposits	3.3	10.1
Time Deposits	1.3	2.5
Currency	1.0	4.0
U. S. Securities	<u>1.1</u>	<u>11.0</u>
Total	6.7	27.6
<u>Individuals and Trust Funds</u>		
Demand Deposits	8.8	22.9
Time Deposits	24.7	45.1
Currency	4.8	21.8
U. S. Securities	<u>8.9</u>	<u>55.7</u>
Total	47.2	145.5
<u>U. S. Government</u>		
Demand Deposits	0.8	24.6
<u>All Groups</u>	68.8	248.7

^{1/} For explanation see note to Table I.

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INFLATION POTENTIAL IN LIQUID ASSETS

HOLDINGS OF DEPOSITS, CURRENCY, AND U. S. SECURITIES
BY INDIVIDUALS AND NONFINANCIAL CORPORATIONS,
PLUS U. S. GOVERNMENT DEPOSITS

