

BANKING AND MONETARY DEVELOPMENTS IN MARCH 1958FEDERAL RESERVE BANK
of KANSAS CITY

Summary. Commercial bank credit expanded substantially further in March. Holdings of U. S. Government and other securities continued to increase and business and security loans rose. Demand deposit and currency holdings of businesses and individuals increased on a seasonally adjusted basis. Time deposits rose substantially further and U. S. Government deposits also increased. Free reserves of member banks continued to grow. In early March, the discount rate was reduced to 2-1/4 per cent. Reserves required to be maintained against demand deposits were reduced further by 1/2 of 1 per cent effective March 20 at city banks and April 1 at country banks.

Bank credit. Total loans and investments at all commercial banks increased \$2.7 billion in March, considerably more than in any other recent year, as shown in Table 1. Since November 1957, loans and investments have increased \$3.8 billion, whereas they usually decline in this period. All the growth has been in holdings of U. S. Government and other securities, however. Loans have shown no change whereas in other recent years, they have generally increased substantially.

U. S. Government security holdings, which usually decline substantially in March, increased \$1.1 billion this year. Increases reflected in part initial bank acquisitions of \$675 million of the \$1.5 billion issue of 3 per cent Treasury bonds of 1966 on March 10. Holdings of "other" securities increased substantially at city banks and presumably at other banks as well, reflecting in part bank takings of new offerings of United States Government corporations and credit agencies.

Total loans increased \$900 million in March, considerably less than in 1956 or 1957 but about the same as in earlier years. Growth in business and security loans accounted for most of the March rise. Agricultural loans continued to show moderate growth while consumer loans were about unchanged. Since November, total loans have shown no net change on balance, whereas last year, they increased

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Table 1

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

Item	1958:	1957:	1958:	1957:	Year ending:	
	Feb. 27- Mar. 26	Feb. 28- Mar. 27	Jan. 1- Mar. 26	Jan. 1- Mar. 27	Mar. 26, 1958	Mar. 27, 1957
<u>Total loans (excluding interbank)</u>	+ 0.9	+ 1.2	- 1.7	- 0.6	+ 2.5	+ 5.8
Business	+ 0.6	+ 1.2	- 1.3	+ 0.3	+ 0.2	+ 4.5
Real estate	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	+ 0.6	+ 1.3
Security	+ 0.3	- 0.1	<u>1/</u>	- 0.7	+ 0.6	- 0.9
Agricultural	+ 0.1	<u>1/</u>	+ 0.4	<u>1/</u>	+ 0.3	- 0.2
Consumer	<u>1/</u>	+ 0.1	- 0.3	+ 0.1	+ 0.9	+ 1.2
All other	- 0.1	<u>1/</u>	- 0.4	- 0.2	<u>1/</u>	+ 0.2
U. S. Government securities	+ 1.1	- 1.1	+ 0.9	- 2.9	+ 3.5	- 2.9
Other securities	+ 0.7	+ 0.2	+ 1.1	+ 0.2	+ 2.4	- 0.1
Total loans and investments (less interbank)	+ 2.7	+ 0.3	+ 0.3	- 3.1	+ 8.3	+ 2.9

Item	1956	1955	1954	1953	1952	1951
	Mar. 1- Mar. 28	Feb. 24- Mar. 30 2/	Feb. 25- Mar. 31 2/	Feb. 26- Mar. 25	Feb. 28- Mar. 26	Feb. 29- Mar. 28
<u>Total loans (excluding interbank)</u>	+ 2.1	+ 1.0	+ 0.8	+ 1.0	+ 0.5	+ 0.9
Business	+ 1.6	+ 0.6	+ 0.3	+ 0.5	+ 0.2	+ 0.6
Real estate	+ 0.2	+ 0.2	+ 0.1	<u>1/</u>	+ 0.1	+ 0.1
Security	<u>1/</u>	+ 0.2	+ 0.1	+ 0.1	+ 0.1	<u>1/</u>
Agricultural	- 0.1	- 0.3	+ 0.3	<u>1/</u>	<u>1/</u>	<u>1/</u>
Consumer	+ 0.1	+ 0.2	<u>1/</u>	+ 0.3	+ 0.1	+ 0.1
All other	+ 0.2	+ 0.1	<u>1/</u>	<u>1/</u>	<u>1/</u>	+ 0.1
U. S. Government securities	- 0.6	- 2.6	- 2.3	- 1.4	- 0.2	- 0.3
Other securities	<u>1/</u>	+ 0.2	+ 0.1	+ 0.2	+ 0.2	+ 0.2
Total loans and investments (less interbank)	+ 1.4	- 1.4	- 1.5	- 0.2	+ 0.6	+ 0.7

1/ Less than \$50 million.

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

Note: Data for March 26, 1958 are preliminary estimates based on data for weekly reporting member banks and estimates for other banks. Later estimates for March will be shown in the Board's statement, "Assets and Liabilities of All Banks in the United States" available at the end of April. Data for December 31, 1957, are estimates.

Not for publication

Table 1 - continued

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

Item	Nov. 28, 1957- Mar. 26, 1958	Nov. 29, 1956- Mar. 27, 1957	Dec. 1, 1955- Mar. 28, 1956	Nov. 25, 1954- Mar. 30, 1955	Nov. 26, 1953- Mar. 31, 1954	Nov. 27, 1952- Mar. 25, 1953
<u>Total loans (excluding interbank)</u>	<u>1/</u>	+ 0.9	+ 3.1	+ 2.3	+ 0.1	+ 1.4
Business	- 0.4	+ 1.2	+ 2.2	+ 0.8	- 1.1	+ 0.4
Real estate	+ 0.1	<u>1/</u>	+ 0.5	+ 0.8	+ 0.1	+ 0.3
Security	+ 0.6	- 0.4	<u>1/</u>	+ 0.3	<u>1/</u>	- 0.1
Agricultural	+ 0.5	+ 0.1	+ 0.1	- 0.2	+ 1.3	- 0.2
Consumer	- 0.2	+ 0.2	+ 0.4	+ 0.4	- 0.2	+ 0.9
All other	- 0.4	- 0.1	+ 0.1	+ 0.3	- 0.1	+ 0.1
U. S. Government securities	+ 2.4	- 2.5	- 2.8	- 5.9	- 3.0	- 3.6
Other securities	+ 1.5	+ 0.2	<u>1/</u>	+ 0.8	+ 0.5	+ 0.1
Total loans and investments (less interbank)	+ 3.8	- 1.3	+ 0.3	- 2.7	- 2.4	- 2.1

1/ Less than \$50 million.

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\$900 million. Business and consumer loans have declined whereas last year they rose. On the other hand, agricultural loans have risen considerably more than last year and security loans have increased substantially, whereas a year ago they declined.

Business loans increased \$550 million at city banks during March, reflecting growth of \$800 million around the mid-month tax date offset by prior and subsequent reductions. Last year in mid-March business loans had increased \$1.1 billion. The lower level of tax borrowing this year compared with last probably reflects in part the reduction from 40 per cent to 35 per cent in the proportion of the previous year's tax liability payable in March by large corporations. Most industries increased their outstanding bank loans in mid-March but sales finance companies and metals producers were especially heavy borrowers. Sales finance companies generally increase their borrowing from banks during income tax periods in order to retire notes held by nonfinancial corporations who need the funds to meet tax payments. Over March, as shown in Table 3, increases in loans to metals manufacturers, sales finance companies, and trade concerns accounted for almost 75 per cent of the increase in outstanding loans. Excluding loans to sales finance companies, this year's business loan growth in March, while considerably smaller than in 1956 and 1957, did not differ greatly from that in other recent years.

So far this year, seasonal reductions in business loans by food processors and trade concerns have been considerably larger than usual while those by commodity dealers have been about average. Reductions in borrowings by sales finance companies have also been much larger than usual. Increases in loans by all other industries have been about half as large as last year, reflecting principally smaller growth in loans to metals processors and reductions, rather than increases, in loans to public utilities and petroleum and chemicals companies.

Deposits and currency. Preliminary estimates indicate that demand deposit and currency holdings of businesses and individuals, seasonally adjusted, rose \$600 million further in March, as shown in Table 3. This followed an \$800 million seasonally adjusted growth in February. At the end of March, the seasonally adjusted money supply was about one per cent below its year-ago level. So far this year, however, it has increased \$600 million or at an annual rate of about 2 per cent, twice as much as in the first quarter of 1957.

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Table 2

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

Business of Borrower	1958	1957	1956	1955	1954	1953	1952
	Feb. 27- Mar. 26	Feb. 28- Mar. 27	Mar. 1- Mar. 28	Feb. 24- Mar. 30	Feb. 25- Mar. 31	Feb. 26- Mar. 25	Mar. 1- Mar. 26
Food processors	- 41	+ 39	+ 43	- 42	- 58	- 62	- 191
Commodity dealers	- 76	- 111	- 73	- 132	- 125	- 129	- 119
Trade concerns	+ 73	+ 80	+ 107	+ 91	+ 72	+ 143	+ 36
Total	- 44	+ 8	+ 77	- 83	- 111	- 48	- 274
Sales finance	+ 104	+ 292	+ 158	+ 98	+ 16	+ 15	+ 54
All other - total	+ 414	+ 790	+1,139	+ 455	+ 391	+ 456	+ 426
Metals and products	+ 223	+ 443	+ 510	+ 80	+ 133	+ 199	+ 288
Textiles, apparel and leather	+ 48	+ 75	+ 84	+ 73	+ 29	+ 79	+ 8
Petroleum, coal, etc.	- 7	+ 80	+ 111	+ 87	+ 21	+ 40	+ 49
Other manufacturing and mining	+ 91	+ 92	+ 145	+ 49	+ 36	+ 43	+ 33
Public utilities	- 23	+ 90	+ 226	+ 126	+ 105	+ 67	+ 54
Construction	+ 8	+ 2	+ 3	- 9	+ 17	+ 21	+ 1
All other types of business	+ 74	+ 8	+ 60	+ 49	+ 50	+ 7	- 7
Classified	+ 475	+1,089	+1,374	+ 470	+ 297	+ 421	+ 205
Unclassified	+ 81	+ 52	+ 96	<u>2</u> /+ 19	<u>3</u> /+ 20	+ 47	+ 10
Total change	+ 556	+1,141	+1,470	<u>2</u> /+ 489	<u>3</u> /+ 317	+ 468	+ 215

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 \$60 million.

3/ Includes CCC certificates of interest which are estimated to have increased \$175 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 banks and nearly 70 per cent of those of all commercial banks. Data are preliminary for week of March 26, 1958.

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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 March						
	1958	1957	1956	1955	1954	1953	1952
Food processors	- 513	- 305	- 190	- 279	- 250	- 236	- 422
Commodity dealers	- 216	- 253	- 103	- 260	- 214	- 301	- 333
Trade concerns	- 289	- 124	+ 96	- 11	- 68	+ 117	- 124
Total	-1,018	- 682	- 197	- 550	- 532	- 420	- 879
Sales finance	- 415	+ 136	- 321	+ 105	- 219	- 106	- 325
All other - total	+ 405	+ 825	+1,637	+ 667	+ 74	+ 575	+1,129
Metals and products	+ 249	+ 561	+ 826	+ 115	- 13	+ 321	+ 948
Textiles, apparel and leather	+ 129	+ 136	+ 138	+ 192	+ 89	+ 154	+ 17
Petroleum, coal, etc.	+ 12	+ 53	+ 204	+ 195	- 75	+ 37	+ 192
Other manufacturing and mining	+ 92	+ 112	+ 214	+ 43	+ 2	+ 25	+ 55
Public utilities	- 101	+ 140	+ 304	+ 106	+ 56	+ 34	- 9
Construction	- 21	- 44	- 30	+ 4	+ 10	+ 17	- 36
All other types of business	+ 45	- 133	- 19	+ 12	+ 5	- 13	- 38
Classified	-1,029	+ 280	+1,119	+ 222	- 677	+ 49	- 73
Unclassified	- 262	- 116	+ 1	2/- 48	3/+ 60	- 102	+ 18
Total change	-1,291	+ 164	+1,120	2/+ 174	3/- 617	- 53	- 55

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 \$170 million.

3/ Includes CCC certificates of interest which are estimated to have increased \$175 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 banks and nearly 70 per cent of those of all commercial banks. Data are preliminary for week of March 26, 1958.

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

Item	1958	1957	1958	1957	Year ending:	
	Feb. 27- Mar. 26	Feb. 28- Mar. 27	Jan. 1- Mar. 26	Jan. 1- Mar. 27	Mar. 26, 1958	Mar. 27, 1957
<u>Seasonally adjusted data</u> <u>1/</u>						
Demand deposits adjusted	+ 0.6	+ 0.1	+ 1.1	+ 0.3	- 1.0	+ 0.8
Currency outside banks	<u>2/</u>	<u>+ 0.1</u>	<u>- 0.5</u>	<u>2/</u>	<u>- 0.2</u>	<u>+ 0.2</u>
Total	+ 0.6	+ 0.2	+ 0.6	+ 0.3	- 1.2	+ 1.0
<u>Seasonally unadjusted data</u> <u>1/</u>						
Demand deposits adjusted	- 1.3	- 1.8	- 6.2	- 6.2	- 1.0	+ 0.8
Currency outside banks	<u>2/</u>	<u>2/</u>	<u>- 1.2</u>	<u>- 0.9</u>	<u>- 0.1</u>	<u>+ 0.2</u>
Total	- 1.3	- 1.8	- 7.4	- 7.1	- 1.1	+ 1.0
Time deposits	+ 1.6	+ 1.0	+ 3.5	+ 2.4	+ 7.8	+ 5.3
Commercial	+ 1.2	+ 0.8	+ 2.8	+ 2.0	+ 6.1	+ 3.8
Mutual savings	+ 0.3	+ 0.2	+ 0.7	+ 0.4	+ 2.0	+ 1.8
U. S. Government deposits	<u>+ 2.3</u>	<u>+ 1.2</u>	<u>+ 2.0</u>	<u>- 0.2</u>	<u>+ 2.2</u>	<u>- 2.7</u>
Total	+ 2.5	+ 0.4	- 2.0	- 4.9	+ 8.8	+ 3.7
(signs indicate effect on deposits and currency)						
<u>Factors affecting deposits and currency</u>						
Bank loans and investments other than U.S. Govt. sec. <u>3/</u>	<u>+ 1.8</u>	<u>+ 1.7</u>	<u>+ 0.4</u>	<u>- 0.1</u>	<u>+ 7.6</u>	<u>+ 8.2</u>
Commercial	+ 1.6	+ 1.4	- 0.5	- 0.3	+ 4.9	+ 5.7
Mutual savings	+ 0.2	+ 0.2	+ 0.7	+ 0.6	+ 2.4	+ 2.5
Bank holdings of U. S. Government securities	<u>+ 1.2</u>	<u>- 0.9</u>	<u>+ 0.2</u>	<u>- 4.7</u>	<u>+ 3.0</u>	<u>- 4.1</u>
Federal Reserve	+ 0.1	+ 0.2	- 0.7	- 1.8	+ 0.5	- 0.5
Commercial	+ 1.1	- 1.1	+ 0.9	- 2.9	+ 3.5	- 2.9
Mutual saving and other	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	- 0.9	- 0.7
Gold stock and foreign deposits at F. R. Banks	- 0.2	<u>2/</u>	- 0.2	+ 0.3	+ 0.3	+ 0.6
Other factors <u>4/</u>	- 0.3	- 0.4	- 2.4	- 0.4	- 2.1	- 1.0

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/ Includes interbank time deposits at commercial banks which increased \$917 million at weekly reporting banks between December 31, 1957 and March 26, 1958.

Note: Data for March 26, 1958 are preliminary estimates based on data for weekly reporting member banks and estimates for other banks. Later estimates for March will be shown in the Board's statement, "Assets and Liabilities of All Banks in the United States" available at the end of April. Data for December 31, 1957 are estimates.

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Demand deposits adjusted have increased over \$1 billion on a seasonally adjusted basis this year but this growth has been offset in part by a decline in currency outside banks. Last year, demand deposits adjusted increased \$300 million while currency was unchanged.

Time deposits at commercial and mutual savings banks increased \$1.6 billion further in March compared with \$1 billion last year. At weekly reporting banks in leading cities growth in these deposits exceeded last year's by \$235 million. Time deposits of foreign central banks (included in "other factors" on Table 3) increased somewhat further in March but less than in January or February when shifts out of Treasury bills had been substantial.

So far this year time deposits at commercial banks have increased \$2.8 billion compared with \$2 billion in the first quarter of 1957, when exceptionally sharp growth had been associated with interest rate increases. Recent growth has been larger than in any other comparable period on record. Growth at mutual savings banks has been nearly twice as much as last year, but not much more than in other recent years.

U. S. Government deposits increased \$2.3 billion further in March, twice as much as last year, and brought the total outstanding to \$6.5 billion, the highest last-Wednesday level since early 1956. On balance, total deposits and currency increased \$2.5 billion in March 1958 compared with \$400 million in March a year ago. Credit growth at commercial and mutual savings banks and at Federal Reserve Banks was offset in part in its effect on deposits by drains from foreign operations and other miscellaneous factors. Since November 1957, total deposits and currency have increased \$3.2 billion. Generally, deposits have either declined or shown much smaller growth over this period.

Bank reserves. Free reserves of member banks continued to increase during March and averaged \$500 million over the month compared with \$325 million in February, as shown in Table 4. Reserve positions eased at all classes of banks except central reserve city banks in Chicago. Central reserve city banks in New York held free reserves on a monthly average basis for the first time since mid-1955. Member bank borrowings from the Federal Reserve dropped to \$140 million and excess reserves rose to \$640 million. Since November, the shift in reserve positions from net borrowed to net free reserves has totaled almost \$800 million, with about half the increase occurring at reserve city banks and the other half distributed among central reserve city banks in New York and Chicago and country banks.

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Table 4

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
<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	- 128	- 166	- 113	- 214	365
1957: First	- 108	- 88	- 115	- 221	316
Second	- 485	- 196	- 141	- 373	224
Third	- 440	- 241	- 56	- 428	286
Fourth	- 256	- 109	- 105	- 320	276
1958: First	315	- 9	- 16	- 29	370
1957: January	117	- 41	- 40	- 172	369
February	- 126	- 123	- 53	- 249	299
March	- 316	- 101	- 253	- 242	280
April	- 505	- 300	- 210	- 263	269
May	- 444	- 104	- 165	- 367	192
June	- 508	- 185	- 48	- 488	210
July	- 383	- 181	- 28	- 452	278
August	- 471	- 289	- 26	- 400	244
September	- 466	- 254	- 115	- 433	336
October	- 344	- 141	- 115	- 389	301
November	- 293	- 80	- 123	- 342	252
December	- 133	- 105	- 77	- 228	277
1958: January	122	- 46	- 25	- 144	337
February	324	- 24	- 6	1	353
March	498	42	- 18	54	420
1958: Feb. 26	330	12	3	30	286
Mar. 5	472	6	---	69	395
12	472	9	- 9	23	449
19	484	10	- 32	16	487
26	543	64	- 63	94	448
Apr. 2	551	93	11	114	332

Note: Data for second half of March and April are preliminary.

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Over March, as shown in Table 5, almost \$600 million of reserves on a monthly average basis were supplied to banks through two reductions in reserve requirements. In addition, System purchases of U. S. Government securities provided funds. Some reserves were absorbed through increases in required reserves resulting from the month's heavy deposit growth, a reduction in gold stock, and other factors. Free reserves increased \$175 million.

Interest rates. Effective between March 7 and March 21, with the approval of the Board of Governors, the discount rate was lowered to 2-1/4 per cent at all Reserve Banks.

Short-term money market rates declined somewhat further during March. The rate on bankers' acceptances dropped 1/4 per cent and rates on 4-6 months commercial paper and 3-6 months finance paper, 1/8 per cent. Rates on Federal funds fluctuated considerably over the month ranging from 1/4 per cent to 2-1/2 per cent but tended to be low toward the end of March.

Reserve requirements. The Board of Governors reduced by 1/2 of 1 per cent reserves required to be maintained by member banks against demand deposits. Effective March 20 for city banks and April 1 for country banks, the reductions released in total almost \$500 million of reserves--\$125 million at central reserve city banks, \$190 million at reserve city banks, and \$175 million at country banks. The new requirements are 19 per cent at central reserve city banks, 17 per cent at reserve city banks, and 11 per cent at country banks. The reductions followed similar reductions--volume and percentage--effective February 27, 1958 for city banks and March 1, 1958 for country banks.

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Table 5

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

Item	March		Jan.-Mar.		Year ending March	
	1958	1957	1958	1957	1958	1957
<u>Member bank reserve balances</u>						
<u>Total</u>	- 270	+ 68	- 690	- 651	- 154	- 40
Required reserves <u>1/ 2/</u>	- 340	+ 64	- 749	- 517	- 272	+ 26
Effect of reduction in requirements	- 599	---	- 622	---	- 622	---
Effect of deposit change	+ 259	+ 64	- 127	- 517	+ 350	+ 26
Excess reserves <u>1/</u>	+ 70	+ 4	+ 59	- 134	+ 118	- 66
<u>Principal factors</u>	(signs indicate effect on reserves)					
Currency in circulation	+ 19	+ 27	+1,343	+1,207	- 21	- 312
Gold stock and foreign accounts	- 182	+ 45	- 141	+ 419	+ 294	+ 627
Treasury operations	- 54	- 72	- 22	+ 17	+ 123	+ 148
Federal reserve float	- 14	- 82	- 550	- 609	- 131	+ 37
Other factors	- 43	+ 14	- 243	- 106	- 141	+ 47
<u>Effect of above factors on reserves</u>	- 274	- 68	+ 387	+ 928	+ 124	+ 547
Federal Reserve loans and investments:						
<u>Total</u>	+ 5	+ 139	-1,076	-1,578	- 278	- 586
U. S. Govt. securities	+ 108	- 50	- 496	-1,704	+ 425	- 461
Outright	+ 152	- 86	- 150	-1,501	+ 468	- 452
Repurchase agreements	- 44	+ 36	- 346	- 203	- 43	- 9
Acceptances	---	- 5	- 3	- 27	+ 17	+ 9
Discounts and advances:						
To member banks	- 104	+ 194	- 572	+ 146	- 696	- 159
To others	+ 1	---	- 5	+ 7	- 24	+ 25

1/ Data for March, 1958 are preliminary.

2/ On February 27, 1958, required reserves were reduced about \$125 million at central reserve city banks and about \$195 million at reserve city banks as a result of the reduction of 1/2 of 1 per cent in the reserves required to be maintained against net demand deposits. On March 1, about \$180 million were released at country banks as the result of a similar reduction in reserve requirements. On March 20, 1958, required reserves were reduced \$125 million at central reserve city banks and \$190 million at reserve city banks as the result of a further 1/2 percentage reduction in reserve requirements. On April 1, about \$175 million were released at country banks as the result of a similar reduction.

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

Date	Loans and invest- ments	U. S. Govt. secur- ities	Other secur- ities	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	2.9
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: 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: Mar. 28	158.5	58.6	16.6	83.3	34.5	21.2	4.5	4.4	13.4	6.6
June 30	159.3	56.6	16.5	86.2	36.1	21.8	4.4	4.3	14.2	6.8
Sept. 26	160.7	57.0	16.6	87.2	37.0	22.3	4.1	4.2	14.4	6.7
Dec. 31	164.5	58.6	16.3	89.7	38.7	22.5	4.3	4.2	14.6	7.0
1957: Jan. 30	161.6	57.7	16.2	87.7	37.6	22.5	3.7	4.2	14.5	6.8
Feb. 27	161.1	56.8	16.3	87.9	37.8	22.5	3.7	4.2	14.5	6.8
Mar. 27	161.4	55.7	16.5	89.1	39.0	22.5	3.6	4.2	14.6	6.8
Apr. 24	163.8	57.5	16.7	89.7	39.0	22.5	3.8	4.1	14.9	6.9
May 29	163.8	57.1	16.8	89.9	38.9	22.5	3.8	4.1	15.1	7.0
June 26	164.3	55.5	16.8	92.0	40.5	22.6	3.9	4.0	15.4	7.1
July 31p	164.1	56.3	16.8	91.0	39.6	22.7	3.7	3.9	15.5	7.1
Aug. 28p	164.6	56.2	16.9	91.5	39.9	22.8	3.8	3.8	15.6	7.1
Sept. 25p	165.1	55.9	17.1	92.2	40.3	22.9	3.8	3.8	15.7	7.2
Oct. 30p	166.5	57.3	17.6	91.6	39.7	22.9	3.7	4.0	15.8	7.1
Nov. 27p	165.9	56.8	17.4	91.6	39.6	23.0	3.6	4.0	15.7	7.2
Dec. 25p	168.6	57.9	17.7	93.1	40.5	23.1	4.0	4.1	15.8	7.2
Dec. 31e	169.4	58.3	17.8	93.3	40.5	23.1	4.2	4.1	15.8	7.2
1958: Jan. 29p	166.1	57.6	17.9	90.6	38.8	23.1	3.6	4.2	15.7	7.0
Feb. 26p	167.0	58.1	18.2	90.7	38.6	23.1	3.9	4.4	15.5	6.9
Mar. 26e	169.7	59.2	18.9	91.6	39.2	23.1	4.2	4.5	15.5	6.8

p - Preliminary

e - Estimated

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. All data for March 26, 1958, are estimates and subject to error.

Banking Section, Board of Governors,
April 10, 1958

Not for publication