

FEDERAL RESERVE BANK
of KANSAS CITY

JUN 13 1958

BANKING AND MONETARY DEVELOPMENTS IN MAY 1958
RESEARCH LIBRARY

Summary. Total commercial bank credit showed little change in May as reductions in loans largely to security dealers and businesses were offset by further growth in holdings of U. S. Government and other securities. Seasonally adjusted demand deposit and currency holdings of businesses and individuals continued to rise. Free reserves of member banks increased slightly further averaging over \$500 million.

Bank credit. Total loans and investments at all commercial banks declined \$100 million during May as shown in Table 1. This followed a rise in the preceding three months totaling almost \$8 billion. Loans declined \$800 million, mainly reflecting repayments by security dealers of funds borrowed in connection with the mid-April Treasury financing. Business loans also dropped but real estate loans rose. Holdings of U. S. Government securities, which rose sharply at the time of the April financing, increased moderately further in May, mainly at city banks. At banks outside leading cities, such holdings showed little change, although usually they decline in May. Holdings of "other" securities also increased moderately further, as expansion at banks outside New York was offset only in part by a decline at banks in New York City arising mainly from redemption of maturing New York City tax anticipation notes.

In the May reporting period last year, total credit was about unchanged, as this year. Last year, however, loans increased slightly compared with a substantial reduction this year, while holdings of U. S. Government securities declined.

So far this year, total credit at commercial banks has increased \$4.6 billion whereas in most postwar years, credit has declined during this period. Holdings of U. S. Government securities have risen more than \$5 billion, in contrast with declines in every other postwar year except 1949. Loans have declined over \$2 billion, slightly more than in 1949 and considerably more than in 1954, the only other years showing substantial reductions. On a percentage basis, the loan drop in 1958 was slightly larger than in 1954 but somewhat less than in 1949.

Business loans declined \$400 million at city banks during May, as shown on Table 2, but they probably rose slightly at banks outside leading cities, as is usual during this period. The net reduction at city banks was slightly larger than the \$200 million average for May of other postwar years but was somewhat below the

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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:	
	May 1- May 28	Apr. 25- May 29	Jan. 1- May 28	Jan. 1- May 29	May 28, 1958	May 29, 1957
<u>Total loans (excluding interbank)</u>	- 0.8	+ 0.2	- 2.1	+ 0.3	+ 1.2	+ 5.2
Business	- 0.3	- 0.1	- 2.4	+ 0.2	- 0.8	+ 4.1
Real estate	+ 0.2	<u>1/</u>	+ 0.5	<u>1/</u>	+ 1.1	+ 0.9
Security	- 0.6	<u>1/</u>	+ 0.2	- 0.5	+ 0.6	+ 0.7
Agricultural	<u>1/</u>	<u>1/</u>	+ 0.3	- 0.1	+ 0.3	+ 0.3
Consumer	<u>1/</u>	+ 0.2	- 0.3	+ 0.6	+ 0.4	- 1.2
All other	<u>1/</u>	+ 0.1	- 0.3	<u>1/</u>	- 0.1	+ 0.3
U. S. Government securities	+ 0.6	- 0.4	+ 5.2	- 1.5	+ 6.3	- 0.2
Other securities	+ 0.1	+ 0.1	+ 1.5	+ 0.5	+ 2.6	+ 0.4
Total loans and investments (less interbank)	- 0.1	<u>1/</u>	+ 4.6	- 0.7	+10.1	+ 5.4

Item	1956:	1955:	1954:	1953:	1952:	1951:
	Apr. 26- May 30	Apr. 28- May 25	Apr. 29- May 26	Apr. 30- May 27	May 1- May 28	Apr. 26- May 29
<u>Total loans (excluding interbank)</u>	+ 0.8	+ 1.0	- 0.1	- 0.1	+ 0.2	+ 0.2
Business	<u>1/</u>	+ 0.4	- 0.2	- 0.2	- 0.3	- 0.1
Real estate	+ 0.2	+ 0.3	+ 0.1	+ 0.1	+ 0.1	+ 0.1
Security	+ 0.1	<u>1/</u>	+ 0.5	<u>1/</u>	+ 0.2	+ 0.1
Agricultural	+ 0.1	<u>1/</u>	- 0.5	- 0.1	<u>1/</u>	<u>1/</u>
Consumer	+ 0.2	+ 0.2	<u>1/</u>	+ 0.2	+ 0.2	<u>1/</u>
All other	+ 0.1	+ 0.2	<u>1/</u>	- 0.1	+ 0.1	+ 0.1
U. S. Government securities	- 0.9	- 0.6	+ 1.2	- 0.6	+ 0.2	- 0.4
Other securities	- 0.2	- 0.3	+ 0.1	<u>1/</u>	+ 0.1	- 0.1
Total loans and investments (less interbank)	- 0.3	+ 0.1	+ 1.2	- 0.7	+ 0.7	- 0.2

1/ Less than \$50 million.

Note: Data for May 28, 1958 are preliminary estimates based on data for weekly reporting member banks and estimates for other banks. Later estimates for May will be shown in the Board's statement, "Assets and Liabilities of All Banks in the United States" available at the end of June.

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Table 1 (continued)

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

Item	1956:	1955:	1954:	1953:	1952:	1951:
	Jan. 1- May 30	Jan. 1- May 25	Jan. 1- May 26	Jan. 1- May 27	Jan. 1- May 28	Jan. 1- May 30
<u>Total loans (excluding interbank)</u>	+ 2.7	+ 2.4	- 1.2	+ 0.6	+ 0.4	+ 1.9
Business	+ 1.6	+ 1.1	- 1.2	- 0.3	- 1.0	+ 1.6
Real estate	+ 0.8	+ 1.1	+ 0.3	+ 0.4	+ 0.3	+ 0.5
Security	- 0.5	- 0.2	- 0.1	- 0.5	+ 0.5	- 0.5
Agricultural	- 0.1	- 0.8	<u>1/</u>	- 0.2	+ 0.1	+ 0.1
Consumer	+ 0.7	+ 0.8	- 0.3	+ 1.1	+ 0.4	<u>1/</u>
All other	+ 0.2	+ 0.5	<u>1/</u>	+ 0.1	+ 0.1	+ 0.3
U. S. Government securities	- 4.3	- 4.0	- 0.1	- 5.0	- 0.8	- 3.9
Other securities	- 0.3	+ 0.4	+ 0.6	+ 0.3	+ 0.5	+ 0.1
Total loans and investments (less interbank)	- 1.9	- 1.2	- 0.7	- 4.3	+ 0.1	- 1.9

1/ Less than \$50 million.

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record \$500 million drop in 1949. In May of 1955, 1948, and 1946, business loans had increased slightly.

Loan repayments by food processors were about the same volume as in May of other recent years. Repayments by commodity dealers, however, were smaller than usual. Loans to trade concerns declined slightly following a smaller than usual spring rise. Net loan repayments by sales finance companies continued in substantial volume; loans to these concerns have declined steadily since the mid-March tax period rise. Loans to both public utilities and to petroleum, chemical and rubber concerns, which had shown only small over-all changes earlier in the year, declined in May. Loans to metals manufacturers increased slightly following large reductions in April.

So far this year, business loans at city banks have declined \$2.5 billion compared with reductions of \$1.5 billion in 1954 and \$1.9 billion in 1949. In several postwar years these loans increased during this period. Percentagewise, the reduction in loans in 1958 was slightly larger than in 1954 but somewhat smaller than in 1949. Repayments have exceeded new borrowings in each month of 1958 except March when the rise was not as substantial as in either 1957 or 1956.

Net loan repayments by food processors and trade concerns have been considerably larger than usual so far this year but those by commodity dealers have been smaller. Loans to sales finance companies have declined \$800 million, more than twice as much as in any other recent year. Loans to metals fabricators, petroleum and chemicals concerns, and public utilities, which have risen substantially in most other recent years, declined this year, in part reflecting refinancing in the capital markets.

Real estate loans at all commercial banks increased about \$200 million during May. Almost half the rise occurred at city banks, where these loans had begun to increase in April following declines earlier in the year. At banks outside leading cities, real estate loans have continued to increase moderately. So far this year, these loans at all commercial banks have increased \$500 million compared with no change last year, considerably larger increases in 1956 and 1955, and roughly comparable increases in other recent years.

Consumer loans were about unchanged in May compared with growth of \$200 million last year. Over the first five months of 1958, these loans declined \$300 million whereas in practically all other recent years, including 1949, they had increased.

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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
	May 1- May 28	May 2- May 29	May 3- May 30	Apr. 28- May 25	Apr. 28- May 26	Apr. 30- May 27	May 1- May 28
Food processors	- 81	- 52	- 79	- 102	- 78	- 104	- 116
Commodity dealers	- 41	- 125	- 95	- 31	- 25	- 124	- 118
Trade concerns	- 14	- 8	- 10	+ 54	+ 18	+ 23	- 7
Total	- 136	- 185	- 184	- 79	- 85	- 205	- 241
Sales finance	- 132	- 262	- 132	+ 47	- 12	- 96	+ 35
<u>All other - total</u>	- 88	+ 73	+ 33	+ 229	- 96	+ 29	- 17
Metals and products	+ 14	+ 45	- 8	+ 35	- 124	+ 34	+ 29
Textiles, apparel and leather	- 17	- 19	+ 22	- 6	- 10	- 19	- 57
Petroleum, coal, etc.	- 87	+ 11	- 1	+ 6	+ 60	+ 6	- 34
Other manufacturing and mining	+ 26	+ 22	+ 18	+ 50	- 16	+ 30	---
Public utilities	- 121	+ 8	- 89	+ 43	- 39	- 21	+ 19
Construction	+ 25	+ 3	+ 29	+ 39	+ 28	+ 3	+ 22
All other types of business	+ 72	+ 3	+ 62	+ 62	+ 5	- 4	+ 4
Classified	- 355	- 388	- 282	+ 197	- 193	- 271	- 223
Unclassified	- 54	+ 19	+ 6	<u>2/-</u> 101	<u>3/-</u> 136	- 26	- 46
Total change	- 409	- 369	- 276	<u>2/+</u> 96	<u>3/-</u> 329	- 297	- 269

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 \$165 million.

3/ Includes CCC certificates which are estimated to have declined \$60 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 May 28, 1958

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Table 2 (continued)

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

Business of Borrower	First five months of year						
	1958	1957	1956	1955	1954	1953	1952
Food processors	- 776	- 474	- 327	- 511	- 474	- 556	- 833
Commodity dealers	- 283	- 473	- 290	- 400	- 327	- 541	- 581
Trade concerns	- 280	- 50	+ 206	+ 103	- 43	+ 205	- 110
Total	-1,339	- 997	- 411	- 808	- 844	- 892	-1,524
Sales finance	- 813	+ 51	- 381	+ 350	- 242	- 97	- 287
<u>All other - total</u>	- 113	+ 935	+1,896	+ 973	- 198	+ 649	+1,014
Metals and products	- 27	+ 640	+ 966	+ 107	- 271	+ 374	+1,018
Textiles, apparel and leather	+ 57	+ 107	+ 176	+ 180	+ 50	+ 110	- 75
Petroleum, coal, etc.	- 134	+ 89	+ 254	+ 277	+ 8	+ 56	+ 132
Other manufacturing and mining	+ 86	+ 117	+ 264	+ 109	- 23	+ 56	+ 60
Public utilities	- 160	+ 162	+ 143	+ 142	- 58	+ 79	- 61
Construction	+ 20	- 40	+ 31	+ 66	+ 53	+ 8	+ 3
All other types of business	+ 45	- 140	+ 62	+ 92	+ 43	- 34	- 63
Classified	-2,264	- 11	+1,105	+ 518	-1,284	- 341	- 795
Unclassified	- 275	- 176	+ 56	<u>2/-</u> 300	<u>3/-</u> 242	- 213	- 100
Total change	-2,539	- 187	+1,161	<u>2/+</u> 218	<u>3/-</u> 1,526	- 554	- 895

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 \$470 million.

3/ Includes CCC certificates of interest which are estimated to have increased \$65 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 May 28, 1958.

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Security loans declined \$600 million in May following sharp growth in April associated with Treasury financing operations. So far this year, they have increased slightly, as in most other recent years.

Deposits and currency. Preliminary estimates indicate that demand deposit and currency holdings of businesses and individuals, seasonally adjusted, rose \$500 million further in May, as shown in Table 3. This followed a \$1 billion growth in April, considerably higher than preliminary estimates had indicated. At the May month-end, the privately-held money supply was around 1/2 per cent above the year-ago level. So far this year, it has increased \$2.3 billion, or about one-seventh less than in 1952, the largest rise for this period since 1947 when the Board's seasonally adjusted series began. Last year, there was a \$200 million decline.

Time deposits at all commercial banks increased \$800 million further during May bringing the growth so far this year to \$4.6 billion. As shown in Table 3, this sharply exceeds growth in any other year in the postwar period. It is also over three-quarters again as large as the record wartime growth of \$2.6 billion in the January-May period of 1945. The 1958 increase has been a larger percentage growth than in any other year except 1945.

At mutual savings banks, deposits have increased \$1 billion so far this year compared with \$600 million last year. Growth in 1958 was probably slightly larger than in any other postwar year and about the same as in 1945.

U. S. Government deposits increased \$100 million during May reflecting growth of \$300 million at commercial banks offset in part by reductions at Federal Reserve Banks. At city banks, however, U. S. Government deposits dropped almost \$400 million indicating that these deposits increased fairly substantially at banks outside leading cities.

On balance, total deposits and currency were about unchanged in May. Loans and investments at commercial banks, as noted above, also were unchanged. Further credit growth at mutual savings banks and System purchases of U. S. Government securities added to deposits while foreign transactions drained funds.

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

Item	1958	1957	1958	1957	Year ending:	
	May 1- May 28	Apr. 25- May 29	Jan. 1- May 28	Jan. 1- May 29	May 28, 1958	May 29, 1957
<u>Seasonally adjusted data</u> ^{1/}						
Demand deposits adjusted	+ 0.4	- 0.7	+ 2.5	- 0.1	+ 1.0	+ 0.6
Currency outside banks	+ 0.1	+ 0.3	- 0.2	+ 0.3	- 0.1	+ 0.5
Total	+ 0.5	- 0.4	+ 2.3	+ 0.2	+ 0.9	+ 1.1
<u>Seasonally unadjusted data</u> ^{1/}						
Demand deposits adjusted	- 1.4	- 2.5	- 4.5	- 6.6	+ 1.0	+ 0.6
Currency outside banks	+ 0.2	+ 0.5	- 0.5	- 0.4	- 0.1	+ 0.5
Total	- 1.2	- 2.0	- 5.0	- 7.0	+ 0.9	+ 1.1
Time deposits	+ 1.0	+ 0.8	+ 5.5	+ 3.5	+ 8.9	+ 6.1
Commercial	+ 0.8	+ 0.7	+ 4.6	+ 3.0	+ 7.1	+ 4.6
Mutual savings	+ 0.2	+ 0.2	+ 1.0	+ 0.6	+ 2.1	+ 1.7
U. S. Government deposits	+ 0.1	+ 1.1	+ 1.4	+ 1.3	+ 0.3	- 0.4
Total	- 0.1	- 0.1	+ 2.0	- 2.2	+10.1	+ 6.8
<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	- 0.5	+ 0.6	+ 0.6	+ 1.5	+ 6.6	+ 8.3
Mutual savings	- 0.7	+ 0.3	- 0.6	+ 0.8	+ 3.8	+ 5.6
Total	+ 0.2	+ 0.2	+ 1.2	+ 1.0	+ 2.5	+ 2.4
Bank holdings of U. S. Government securities:						
Federal Reserve	+ 0.9	- 0.6	+ 4.9	- 3.6	+ 6.6	- 1.4
Commercial	+ 0.4	- 0.2	- 0.2	- 1.9	+ 1.1	- 0.4
Mutual saving and other	+ 0.6	- 0.4	+ 5.2	- 1.5	+ 6.3	- 0.2
Total	<u>2/</u>	<u>2/</u>	- 0.1	- 0.2	- 0.8	- 0.8
Gold stock and foreign deposits at F. R. Banks	- 0.4	+ 0.3	- 1.1	+ 0.6	- 0.9	+ 0.8
Other factors ^{4/}	<u>1/</u>	- 0.4	- 2.4	- 0.7	- 2.2	- 0.9

^{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 largely held by foreign banks which increased \$1.1 billion at weekly reporting banks between December 31, 1957 and May 28, 1958.

Note: Data for May 28, 1958 are preliminary estimates based on data for weekly reporting member banks and estimates for other banks. Later estimates for May will be shown in the Board's statement, "Assets and Liabilities of All Banks in the United States" available at the end of June.

Not for publication

Table 3 (continued)

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

Item	1956	1955	1954	1953	1952	
	Jan. 1- May 30	Jan. 1- May 25	Jan. 1- May 26	Jan. 1- May 27	Jan. 1- May 28	
<u>Seasonally adjusted data</u> ^{1/}						
Demand deposits adjusted	+ 0.3	+ 2.3	+ 0.6	+ 1.1	+ 2.2	
Currency outside banks	+ 0.1	+ 0.1	- 0.3	+ 0.3	+ 0.5	
Total	+ 0.3	+ 2.4	+ 0.3	+ 1.4	+ 2.7	
<u>Seasonally unadjusted data</u> ^{1/}						
Demand deposits adjusted	- 5.7	- 3.3	- 3.8	- 4.0	- 2.9	
Currency outside banks	- 0.9	- 1.1	- 1.3	- 0.5	- 0.3	
Total	- 6.6	- 4.3	- 5.0	- 4.5	- 3.2	
Time deposits	+ 1.2	+ 1.2	+ 2.1	+ 1.8	+ 1.6	
Commercial	+ 0.6	+ 0.6	+ 1.3	+ 1.0	+ 1.0	
Mutual savings	+ 0.8	+ 0.8	+ 0.8	+ 0.8	+ 0.7	
U. S. Government deposits	+ 1.8	+ 0.8	+ 0.8	- 2.1	+ 1.0	
Total	- 3.6	- 2.2	- 2.1	- 5.0	- 0.6	
Item	1951	1950	1949	1948	1947	1946
	Jan. 1- May 29	Jan. 1- May 31	Jan. 1- May 25	Jan. 1- May 26	Jan. 1- May 28	Jan. 1- May 31
<u>Seasonally adjusted data</u> ^{1/}						
Demand deposits adjusted	+ 1.0	+ 1.9	+ 0.2	- 1.2	<u>3/</u>	<u>3/</u>
Currency outside banks	+ 0.5	<u>2/</u>	- 0.1	- 0.3	<u>3/</u>	<u>3/</u>
Total	+ 1.5	+ 1.9	+ 0.1	- 1.5	<u>3/</u>	<u>3/</u>
<u>Seasonally unadjusted data</u> ^{1/}						
Demand deposits adjusted	- 2.8	- 0.8	- 3.0	- 4.3	- 1.8	+ 2.7
Currency outside banks	- 0.5	- 0.7	- 1.1	- 1.1	- 0.6	- 0.2
Total	- 3.3	- 1.5	- 4.1	- 5.4	- 2.4	+ 2.6
Time deposits	+ 0.1	+ 0.9	+ 0.7	+ 0.5	+ 1.2	+ 2.7
Commercial	<u>2/</u>	+ 0.5	+ 0.3	+ 0.3	+ 0.7	+ 1.9
Mutual savings	+ 0.2	+ 0.5	+ 0.4	+ 0.4	+ 0.4	+ 0.7
U. S. Government deposits	+ 1.7	- 0.3	- 1.0	+ 1.9	- 0.5	- 7.4
Total	- 1.5	- 0.9	- 4.5	- 3.0	- 1.7	- 2.1

^{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/} Not available.

Not for publication

Bank reserves. Free reserves of member banks averaged \$530 million in May (preliminary data) compared with \$495 million in April. Final data on country banks for the second half of April showed a considerably higher level of required reserves and hence a lower level of free reserves of all member banks than preliminary data had indicated. During May, free reserves increased at central reserve and reserve city banks but declined at country banks. The effective rate on Federal funds dropped further, remaining continuously below 1-1/4 per cent and falling to as low as 1/8 per cent for several days late in the month.

Free reserves of all member banks averaged \$540 million during the first three weeks of May, somewhat above the level of late April. During this period, System purchases of U. S. Government securities, increases in float, reductions in Treasury deposits at the Reserve Banks and declines in required reserves supplied more reserves than were absorbed by substantial currency outflows and further heavy gold sales. During the two following weeks ended June 4, the average level of free reserves dropped to \$470 million, however, as continued currency and gold outflows, increases in required reserves and reductions in float absorbed more reserves than were provided principally through further System purchases of U. S. Government securities.

Over May, as shown in Table 5, reserves were supplied to banks principally through System purchases of U. S. Government securities and through the carry-over effect, on an average basis, of the reduction in reserve requirements in late April. Reserves were absorbed largely through currency and gold outflows and increases in required reserves reflecting deposit growth. Free reserves increased slightly. In May last year, net borrowed reserves dropped slightly. More reserves were made available to banks through reductions in required reserves than were absorbed through System sales of U. S. Government securities. Changes in other factors were about offsetting in their effect on reserves. Currency outflow was less than this year and foreign transactions supplied a small volume of reserves.

So far this year, free reserves of member banks have increased \$660 million compared with an increase in net borrowed reserves of \$410 million last year. System holdings of U. S. Government securities have declined less than \$100 million compared with \$1.7 billion last year and reductions in reserve requirements have supplied about \$1,450 million of reserves.

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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	313	- 9	- 16	- 27	365
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	493	42	- 18	62	406
April	493	- 3	- 7	44	459
May	531	51	7	88	385
1958: Apr. 30	470	77	6	67	320
May 7	511	5	- 3	23	486
14	539	45	7	89	398
21	573	8	10	104	451
28	532	127	30	108	267
June 4	403	39	2	49	313

Note: Data for second half of May and June are preliminary.

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Currency inflow has been about the same in the two years but foreign transactions have drained about \$900 million of reserve funds this year whereas last year, they supplied over \$400 million. In addition, required reserves due to deposit changes have increased \$200 million this year whereas last year they declined \$500 million.

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Table 5

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

Item	May		Jan.-May		Year ending May	
	1958	1957	1958	1957	1958	1957
<u>Member bank reserve balances</u>						
<u>Total</u>	- 171	- 260	-1,197	- 708	- 604	+ 92
Required reserves <u>1/</u>	- 197	- 218	-1,269	- 521	- 788	+ 94
Effect of reduction in requirements	- 314	---	-1,440	---	-1,440	---
Effect of deposit change	+ 117	- 218	+ 171	- 521	+ 652	+ 94
Excess reserves <u>1/</u>	+ 27	- 42	+ 73	- 187	+ 185	- 2
<u>Principal factors</u> (signs indicate effect on reserves)						
Currency in circulation	- 144	- 32	+1,135	+1,130	- 152	- 323
Gold stock and foreign accounts	- 384	+ 32	- 909	+ 427	- 482	+ 560
Treasury operations	+ 35	- 73	+ 12	- 44	+ 218	+ 98
Federal Reserve float	- 23	- 64	- 602	- 587	- 205	+ 118
Other factors	+ 66	+ 183	- 187	- 106	- 85	- 47
<u>Effect of above factors on reserves</u>	- 450	+ 46	- 551	+ 820	- 706	+ 406
Federal Reserve loans and investments:						
<u>Total</u>	+ 280	- 306	- 644	-1,527	+ 104	- 315
U. S. Govt. securities	+ 290	- 198	- 43	-1,724	+ 898	- 281
Outright	+ 301	- 125	+ 324	-1,502	+ 943	- 266
Repurchase agreements	- 10	- 73	- 367	- 222	- 45	- 15
Acceptances	+ 1	- 3	- 4	- 28	+ 18	+ 6
Discounts and advances:						
To member banks	- 11	- 102	- 591	+ 221	- 790	- 62
To others	---	- 3	- 6	+ 4	- 22	+ 22

1/ Data for May 1958 are preliminary.

Not for publication

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	Security	Farm	Consumer	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 31	164.1	56.3	16.8	91.0	39.6	22.7	3.7	3.9	15.5	7.1
Aug. 28	164.6	56.2	16.9	91.5	39.9	22.8	3.8	3.8	15.6	7.1
Sept. 25	165.1	55.9	17.1	92.2	40.3	22.9	3.8	3.8	15.7	7.2
Oct. 30	166.5	57.3	17.6	91.6	39.7	22.9	3.7	4.0	15.8	7.1
Nov. 27	165.9	56.9	17.4	91.5	39.6	23.0	3.6	4.0	15.7	7.2
Dec. 31	169.3	58.2	17.9	93.2	40.5	23.1	4.2	4.1	15.8	7.2
1958: Jan. 29 ^p	166.2	57.7	17.9	90.5	38.8	23.1	3.6	4.2	15.7	7.0
Feb. 26 ^p	167.1	58.3	18.2	90.6	38.6	23.2	3.9	4.4	15.5	6.9
Mar. 26 ^p	169.9	59.6	18.9	91.5	39.2	23.3	4.2	4.4	15.4	6.8
Apr. 30 ^p	174.0	62.8	19.3	91.9	38.4	23.4	5.0	4.4	15.5	6.9
May 28 ^e	173.9	63.4	19.4	91.1	38.1	23.6	4.4	4.4	15.5	6.9

p - Preliminary

e - Estimated

r - Revised

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 May 28, 1958, are estimates and subject to error.

Banking Section, Board of Governors,
June 10, 1958

Not for publication