

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date November 19, 1947

To Chairman Eccles

Subject: _____

From Woodlief Thomas

In response to your request, the attached table shows figures on changes in bank credit since December 1945, the peak of the wartime expansion.

There are, as you know, all sorts of ways of measuring total bank credit, and they happen to differ very substantially in this particular period because of the sharp postwar contraction in Treasury deposits and in bank holdings of Government securities, following the wartime expansion.

The principal results are as follows:

	(In billions)
Total loans and investments declined	- \$9
but this reflected a decrease in	
U. S. Government securities	- 20
(accompanying a similar decline in war loan deposits)	
Loans and other securities increased	+ 11 ✓
Total deposits of all kinds declined	- 12
but this was due to the decline in	
U.S. Government deposits	- 23
Demand deposits adjusted increased	+ 8
Time deposits increased	+ 5
Total adjusted demand and time deposits increased	+ 13 ✓

This last item is the best available figure showing the net effect of commercial bank transactions on the money supply, i.e., deposits of individuals, businesses, state and local governments, etc. To this item, we would ordinarily add the currency in circulation, which has not changed appreciably in the past two years, and mutual savings bank deposits. The total of these increased by 13 billion in 1946 and will probably show a further increase of about 5 billion in 1947, all of which came in the last half. This total showed an average annual growth of 16 billion in the five war years, 1941-45, and an average of 4 billion for the 1936-40 period of what was then considered rapid growth.

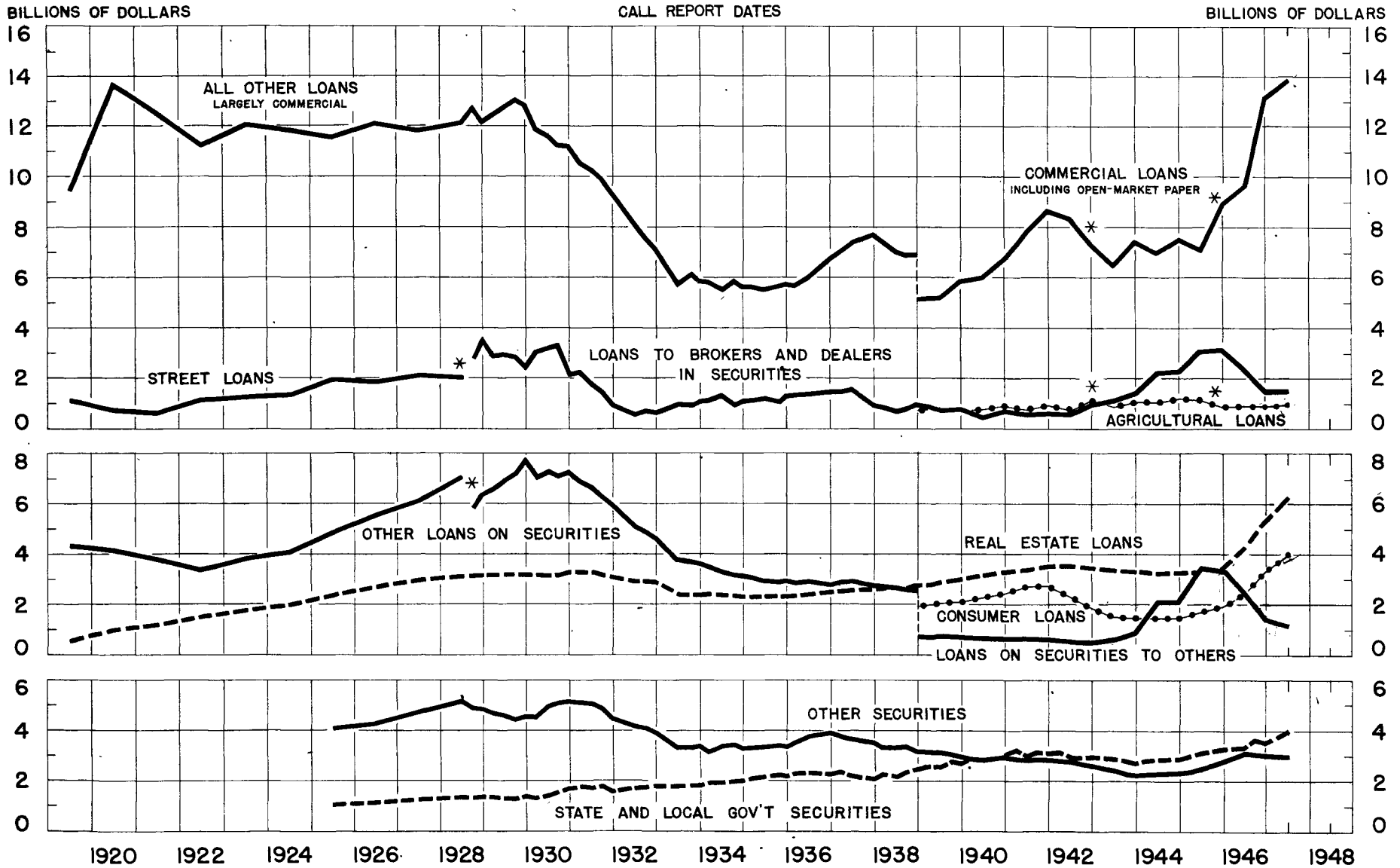
W. T.

All Commercial Banks in the United States
(In millions of dollars)

	Dec. 31, 1945	Sept. 24, 1947 p/	Change
Total loans and investments.....	124,019	115,080	- 8,939
Loans.....	26,083	35,550	+ 9,467
U.S. Government securities.....	90,606	70,640	- 19,966
Other securities.....	7,331	8,890	+ 1,559
Reserves, cash, and balances.....	34,806	33,200	- 1,606
Total deposits -- unadjusted.....	144,659	133,110	- 11,549
Demand deposits -- adjusted....	75,851	84,200	+ 8,349
Time deposits.....	30,135	34,900	+ 4,765
Total.....	105,986	119,100	+ 13,114
U. S. Government deposits.....	24,608	1,600	- 23,008
Interbank deposits.....	14,065	12,410	- 1,655

p - preliminary.

CLASSIFICATION OF MEMBER BANK LOANS AND INVESTMENTS OTHER THAN U. S. GOVERNMENT SECURITIES



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

LATEST FIGURES
PLOTTED: JUNE 29

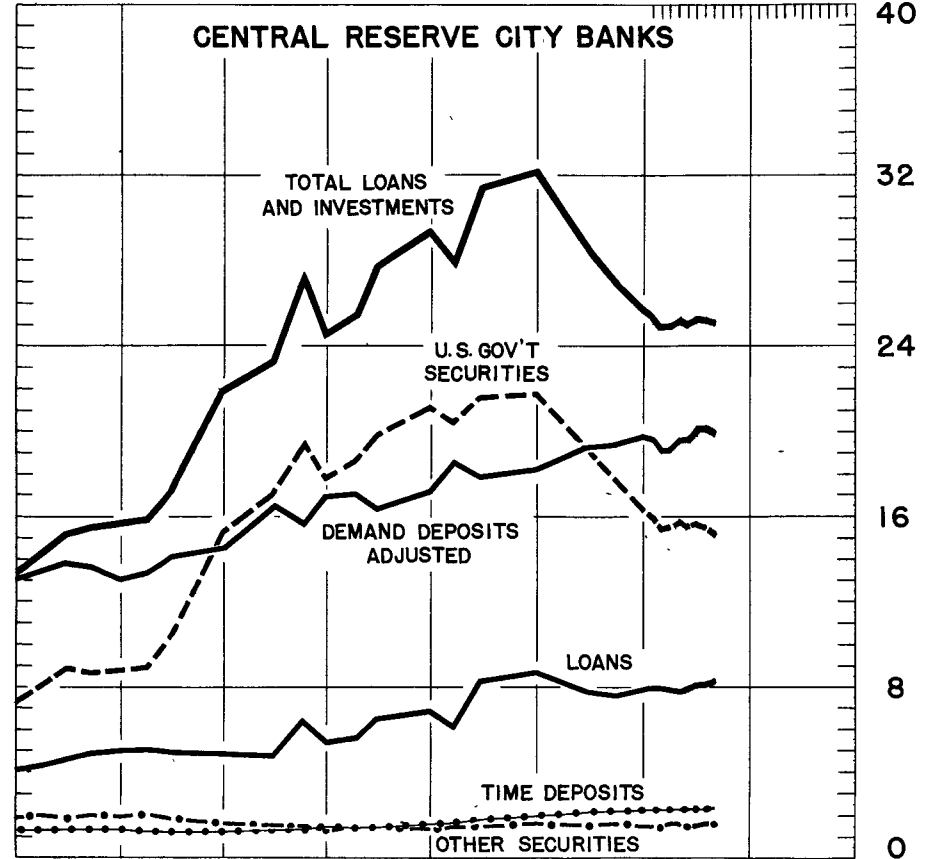
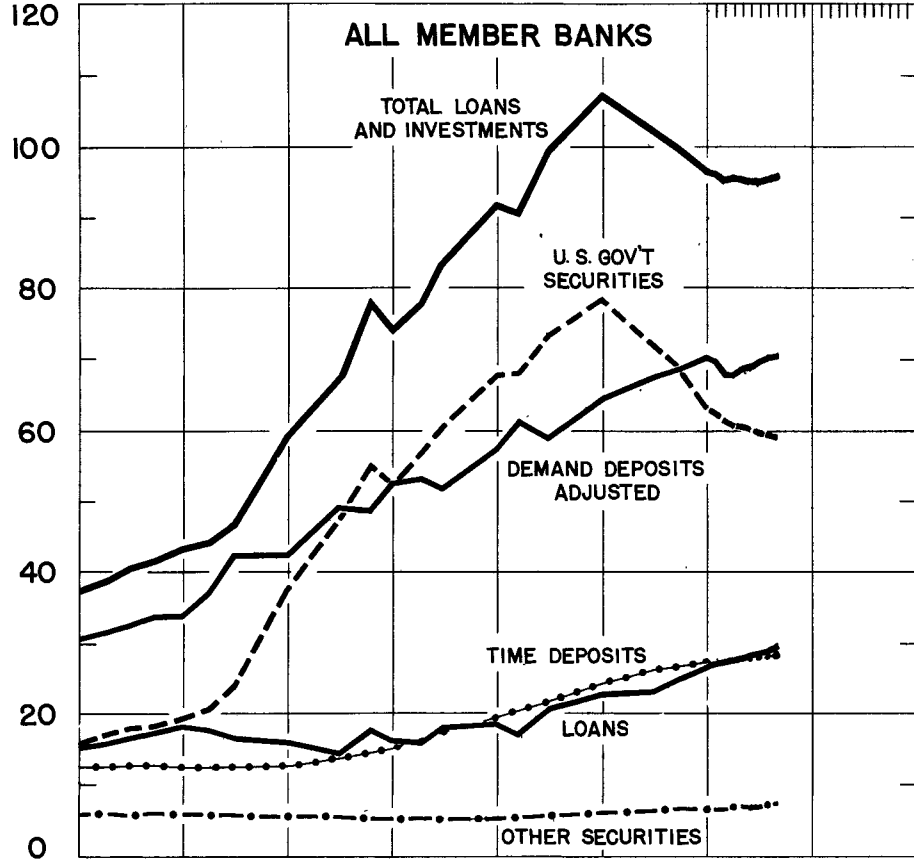
* CHANGE IN SERIES,
SEE PAGE 82.

CONDITION OF MEMBER BANKS BY CLASS OF BANK

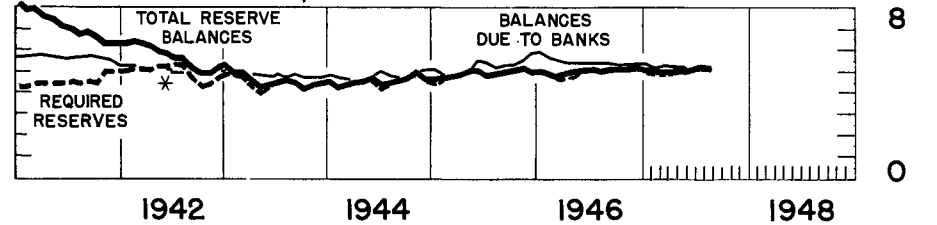
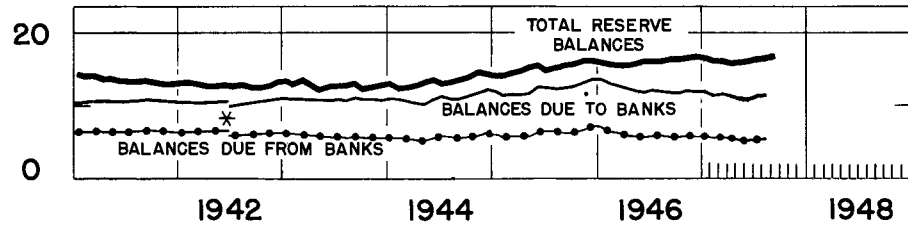
BILLIONS OF DOLLARS

CALL REPORT DATES THROUGH 1946; LAST WEDNESDAY OF MONTH 1947-

BILLIONS OF DOLLARS



MONTHLY AVERAGES OF DAILY FIGURES



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

LATEST FIGURES
PLOTTED: AUGUST

LATEST FIGURES
PLOTTED: AUGUST

* CHANGE IN SERIES, SEE PAGE 82. CALL DATES TO JUNE 30, 1943; MONTHLY THEREAFTER.