

BANKING AND MONETARY DEVELOPMENTS IN DECEMBER 1956

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Summary. Total loans and investments at all commercial banks increased substantially in December reflecting principally loan expansion but holdings of U. S. Government securities also rose. Demand deposit and currency holdings of businesses and individuals increased slightly more than the usual seasonal amount. Net borrowed reserves of all member banks declined further.

Bank credit. Preliminary estimates indicate that total loans and investments at all commercial banks may have increased around \$2.3 billion in December, as shown in Table 1. This was about the same as in December last year and more than in December of any postwar year. Loans increased \$1.8 billion, with all major categories showing some growth. U. S. Government securities increased around \$500 million, mainly at city banks, while holdings of other securities declined further. Initially, banks probably took most of the \$1 billion new Treasury bills offered on December 17, but they sold U. S. Government securities at other times in the month. Last year in December, total loan growth was about the same as this year, but holdings of U. S. Government securities rose less and holdings of other securities also increased.

Business loans at all commercial banks rose around \$1 billion in December, probably the largest increase on record for that month after adjustment for loan reclassification included in 1955 data. At weekly reporting banks, the December expansion was considerably larger than a year ago, while at other banks, it was less.

Over half the December increase at city banks, as shown in Table 2, was in loans to sales finance companies, which generally increase bank borrowing toward the year-end to retire outstanding open-market paper. Bank lending to food processors and commodity dealers, which usually tapers off towards year end, continued to expand at about the same rate as in November. Loans to metals manufacturers and public utilities rose further in December while those to petroleum concerns, which generally had been increasing all year, declined.

Real estate and consumer loans rose further in December. Security loans also increased as is expected at the year-end.

Total loans and investments at all commercial banks increased around \$4.5 billion in 1956, about the same as in both 1955 and 1953, but less than in any other year since 1948. The credit decline in the first half of 1956 was about the same as in 1955, but the subsequent expansion was considerably less in the

Table 1  
Estimated Changes in Loans and Investments at All Commercial Banks  
(In billions of dollars)

Item	1956		1955		Year ending:	
	Nov. 29,- Dec. 26	Dec. 1,- Dec. 31	July 1,- Dec. 28	July 1,- Dec. 31	Dec. 26, 1956	Dec. 31, 1955
Total loans (less bank)	6/+ 1.8	+ 1.8	6/+ 3.9	+ 7.3	6/+ 8.1	+11.6
Business	2/+ 1.0	5/+ 0.9	2/+ 2.6	5/3/+ 4.4	2/+ 5.5	5/3/+ 6.4
Real estate	+ 0.1	+ 0.1	+ 0.8	3/+ 1.0	+ 1.8	3/+ 2.4
Security	+ 0.3	+ 0.5	- 0.1	+ 0.6	- 0.7	+ 0.6
Agricultural	+ 0.1	+ 0.2	+ 0.2	+ 0.1	1/	- 0.7
Consumer	+ 0.3	+ 0.2	+ 0.5	+ 1.1	+ 1.6	+ 2.3
All other loans	1/	1/	1/	+ 0.2	+ 0.2	+ 0.9
U. S. Govt. sec.	4/+ 0.5	+ 0.2	4/+ 2.0	- 1.7	4/- 3.0	- 7.4
Other securities	- 0.1	+ 0.1	- 0.3	- 0.1	- 0.5	+ 0.4
Total (less bank)	2/4/6/ + 2.3	+ 2.1	2/4/6/ + 5.6	+ 5.5	2/4/6/ + 4.6	+ 4.6

Item	1956				1955			
	1st. quarter	2nd. quarter	3rd. quarter	4th. quarter	1st. quarter	2nd. quarter	3rd. quarter	4th. quarter
Total loans (less bank)	+ 1.3	+ 2.9	+ 1.0	6/+ 2.9	+ 0.8	+ 3.6	+ 2.7	+ 4.5
Business	+ 1.3	+ 1.6	+ 0.8	2/+ 1.8	+ 0.5	+ 1.5	+ 1.6	5/3/+ 2.7
Real estate	+ 0.4	+ 0.6	+ 0.5	+ 0.3	+ 0.6	+ 0.8	+ 0.8	3/+ 0.2
Security	- 0.5	- 0.1	- 0.3	+ 0.2	- 0.4	+ 0.4	- 0.3	+ 0.8
Agricultural	- 0.1	- 0.1	- 0.1	+ 0.3	- 0.3	- 0.5	- 0.5	+ 0.6
Consumer	+ 0.3	+ 0.8	+ 0.2	+ 0.3	+ 0.3	+ 0.8	+ 0.5	+ 0.5
All other loans	1/	+ 0.2	- 0.1	+ 0.1	+ 0.2	+ 0.6	+ 0.4	- 0.1
U. S. Govt. sec.	- 3.0	- 2.0	+ 0.4	4/+ 1.6	- 4.8	- 0.9	- 1.3	- 0.4
Other securities	- 0.1	- 0.1	1/	- 0.3	+ 0.7	- 0.2	+ 0.1	- 0.2
Total (less bank)	- 1.8	+ 0.8	+ 1.4	2/4/6/ + 4.2	- 3.3	+ 2.4	+ 1.6	+ 3.9

1/ Less than \$50 million.

2/ Business loans may decline \$100 million or so between the last Wednesday of December and the 31st.

3/ Level of business loans increased by, and real estate loans decreased by, \$300 million at end of October 1955 to correct classification errors; no back figures revised. Most of the misclassification probably occurred during 1955.

4/ U. S. Government security holdings may decline \$100 million or so between the last Wednesday of December and the 31st.

5/ On December 31, 1955, the call report was rearranged and clarified; some loans previously included in "other loans to individuals" were reclassified into other loan categories, and while most of them probably went into "other loans", it appears, although there are no actual comparative data, that "commercial and industrial loans" were affected to some extent.

6/ In addition to changes in loans by type, total loans net probably declined \$100 million between December 26 and December 31 due to increases in valuation reserves, as indicated by weekly reporting data.

Note: Figures for December 1956 are estimates and subject to change. Preliminary data for December will be shown in the Board's statement, "Assets and Liabilities of All Banks in the United States, available at the end of January.

Table 2

Changes in Commercial and Industrial Loans <sup>1/</sup>

(In millions of dollars)

Business of Borrower	1956	1955	1956	1955	Year ending	
	Nov. 29,	Dec. 1,	June 28,	June 30,	Dec. 26,	Dec. 28,
	Dec. 26	Dec. 28	Dec. 26	Dec. 28	1956	1955
Food processors	+168	+ 62	+822	+480	+520	- 60
Commodity dealers	+102	- 7	+737	+469	+351	+ 8
Trade concerns	- 68	- 44	+189	+327	+360	+473
<b>Total</b>	<u>+202</u>	<u>+ 11</u>	<u>+1,748</u>	<u>+1,276</u>	<u>+1,231</u>	<u>+421</u>
Sales finance	+503	+482	+ 85	+ 704	-237	+1,293
<u>All other - total</u>	<u>+227</u>	<u>+209</u>	<u>+696</u>	<u>+1,069</u>	<u>+3,831</u>	<u>+2,593</u>
Metals and metal products	+149	+145	- 75	+224	+1,287	+401
Textiles, apparel and leather	+ 4	+ 2	- 5	+ 71	+233	+291
Petroleum, coal, etc.	- 51	+ 56	+435	+208	+859	+521
Other manufacturing and mining	- 9	+ 8	+ 70	+ 63	+439	+216
Public utilities	+121	- 65	+335	+ 27	+700	+411
Construction	- 7	+ 5	- 64	+106	- 10	+240
All other types of business	+ 20	+ 58	+174	+370	+323	+513
<b>Total - Classified</b>	<u>+931</u>	<u>+700</u>	<u>+2,702</u>	<u>+3,050</u>	<u>+4,826</u>	<u>+4,307</u>
<b>Unclassified</b>	<u>- 14</u>	<u>- 41</u>	<u>-246</u>	<u>2/3/+156</u>	<u>-127</u>	<u>3/4/-23</u>
<b>Total change</b>	<u>+917</u>	<u>+659</u>	<u>+2,456</u>	<u>2/3/+3,206</u>	<u>+4,699</u>	<u>3/4/+4,284</u>

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

2/ CCC certificates of interest may have declined \$300 million.

3/ Includes increase of \$318 million in October 1955 to correct classification errors. No back figures revised. Most of the misclassification probably occurred in 1955.

4/ CCC certificates of interest may have declined \$800 million.

Note: Classified data are for a sample of about 210 banks reporting changes in their larger loans; these banks hold over 90 per cent of total commercial and industrial loans of all weekly reporting member banks and nearly 70 per cent of those of all commercial banks.

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July-October period and greater in November and December than a year earlier. Loans increased about \$8 billion in 1956, considerably less than the \$11.5 record growth in 1955, but more than in any other year since 1950. U. S. Government security holdings declined \$3 billion in 1956, considerably less than half as much as a year earlier. Holdings of other securities, however, also declined \$500 million, the first year since the early forties that these holdings have not increased.

During the year ending November 1956, the latest date for which data are available by class of bank, almost 60 per cent of the total credit growth at all member banks was at country banks, and practically all the remainder at reserve city banks, as shown in Table 3. Credit at nonmember banks appears to have grown at about the same rate as at country banks. Loans continued to increase more at city banks than at country banks, as in 1955, but rates of loan growth dropped at all classes of banks except central reserve city banks in Chicago. The country-bank proportion of total loan growth remained about constant in the two years, somewhat over one-fourth. U. S. Government security holdings declined much less at all classes of banks than in the previous year. Country banks increased their holdings of other securities, whereas all other classes of banks reduced theirs. Cash assets of all member banks--reserve balances, interbank balances, and cash in vault--rose by \$700 million in the year ending November 1956, whereas they had declined \$900 million in the previous year. Most of the growth was at country banks where the increase exceeded the previous year's decline.

Business loans at all commercial banks increased by nearly \$5.5 billion in 1956, somewhat less than the record growth in 1955, but more than in any other year. Business loans at weekly reporting banks increased \$400 million less than in 1955 (after adjustment for changes in CCC certificates of interest included in 1955 figures) and those at banks outside leading cities are assumed to have increased about \$200 million less.

Loans to metals manufacturers, which increased sharply during the first half of 1956 and then showed little further change on balance, accounted for more than one-quarter of total business borrowing at city banks during the year. Loans to food processors and commodity dealers also increased substantially in 1956, declining less than usual during the first half of the year and increasing more than usual during the second half. Loans to petroleum concerns and public utilities also rose substantially, while loans to sales finance companies declined, compared with sharp growth in 1955.

Real estate loans increased \$1.8 billion in 1956, one-quarter less than in 1955, but about equal to the average annual growth for the post-war period. Consumer loans rose \$1.6 billion, about a third less than in 1955, but about as

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Table 3

Changes In Selected Assets and Liabilities of All Member Banks,  
by Class of Bank

Nov. 30, 1955 to Nov. 28, 1956 and Nov. 24, 1954 to Nov. 30, 1955

Item	All member	Central reserve		Reserve city	Country
		New York	Chicago		
<u>Nov. 30, 1955--Nov. 28, 1956</u>					
<u>In millions of dollars</u>					
<u>Loans and investments 1/</u>	+ 3,500	+ 51	+ 117	+ 1,298	+ 2,034
Loans 1/	+ 7,347	+ 1,423	+ 562	+ 3,240	+ 2,122
U. S. Government securities	- 3,340	- 978	- 348	- 1,740	- 274
Other securities	- 507	- 394	- 97	- 202	+ 186
<u>Cash assets 2/</u>	+ 739	- 175	- 84	+ 292	+ 706
<u>Total deposits 3/</u>	+ 3,433	- 100	- 133	+ 1,257	+ 2,409
<u>In per cent</u>					
<u>Loans and investments 1/</u>	+ 2.6	+ 0.2	+ 1.9	+ 2.5	+ 3.9
Loans 1/	+ 10.7	+ 10.3	+ 18.4	+ 11.7	+ 8.8
U. S. Government securities	- 6.6	- 14.9	- 14.3	- 9.2	- 1.2
Other securities	- 3.7	- 18.5	- 13.8	- 4.0	+ 3.2
<u>Cash assets 2/</u>	+ 2.7	- 3.9	- 6.3	+ 2.8	+ 6.6
<u>Total deposits 3/</u>	+ 2.3	- 0.4	- 1.9	+ 2.2	+ 4.1
<u>Nov. 24, 1954--Nov. 30, 1955</u>					
<u>In millions of dollars</u>					
<u>Loans and investments 1/</u>	+ 1,957	- 1,075	- 233	+ 1,293	+ 1,972
Loans 1/	+10,090	+ 2,285	+ 478	+ 4,385	+ 2,942
U. S. Government securities	- 8,386	- 3,086	- 820	- 3,094	- 1,386
Other securities	+ 253	- 274	+ 109	+ 2	+ 416
<u>Cash assets 2/</u>	- 921	- 220	+ 13	- 142	- 572
<u>Total deposits 3/</u>	+ 492	- 899	- 275	+ 539	+ 1,127
<u>In per cent</u>					
<u>Loans and investments 1/</u>	+ 1.5	- 4.6	- 3.6	+ 2.6	+ 3.9
Loans 1/	+ 17.2	+ 19.8	+ 18.5	+18.8	+ 13.9
U. S. Government securities	- 14.2	- 32.0	- 25.2	-14.1	- 5.8
Other securities	+ 1.9	- 11.4	+ 18.4	4/	+ 7.7
<u>Cash assets 2/</u>	- 3.3	- 4.7	+ 1.0	- 1.3	- 5.1
<u>Total deposits 3/</u>	+ 0.3	- 3.6	- 3.9	+ 1.0	+ 2.0

1/ Excludes loans to banks. 2/ Reserves, cash in vault, and interbank balances.  
3/ Adjusted to exclude cash items in process of collection. 4/ Less than 0.05%.

much as in other recent years. Agricultural loans were about unchanged; a substantial decline in 1955 had reflected largely redemption of CCC certificates of interest. Security loans declined about \$700 million over the year, as year-end expansion did not offset steady declines throughout the year. "Other loans" increased less than in 1955.

Deposits and currency. Preliminary estimates indicate that demand deposits and currency held by businesses and individuals may have increased \$3 billion in December, about \$300 million more than the usual seasonal rise, as shown in Table 4. This was about the same as the seasonally adjusted increase for December last year, but this year's growth was mainly in currency whereas last year, it was in deposits. U. S. Government deposits declined \$1 billion during the November 29- December 26, 1956, period. Time deposits increased substantially at both commercial and mutual savings banks as is usual in December.

Over the year 1956, privately-held demand deposits and currency rose over \$1 billion, or about 1 per cent; compared with about 3 per cent in each of the two previous years. Most of the 1956 growth occurred during the first half year. Time deposits probably increased about \$500 million more than in 1955, or about 4-1/2 per cent compared with 4 per cent. The increased rate of expansion occurred only at commercial banks; at mutual savings banks, the rate of increase declined slightly. U. S. Government deposits showed little change in 1956.

On balance, total deposits and currency increased around \$4.5 billion in 1956 compared with \$6.3 billion in 1955. Credit expansion provided approximately the same volume of funds in both years, while foreign operations provided more funds in 1956 than in 1955. Capital accounts at commercial and mutual savings banks, however, appear to have increased somewhat more than in 1955, whereas Reserve Bank float, which had increased substantially in 1955, showed little further rise between the end of 1955 and the end of 1956.

The seasonally adjusted annual rate of turnover of demand deposits at banks in leading centers outside New York City rose further in November to 24.7. Turnover had declined somewhat during the late summer and early fall but rose again in October and November averaging almost 8 per cent above the level in these same two months last year. At banks in New York City, turnover in October and November averaged 4 per cent above last year's level.

Bank reserves. Net borrowed reserves of all member banks declined further in December averaging around \$30 million compared with \$155 million in November, as shown in Table 5. Borrowings declined to \$690 million and excess reserves increased to \$660 million. Net borrowed reserves and borrowings were at their lowest levels since mid-1955 and excess reserves were at

Table 4

## Estimated Changes in Deposits and Currency

(In billions of dollars)

Item	1956	1955	1956	1955	Year endings:	
	Nov. 29- Dec. 26	Dec. 1- Dec. 31	July 1- Dec. 28	July 1- Dec. 31	Dec. 26, 1956	Dec. 31 1955
<b>Seasonally adjusted data</b> <sup>1/</sup>						
Demand deposits adjusted	- 0.1	+ 0.4	- 0.1	+ 0.9	+ 0.8	+ 3.0
Currency outside banks	+ 0.4	<sup>2/</sup>	+ 0.4	+ 0.5	+ 0.5	+ 0.6
Total	+ 0.3	+ 0.4	+ 0.3	+ 1.4	+ 1.3	+ 3.6
<b>Unadjusted data</b> <sup>1/</sup> <sup>4/</sup>						
Demand deposits adjusted <sup>4/</sup>	+ 2.5	+ 3.0	+ 6.0	+ 6.7	+ 0.8	+ 3.4
Currency outside banks <sup>4/</sup>	+ 0.5	+ 0.4	+ 0.2	+ 0.9	+ 0.2	+ 0.4
Total <sup>4/</sup>	+ 3.0	+ 3.4	+ 6.2	+ 7.6	+ 1.0	+ 3.8
Time deposits <sup>4/</sup>	+ 0.9	+ 1.0	+ 1.2	+ 1.2	+ 3.4	+ 3.1
U. S. Government deposits <sup>4/</sup>	- 1.0	- 0.6	- 1.4	- 1.4	+ 0.3	- 0.6
Total	+ 2.9	+ 3.8	+ 6.0	+ 7.5	+ 4.7	+ 6.3
<b>Factors affecting deposits and currency</b> (signs indicate effect on deposits and currency)						
Bank loans and investments other than U. S. Govt. sec. <sup>3/</sup>	+ 1.9	+ 2.3	+ 4.3	+ 8.4	+ 9.8	+14.5
Commercial	+ 1.7	+ 1.9	+ 3.6	+ 7.2	+ 7.6	+12.0
Mutual savings	+ 0.2	+ 0.2	+ 1.2	+ 1.1	+ 2.6	+ 2.3
Bank holdings of U. S. Government securities:	+ 1.2	+ 0.7	+ 2.7	- 0.8	- 3.5	- 8.1
Federal Reserve	+ 0.7	+ 0.5	+ 1.2	+ 1.2	+ 0.2	- 0.1
Commercial	+ 0.5	+ 0.2	+ 2.0	- 1.7	- 3.0	- 7.4
Mutual saving and other	<sup>2/</sup>	<sup>2/</sup>	- 0.4	- 0.3	- 0.7	- 0.5
Gold stock and foreign deposits at F. R. Banks	<sup>2/</sup>	<sup>2/</sup>	+ 0.1	<sup>2/</sup>	+ 0.3	+ 0.1
Other factors	- 0.2	+ 0.8	- 1.1	- 0.1	- 1.9	- 0.2

<sup>1/</sup> 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.

<sup>2/</sup> Less than \$50 million.

<sup>3/</sup> Total includes foreign loans on gold and holdings of bankers' acceptances at the Federal Reserve; 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 necessarily add exactly to total change, which is "net", because of bookkeeping discrepancies among various banking records.

<sup>4/</sup> It is likely that demand deposits adjusted and currency outside banks will increase \$400 million on balance between December 26 and December 31. Time deposits may increase by \$200 million and U. S. Government deposits declined \$500 million.

**Note:** Data for December 1956 are estimates and subject to change. Preliminary data for December will be shown in the Board's statement, "Assets and Liabilities of All Banks in the United States" available at the end of January.

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Table 5

Free Reserves

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

Period	All member	New York	Chicago	Reserve City	Country
1954: December	459	- 50	- 16	- 26	550
1955: March	121	3	- 134	- 151	404
June	168	2	- 43	- 167	377
September	- 285	- 127	- 114	- 409	365
October	- 360	- 150	- 137	- 416	344
November	- 491	- 265	- 67	- 501	341
December	- 245	- 161	- 83	- 338	338
1956: January	- 255	- 198	- 83	- 353	379
February	- 266	- 138	- 103	- 336	310
March	- 408	- 174	- 256	- 298	319
April	- 533	- 167	- 262	- 429	324
May	- 504	- 88	- 153	- 468	205
June	- 195	- 33	- 111	- 356	305
July	- 139	- 108	- 48	- 344	360
August	- 339	- 158	- 72	- 382	274
September	- 213	- 204	- 93	- 296	380
October	- 195	- 192	- 114	- 246	358
November	- 154	- 214	- 140	- 193	393
December	- 29	- 91	- 84	- 204	351
<u>Quarterly averages</u>					
1955: First	254	- 29	- 75	- 99	457
Second	158	- 1	- 64	- 150	374
Third	- 127	- 112	- 67	- 323	375
Fourth	- 365	- 192	- 95	- 418	341
1956: First	- 310	- 170	- 147	- 329	336
Second	- 411	- 96	- 175	- 418	278
Third	- 230	- 157	- 71	- 341	338
Fourth	- 126	- 166	- 113	- 214	367
1956: Nov. 28	- 7	- 127	- 123	- 165	408
Dec. 5	- 72	- 34	- 52	- 223	237
12	- 132	- 111	- 100	- 216	295
19	93	- 67	- 80	- 134	374
26	71	- 145	- 80	- 145	441
Jan. 2	- 139	- 121	- 95	- 318	396

Note: Data for second half of December and January are preliminary.

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their highest level since early 1955. In December, all the reduction in net borrowed reserves occurred at central reserve city banks in New York and Chicago; at other banks, reserve positions tightened slightly. The effective trading rate for Federal funds in December, however, seldom dropped below 3 per cent.

More reserves were supplied in December through System purchases of U. S. Government securities, largely outright, and through expansion in Reserve Bank float than were absorbed principally through currency outflows and increases in required reserves, as shown in Table 6. Currency outflows and growth in required reserves were somewhat larger than in December 1955, while expansion in float was about the same. Although System purchases of U. S. Government securities were heavier in December 1956 than in December 1955, the reduction in net borrowed reserves was about \$125 million less.

Over the year 1956, banks reduced their borrowings and added to excess reserves. More reserves were supplied to banks largely through foreign transactions, increases in Reserve Bank float, and System purchases of U. S. Government securities than were absorbed through currency outflows and increases in required reserves. In 1955, borrowings had increased substantially and excess reserves had declined.

Member bank reserve positions, which had been brought under increasing restraint during 1955, tightened somewhat further during the early months of 1956, as shown in Table 5. Member bank indebtedness rose from an average level of \$840 million in December 1955 to over \$1 billion in April and May. As is usual early in the year, the System sold U. S. Government securities to absorb reserves being released through reductions in deposits and a currency inflow. System holdings of U. S. Government securities declined \$1,585 million between the end of the year and May 23. Subsequently, in May, June, and early July, the System purchased about \$665 million of U. S. Government securities. Reserve Bank float also increased to an unusually high level during this period, and net borrowed reserves dropped to \$140 million in July compared with over \$500 million in the spring. In August, net borrowed reserves rose temporarily following System sales of securities and reductions in Reserve Bank float to more normal levels, but they declined again in September. During the last quarter of the year, net borrowed reserves dropped to an average level of \$125 million. System holdings of U. S. Government securities increased \$1,235 million and, in addition, float and other factors provided more than enough reserves to meet drains from currency outflows and increases in required reserves.

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Table 6

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

Item	December		July - December		Year ending Dec.	
	1956	1955	1956	1955	1956	1955
<b>Member bank reserve balances</b>						
<u>Total</u>	+ 366	+ 338	+ 602	+ 525	+ 295	- 39
Excess reserves <u>1/</u>	+ 69	+ 70	+ 85	+ 25	+ 65	- 110
Required reserves <u>1/</u>	+ 297	+ 268	+ 517	+ 500	+ 230	+ 71
<b>Principal factors</b> (signs indicate effect on reserves)						
Currency in circulation	- 577	- 474	-1,239	-1,215	- 510	- 516
Gold stock and foreign accounts	- 32	- 63	+ 90	- 34	+ 340	- 42
Treasury operations	+ 4	+ 105	+ 59	- 50	+ 32	+ 63
Federal Reserve float	+ 333	+ 334	+ 427	+ 511	+ 244	+ 397
Other factors	- 87	+ 4	+ 50	- 73	+ 132	- 83
<b>Federal Reserve loans and investments:</b>						
U. S. Govt. securities	+ 741	+ 605	+1,243	+1,004	+ 163	- 315
Cutright	+ 547	+ 355	+1,012	+ 722	+ 180	- 570
Repurchase agreements	+ 194	+ 250	+ 231	+ 282	- 17	+ 255
Acceptances	+ 23	+ 2	+ 33	+ 3	+ 31	+ 19
<b>Discounts and advances:</b>						
To member banks	- 56	- 177	- 81	+ 438	- 151	+ 593
To others	+ 17	- 1	+ 17	- 62	+ 17	- 160

1/ Data for December 1956 are preliminary.

Not for publication

Table 7

Changes in Member Bank Reserves, with Relevant Factors

(Monthly average of daily figures; in millions of dollars)

Item	1956				1955			
	1st. quarter	2nd. quarter	3rd. quarter	4th. quarter	1st. quarter	2nd. quarter	3rd. quarter	4th. quarter
<u>Member bank reserve balances</u>								
<u>Total</u>	- 316	+ 9	+ 91	+ 511	- 644	+ 80	- 4	+ 529
Excess <u>1/</u>	- 7	- 10	+ 5	+ 80	- 118	- 16	- 6	+ 31
Required <u>1/</u>	- 309	+ 19	+ 86	+ 430	- 526	+ 96	+ 2	+ 498
	(signs indicate effect on reserves)							
<u>Principal factors</u>								
Currency	+1,010	- 280	- 267	- 972	+ 959	- 260	- 370	- 845
Gold stock and foreign accounts	+ 132	+ 118	+ 44	+ 46	+ 83	- 91	+ 32	- 66
Treasury operations	- 99	+ 71	- 22	+ 81	- 251	+ 364	- 178	+ 128
Federal Reserve float	- 402	+ 219	- 8	+ 435	- 188	+ 74	+ 46	+ 465
Other factors	- 21	+ 103	+ 112	- 62	- 108	+ 98	- 56	- 17
Federal Reserve loans and invest- ments:								
U. S. Govt. sec.:	-1,080	---	+ 206	+1,037	-1,298	- 21	+ 111	+ 893
Outright	- 869	+ 36	+ 209	+ 803	-1,284	- 8	+ 72	+ 650
Repurchase	- 211	- 37	- 3	+ 234	- 14	- 13	+ 39	+ 243
Acceptances	- 4	+ 2	+ 1	+ 32	---	+ 16	+ 2	- 1
Discounts:								
To member banks	+ 154	- 224	+ 23	- 104	+ 217	- 62	+ 447	- 10
To others	- 1	+ 1	- 1	+ 18	- 58	- 39	- 40	- 22

1/ Data for December 1956 are preliminary.Not for publication

## Loans and Investments at All Commercial Banks

(In billions of dollars)

Date	Loans and investments	U. S. Gov't. securities	Other securities	Total loans	Business	Real estate	Secu-rity	Farm	Con-sumer 1/	All other 1/
1947: Dec. 31	116.2	69.2	9.0	37.9	18.3	9.4	2.1	1.7	3.8	2.9
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: Mar. 31	142.5	60.7	15.1	66.8	26.7	16.8	3.0	5.8	10.6	5.0
June 30	146.2	63.5	15.5	67.2	26.1	17.2	3.7	5.1	10.8	5.2
Sept. 29	150.1	67.3	16.0	66.8	26.1	17.8	3.8	3.9	10.8	5.4
Dec. 31	155.7	69.0	16.3	70.4	26.9	18.4	4.5	5.2	10.9	5.6
1955: Jan. 26	155.5	69.0	16.7	69.8	26.6	18.6	4.0	5.2	10.9	5.6
Feb. 23	153.8	66.8	16.8	70.2	26.8	18.8	3.9	5.2	11.0	5.7
Mar. 30	152.4	64.2	17.0	71.2	27.4	19.0	4.1	4.9	11.2	5.8
Apr. 27	154.4	65.6	17.0	71.8	27.6	19.2	4.3	4.4	11.5	5.9
May 25	154.5	65.0	16.7	72.8	28.0	19.5	4.3	4.4	11.7	6.1
June 30	154.8	63.3	16.8	74.8	28.9	19.8	4.5	4.4	12.1	6.2
July 27	155.8	63.7	16.7	75.4	29.1	20.0	4.5	4.2	12.3	6.3
Aug. 31	155.6	62.5	16.9	76.2	29.9	20.3	4.2	3.9	12.5	6.4
Sept. 28	156.4	62.0	16.9	77.5	30.5	20.6	4.2	3.9	12.7	6.6
Oct. 26	158.1	62.9	16.8	78.4	2/ 30.8	2/ 20.8	4.4	4.0	12.9	6.5
Nov. 30	158.2	61.4	16.6	80.2	31.1	20.5	4.5	4.3	13.0	6.5
Dec. 31	160.3	61.6	16.7	82.0	32.3	20.7	4.5	4.5	13.2	6.5
1956: Jan. 25	158.3	60.9	16.5	80.9	32.7	20.9	4.6	4.4	13.3	6.4
Feb. 29	157.1	59.2	16.6	81.2	32.9	21.0	4.5	4.5	13.3	6.4
Mar. 28	158.5	58.6	16.6	83.3	34.5	21.2	4.5	4.4	13.5	6.5
Apr. 25	158.7	58.2	16.6	83.9	34.8	21.4	4.4	4.3	13.7	6.6
May 30	158.4	57.3	16.4	84.7	34.8	21.6	4.5	4.4	13.9	6.7
June 30	159.3	56.6	16.5	86.2	36.1	21.8	4.4	4.3	14.3	6.7
July 25p	158.3	56.2	16.3	85.8	35.8	21.9	4.3	4.2	14.4	6.6
Aug. 29p	159.8	57.2	16.4	86.3	36.4	22.1	4.0	4.0	14.4	6.7
Sept. 26p	160.7	57.0	16.5	87.2	36.9	22.3	4.1	4.2	14.5	6.6
Oct. 31p	161.3	57.4	16.3	87.6	37.1	22.4	4.1	4.2	14.5	6.7
Nov. 28p	162.6	58.1	16.3	88.3	37.7	22.5	4.0	4.4	14.5	6.7
Dec. 26e	164.9	58.6	16.2	90.1	38.7	22.6	4.3	4.5	14.8	6.7

p - Preliminary

e - Estimated

1/ Revised series.

2/ Level of business loans increased by, and real estate loans decreased by \$300 million at the end of October 1955 to correct classification errors. No back figures revised; most of the misclassification probably occurred during 1955.

**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 dates.

Banking Section, Board of Governors

January 9, 1957