

L.4.3

FEDERAL RESERVE BANK  
of KANSAS CITY

NOV 21 1958

RESEARCH LIBRARY  
BANKING AND MONETARY DEVELOPMENTS IN OCTOBER 1958

Summary. Total commercial bank credit increased in October as a result of a growth in loans and in holdings of U. S. Government and other securities. Seasonally adjusted demand deposits and currency holdings of businesses and individuals increased substantially. United States Government deposits were reduced and time deposit growth continued at the markedly slower pace that became evident in August and September. Free reserves of member banks were about the same as in the preceding month. The discount rate was raised to 2-1/2 per cent at all Federal Reserve Banks in October and early November.

Bank credit. Commercial bank credit increased \$1.6 billion during October largely reflecting a \$900 million rise in holdings of U. S. Government securities and a loan growth of \$600 million. On October 8 commercial banks acquired \$2.1 billion of a \$2.7 billion Treasury bill issue maturing May 15, 1959 and two days later acquired about \$575 million of a \$1.2 billion 3-1/2 per cent Treasury note issue maturing November 15, 1959. By October 29 sales of Government securities from bank portfolios had offset a substantial part of these increases.

Growth in total bank credit was about the same as in October of last year. However, all of the expansion last year was in Government and other securities offset in part by a decline in loans, whereas this year loan expansion accounted for about two-fifths of the increase. Total credit expansion this year was about the same as the average for October in other recent years.

Since the beginning of the year bank credit expansion has amounted to \$10 billion, more than in any year since World War II. Total loans have shown little change during this period compared with increases ranging from \$2-\$8 billion in all years except 1954 and 1949, when they declined. Holdings of U. S. Government securities have increased by \$7.5 billion and other securities by \$2.5 billion, larger increases than in any year since 1945.

Not for publication

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

Item	1958:	1957:	1958:	1957:	1958:	1957:
	Sept. 24	Sept. 25	June 25	June 26	Jan. 1	Jan. 1
	Oct. 29	Oct. 30	Oct. 29	Oct. 30	Oct. 29	Oct. 30
<u>Total loans (excluding interbank)</u>	+ 0.6	- 0.6	- 0.4	- 0.4	<u>1/</u>	+ 2.0
Business	+ 0.1	- 0.6	<u>1/</u>	- 0.8	- 1.7	+ 1.0
Real estate	+ 0.3	<u>1/</u>	+ 1.0	+ 0.3	+ 1.6	+ 0.4
Security	<u>1/</u>	- 0.1	- 1.8	- 0.2	- 0.6	- 0.6
Agricultural	<u>1/</u>	+ 0.2	+ 0.1	<u>1/</u>	+ 0.6	- 0.2
Consumer	- 0.1	+ 0.1	- 0.1	+ 0.4	- 0.2	+ 1.2
All other	+ 0.1	- 0.1	+ 0.3	<u>1/</u>	+ 0.3	+ 0.1
U. S. Government securities	+ 0.9	+ 1.4	+ 1.2	+ 1.8	+ 7.6	- 1.3
Other securities	+ 0.1	+ 0.5	+ 0.5	+ 0.8	+ 2.6	+ 1.3
Total loans and investments (less interbank)	+ 1.6	+ 1.4	+ 1.3	+ 2.2	+ 10.2	+ 2.0

Item	Change during October					
	1956	1955	1954	1953	1952	1951
<u>Total loans (excluding interbank)</u>	+ 0.4	+ 0.9	+ 0.2	+ 0.4	+ 1.3	+ 0.6
Business	+ 0.2	+ 0.6	+ 0.1	<u>1/</u>	+ 0.7	+ 0.5
Real estate	+ 0.1	- 0.1	+ 0.2	+ 0.1	+ 0.1	+ 0.1
Security	+ 0.1	+ 0.2	<u>1/</u>	- 0.1	+ 0.1	- 0.2
Agricultural	- 0.2	+ 0.1	<u>1/</u>	+ 0.4	+ 0.2	+ 0.1
Consumer	<u>1/</u>	+ 0.2	<u>1/</u>	<u>1/</u>	+ 0.3	<u>1/</u>
All other	+ 0.1	- 0.1	<u>1/</u>	+ 0.1	- 0.1	+ 0.1
U. S. Government securities	+ 0.5	+ 0.9	+ 2.9	+ 0.1	+ 1.3	+ 1.2
Other securities	- 0.3	- 0.1	+ 0.1	<u>1/</u>	- 0.1	<u>1/</u>
Total loans and investments (less interbank)	+ 0.7	+ 1.7	+ 3.2	+ 0.6	+ 2.4	+ 1.7

1/ Less than \$50 million.

Note: Data for October 29, 1958, are preliminary estimates based on data reported by a sample of member banks. Revised estimates will be available at the end of November.

Table 1 (continued)

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

Item	End of December to end of October				
	1956	1955	1954	1953	1952
<u>Total loans (excluding interbank)</u>	+ 5.6	+ 8.0	- 0.4	+ 2.3	+ 4.2
Business	+ 4.0	<sup>2/</sup> + 4.2	- 1.0	<sup>1/</sup>	+ 1.0
Real estate	+ 1.6	<sup>2/</sup> + 2.1	+ 1.3	+ <sup>1/</sup> 0.9	+ 0.9
Security	- 0.9	- 0.1	+ 0.2	- 0.4	<sup>1/</sup>
Agricultural	- 0.5	- 1.2	- 1.1	+ 0.4	+ <sup>1/</sup> 0.7
Consumer	+ 1.2	+ 2.0	- 0.1	+ 1.5	+ 1.5
All other	+ 0.2	+ 0.9	+ 0.3	+ 0.1	+ 0.1
U. S. Government securities	- 4.1	- 6.1	+ 6.8	- 1.0	+ 1.4
Other securities	- 0.4	+ 0.5	+ 1.4	+ 0.4	+ 0.9
Total loans and investments (less interbank)	+ 1.1	+ 2.4	+ 7.8	+ 1.7	+ 6.3

  

Item	End of December to end of October				
	1951	1950	1949	1948	1947
<u>Total loans (excluding interbank)</u>	+ 3.9	+ 6.8	- 0.8	+ 3.5	+ 5.6
Business	+ 3.1	+ 2.9	n.a.	n.a.	n.a.
Real estate	+ 0.9	+ 1.8	n.a.	n.a.	n.a.
Security	- 0.8	- 0.1	n.a.	n.a.	n.a.
Agricultural	+ 0.5	- 0.2	n.a.	n.a.	n.a.
Consumer	<sup>1/</sup>	+ 1.6	n.a.	n.a.	n.a.
All other	+ <sup>1/</sup> 0.4	+ 0.8	n.a.	n.a.	n.a.
U. S. Government securities	- 1.1	- 4.5	+ 5.0	- 5.9	- 4.3
Other securities	+ 0.5	+ 1.9	+ 0.9	+ 0.2	+ 0.9
Total loans and investments (less interbank)	+ 3.2	+ 4.2	+ 5.1	- 2.3	+ 2.2

n.a. Not available

<sup>1/</sup> Less than \$50 million.<sup>2/</sup> In October 1955, the level of business loans was increased by, and that of real estate loans decreased by, \$300 million to correct classification errors.Not for publication

Half of the October loan expansion was due to a \$300 million rise in real estate loans, almost two-thirds of which occurred at city banks. Since April the growth in these loans has been over three times as much as in 1957 and about the same as in 1955.

Business loans rose \$100 million during October. This compares with a decline of \$600 million last year and increases of \$200 million and \$600 million in October of 1956 and 1955, respectively. Since January 1 business loans have declined \$1.7 billion, nearly twice as much as in the comparable months of 1954. In most other recent years increases have ranged from \$1 billion to \$4 billion.

During the five weeks ending October 29 loans at city banks to seasonal borrowers--food processors, commodity dealers, and trade concerns--increased \$475 million. Borrowing by these industries in October and since the end of June was somewhat greater than in 1957 but less than in 1956 or 1955.

The only other business groups showing appreciable loan growth in October were public utilities and "all other" businesses for which the increases were larger than in the same month of other recent years. Loans to the construction industry, which had risen more rapidly during the third quarter than in most other recent years, showed little change in October.

Loans to all other industry groups declined in October. For metal and metal products manufacturers the decline amounted to nearly \$200 million, bringing the total reduction since June to nearly \$600 million. Loans to sales finance companies generally decline in October but the contraction this year was less than in other years. The declines for textile, apparel, and leather firms, petroleum and coal companies, and "other manufacturing and mining" businesses were about the same as last year. These industry groups also show declines since midyear, in contrast with increases in the same period of most other recent years.

Consumer loans at all commercial banks declined in October by \$100 million, compared with increases or little change in most other recent years, as shown in Table 1. Since the beginning of 1958 loans to consumers have declined by \$200 million. In the comparable period

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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
	Sept. 24 Oct. 29	Sept. 25 Oct. 30	Sept. 27 Oct. 31	Sept. 28 Oct. 26	Sept. 29 Oct. 27	Sept. 30 Oct. 28	Sept. 24 Oct. 29
Food processors	+ 194	+ 125	+ 290	+ 161	+ 113	+ 124	+ 210
Commodity dealers	+ 150	+ 89	+ 208	+ 159	+ 95	+ 165	+ 262
Trade concerns	+ 132	+ 145	+ 170	+ 162	+ 113	+ 84	+ 122
Total	+ 476	+ 359	+ 668	+ 482	+ 321	+ 373	+ 594
Sales finance	- 82	- 410	- 305	- 204	- 117	- 199	<u>3/</u>
<u>All other - total</u>	- 240	- 390	- 103	- 97	- 166	- 61	+ 71
Metals and products	- 195	- 50	- 97		- 69	- 20	+ 111
Textiles, apparel and leather	- 126	- 137	- 77	- 54	- 47	- 63	- 54
Petroleum, coal, etc.	- 34	- 21	+ 52	+ 22	+ 90	+ 14	+ 42
Other manufacturing and mining	- 60	- 76	- 45	- 13	- 26	- 9	+ 36
Public utilities	+ 104	+ 6	+ 102	- 109	- 180	+ 23	- 60
Construction	+ 2	- 37	- 24	+ 17	+ 7	- 9	+ 4
All other types of business	+ 69	- 75	- 14	+ 40	+ 59	+ 3	- 8
Classified	+ 153	- 439	+ 260	+ 180	+ 38	+ 113	+ 665
Unclassified	- 115	- 224	- 57	- 34	- 10	<u>2/+ 85</u>	+ 10
Total change	+ 38	- 663	+ 203	+ 146	+ 28	<u>2/+198</u>	+ 675

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

2/ CCC certificates of interest which are included in data are estimated to have amounted to \$175 million.

3/ Less than \$500 thousand.

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 October 29, 1958.

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Table 2 (continued)  
Changes in Commercial and Industrial Loans 1/  
(In millions of dollars)

Business of Borrower	End of June to end of October						
	1958	1957	1956	1955	1954	1953	1952
Food processors	+ 349	+ 287	+ 500	+ 283	+ 258	+ 342	+ 530
Commodity dealers	+ 304	+ 270	+ 538	+ 367	+ 330	+ 246	+ 548
Trade concerns	+ 133	+ 195	+ 226	+ 284	+ 158	+ 118	+ 136
Total	+ 786	+ 752	+1264	+ 934	+ 746	+ 706	+1214
Sales finance	- 236	- 502	- 478	- 92	- 259	- 253	+ 73
All other - total	- 629	- 675	+ 452	+ 576	- 528	- 42	+ 132
Metals and products	- 598	- 459	- 340	- 9	- 476	- 242	- 97
Textiles, apparel and leather	- 146	- 114	+ 16	+ 127	+ 49	- 10	+ 9
Petroleum, coal, etc.	- 62	+ 12	+ 397	+ 77	+ 53	+ 49	+ 157
Other manufacturing and mining	- 54	- 54	+ 110	+ 53	- 28	+ 5	+ 67
Public utilities	+ 45	- 27	+ 182	- 15	- 284	+ 69	- 137
Construction	+ 62	- 22	- 36	+ 80	+ 44	- 1	+ 26
All other types of business	+ 224	- 11	+ 123	+ 263	+ 114	+ 88	+ 107
Classified	+ 21	- 426	+1237	+1417	- 41	+ 413	+1419
Unclassified	- 146	- 367	- 177	4/-112	3/-800	2/+ 92	+ 83
Total change	- 125	- 793	+1060	4/+1305	3/-841	2/+504	+1502

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

2/ Includes CCC certificates of interest which are estimated to have amounted to \$175 million.

3/ Includes CCC certificates of interest which are estimated to have declined \$475 million.

4/ Includes CCC certificates of interest which are estimated to have declined by \$300 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 October 29, 1958.

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of other postwar years these loans increased by more than \$1 billion with the exception of 1954 and 1951.

Security, agricultural, and "all other" loans at commercial banks showed little change in the five weeks ending October 29 and this was true in October of last year. Since the end of June security loans have declined by nearly \$2 billion, whereas in the same period of last year the reduction was only \$200 million. Since midyear agricultural loans have increased by \$100 million and "all other" loans by \$300 million; in the same period of last year there was little change.

Deposits and currency. Preliminary estimates indicate that seasonally adjusted demand deposit and currency holdings of businesses and individuals increased \$1.1 billion in October following a reduction of \$800 million over the preceding two months. At the end of October the money supply was about 2 1/2 per cent above its year ago level.

Since the beginning of the year the seasonally adjusted money supply has increased more than \$4.5 billion, or at an annual rate of 4 per cent. This compares with a decline of \$200 million in the same period last year. The increase this year to date is larger than in all other recent years except 1951.

During October the unadjusted money supply increased by \$2.7 billion reflecting a growth of \$1.7 billion at weekly reporting banks and a \$1.0 billion expansion at banks outside weekly reporting banks. The large increase in demand deposits adjusted was associated with an expansion in holdings of U. S. Government securities at both Federal Reserve and commercial banks, an increase in bank credit other than Government securities, and a decline in U. S. Government deposits. A small amount of funds was absorbed by a reduction in gold stock and foreign deposits at Federal Reserve Banks.

Time deposits at commercial banks rose by only \$100 million in October, and had shown no change in the previous month. These deposits had increased by an average of \$900 million per month during the first half and \$500 million per month during July and August. At city banks deposits declined in both September and October but these reductions were offset by increases at banks outside weekly reporting cities. Deposits at mutual savings banks, which rose \$200 million further in October, continued to grow at a faster rate than last year.

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Table 3

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

Item	1958	1957	1958	1957	1958	1957
	Sept. 24 Oct. 29	Sept. 25 Oct. 30	June 25 Oct. 29	June 26 Oct. 30	Jan. 1 Oct. 29	Jan. 1 Oct. 30
<u>Seasonally adjusted data</u> <sup>1/</sup>						
Demand deposits adjusted	+ 1.0	+ 0.3	+ 2.5	- 0.8	+ 4.8	- 0.2
Currency outside banks	+ 0.1	0.0	- 0.1	- 0.2	- 0.2	0.0
Total	+ 1.1	+ 0.3	+ 2.4	- 1.0	+ 4.6	- 0.2
<u>Seasonally unadjusted data</u> <sup>1/</sup>						
Demand deposits adjusted	+ 2.6	+ 1.7	+ 5.0	+ 1.6	+ 0.4	- 4.2
Currency outside banks	+ 0.1	<sup>2/</sup>	+ 0.2	<sup>2/</sup>	- 0.3	- 0.5
Total	+ 2.7	+ 1.7	+ 5.2	+ 1.6	+ 0.1	- 4.7
Time deposits	+ 0.2	+ 0.4	+ 1.9	+ 1.7	+ 8.4	+ 5.9
Commercial banks	+ 0.1	+ 0.4	+ 1.2	+ 1.5	+ 6.7	+ 4.9
Mutual savings banks	+ 0.2	+ 0.1	+ 0.7	+ 0.4	+ 1.8	+ 1.3
U. S. Government deposits	- 0.8	- 0.5	- 6.0	- 1.2	- 0.5	- 0.5
Total	+ 2.1	+ 1.6	+ 1.1	+ 2.1	+ 8.1	+ 0.6
<u>Factors affecting deposits and currency</u> (signs indicate effect on deposits and currency)						
Bank loans and investments other than U. S. Govt. sec. <sup>3/</sup>	+ 0.9	+ 0.3	+ 0.9	+ 1.1	+ 5.0	+ 4.9
Commercial	+ 0.7	- 0.1	+ 0.1	+ 0.4	+ 2.6	+ 3.3
Mutual savings	+ 0.2	+ 0.2	+ 0.9	+ 0.7	+ 2.5	+ 1.9
Bank holdings of U. S. Government securities:	+ 1.4	+ 1.3	+ 1.5	+ 1.9	+ 8.4	- 3.5
Federal Reserve	+ 0.5	+ 0.1	+ 0.4	+ 0.3	+ 1.1	- 1.7
Commercial	+ 0.9	+ 1.4	+ 1.2	+ 1.8	+ 7.6	- 1.3
Mutual saving and other	<sup>1/</sup>	- 0.2	<sup>1/</sup>	- 0.3	- 0.2	- 0.5
Gold stock and foreign deposits at F. R. Banks	- 0.2	<sup>2/</sup>	- 0.7	+ 0.1	- 2.0	+ 0.7
Other factors	<sup>2/</sup>	<sup>2/</sup>	- 0.6	- 1.0	- 3.3	- 0.1

<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, 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.

Note: Data for October 29, 1958 are preliminary estimates based on data reported by a sample of member banks. Revised estimates will be available at the end of November.

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Table 3 (continued)

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

Item	End of December to end of October				
	1956	1955	1954	1953	1952
<u>Seasonally adjusted data 1/</u>					
Demand deposits adjusted	+ 0.9	+ 2.6	+ 2.9	+ 1.5	+ 3.1
Currency outside banks	+ 0.1	+ 0.3	- 0.5	+ 0.4	+ 1.0
Total	+ 1.0	+ 2.9	+ 2.4	+ 1.9	+ 4.1
<u>Seasonally unadjusted data 1/</u>					
Demand deposits adjusted	- 2.5	- 0.5	+ 0.6	- 1.2	+ 0.4
Currency outside banks	- 0.6	- 0.6	- 1.2	- 0.1	+ 0.4
Total	- 3.1	- 1.0	- 0.5	- 1.3	+ 0.8
Time deposits	+ 3.1	+ 2.6	+ 4.4	+ 3.8	+ 3.4
Commercial banks	+ 1.8	+ 1.4	+ 3.0	+ 2.5	+ 2.2
Mutual savings banks	+ 1.5	+ 1.5	+ 1.5	+ 1.5	+ 1.3
U. S. Government deposits	- 0.1	+ 0.2	+ 1.9	- 1.2	+ 2.0
Total	- 0.1	+ 1.9	+ 5.7	+ 1.3	+ 6.2

  

Item	End of December to end of October				
	1951	1950	1949	1948	1947
<u>Seasonally adjusted data 1/</u>					
Demand deposits adjusted	+ 4.3	+ 4.0	- 0.3	- 1.2	+ 2.9
Currency outside banks	+ 1.0	- 0.2	- 0.5	- 0.3	n.a.
Total	+ 5.3	+ 3.8	- 0.8	- 1.5	n.a.
<u>Seasonally unadjusted data 1/</u>					
Demand deposits adjusted	+ 2.7	+ 3.4	- 1.2	- 2.0	+ 2.1
Currency outside banks	+ 0.3	- 0.8	- 1.2	- 0.8	- 0.5
Total	+ 3.0	+ 2.6	- 2.4	- 2.8	+ 1.6
Time deposits	+ 1.7	+ 0.4	+ 0.9	+ 0.9	+ 2.3
Commercial banks	+ 1.2	+ 0.1	+ 0.3	+ 0.5	+ 1.4
Mutual savings banks	+ 0.7	+ 0.6	+ 0.7	+ 0.6	+ 0.8
U..S. Government deposits	+ 0.5	- 0.6	+ 0.4	+ 1.5	- 0.3
Total	+ 5.2	+ 2.4	- 1.0	- 0.3	+ 3.6

n.a. Not available.

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.

Not for publication

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Bank reserves. Free reserves of member banks in October averaged \$100 million, about the same as in September, as shown in Table 4. In the spring and early summer average free reserves had remained above or near \$500 million but there was a tightening of reserve positions in August and September. In October borrowings averaged \$425 million, somewhat less than in September. Excess reserves dropped further to \$525 million, lower than in any month since November 1957. At country banks reserve positions tightened in October, as they had in each month since July, while at city banks reserve positions tended to be a little easier than in the preceding month.

Free reserves fluctuated sharply during the month. In the first week they averaged more than \$100 million, then dropped to a low of \$15 million in the second week and subsequently increased to more than \$200 million when the usual rise in Reserve Bank float after the middle of the month provided reserves. At the end of the month they were again about \$100 million.

The effective rate on Federal Funds was at or near 2 per cent during most of the month until October 27 when it dropped sharply reaching a low of  $1/8$  of 1 per cent on the 29th. Subsequently the rate rose and was  $2-1/2$  per cent at the end of the first week of November.

Reserves were supplied during October on a monthly average basis principally by an increase in Federal Reserve holdings of Government securities (\$245 million) and were absorbed mainly by a decline in gold stock and foreign accounts (\$190 million) and an increase in required reserves (\$95 million).

Effective October 24 the discount rate at 5 Reserve Banks was raised from 2 to  $2-1/2$  per cent and by November 7 all of the remaining Reserve Banks had raised their rates to the new level. Interest rates on private open market paper, which had been moving upward for some months, showed only small changes in October. The rate on 3-6 month finance paper moved up by  $1/16$  of 1 per cent to  $2-7/8$  per cent in early October, stayed at this level throughout the month, and then declined by  $1/8$  of 1 per cent in early November. The rate on 4-6 months commercial paper dropped from  $3-1/4$  to  $3-1/8$  per cent near the end of October and remained unchanged at this level in early November. The rates on new and renewal call loans secured by U. S. Government securities, which had changed little during October, increased from  $2-1/4$  to  $2-1/2$  per cent in early November.

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Table 4

Free Reserves

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

	All member	New York	Chicago	Reserve City	Country
<u>Quarterly averages</u>					
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	- 265	- 109	- 105	- 320	276
1958: First	313	- 9	- 16	- 27	365
Second	508	18	4	63	422
Third	341	- 28	1	- 55	424
1957: 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	547	51	7	89	399
June	484	7	12	57	408
July	546	16	4	56	471
August	383	- 22	---	- 22	426
September	95	- 78	- 2	- 201	377
October	103	- 1	- 3	- 187	295
1958: September 24	160	- 96	6	- 181	431
October 1	58	12	5	- 196	237
October 8	132	- 44	- 10	- 210	396
October 15	13	- 44	---	- 194	251
October 22	238	- 33	- 11	- 194	476
October 29	99	69	- 3	- 190	223

Note: Data for October are preliminary.

Not for publication

Table 5

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

Item	October		July-October		January-October	
	1958	1957	1958	1957	1958	1957
<u>Member bank reserve balances</u>						
<u>Total</u>	+ 51	+ 84	- 124	+ 58	- 944	- 495
Required reserves <sup>1/</sup>	+ 94	+ 139	- 26	+ 88	- 895	- 310
Effect of reduction in requirements	--	--	--	--	- 1440	--
Effect of deposit change	+ 94	+ 139	- 26	+ 88	+ 545	- 310
Excess reserves <sup>1/</sup>	- 43	- 55	- 98	- 30	- 49	- 185
<u>Principal factors</u> (signs indicate effect on reserves)						
Currency in circulation	- 48	+ 34	- 351	- 207	+ 542	+ 666
Gold stock and foreign accounts	- 190	+ 73	- 740	+ 94	- 2019	+ 752
Treasury operations	+ 6	+ 43	+ 25	+ 20	+ 94	+ 25
Federal Reserve float	+ 45	- 4	+ 119	- 27	- 408	- 490
Other factors	+ 42	+ 96	+ 4	+ 12	- 165	- 110
<u>Effect of above factors on reserves</u>	- 145	+ 242	- 943	- 108	- 1956	+ 843
Federal Reserve loans and investments:						
<u>Total</u>	+ 199	- 157	+ 818	+ 164	+ 1012	- 1338
U. S. Govt. securities	+ 245	+ 23	+ 546	+ 359	+ 1314	- 1417
Outright	- 1209	- 50	+ 562	+ 335	+ 1645	- 1246
Repurchase agreements	+ 36	+ 73	- 16	+ 24	- 331	- 171
Acceptances	+ 3	- 4	- 11	- 4	- 11	- 33
Discounts and advances:						
To member banks	- 51	- 177	+ 283	- 194	- 285	+ 123
To others	--	+ 1	--	+ 3	- 6	- 11

<sup>1/</sup> Data for October 1958 are preliminary.

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-13 -  
Deposits and Currency  
(In billions of dollars)

Year or month	(1) Seasonally adjusted money supply 1/		(3) Cur- rency outside banks	(4) Seasonally adjusted money supply and time dep. at com'l. banks (1+7)	(5) Demand deposits adjusted	(6) Time deposits				(9) U. S. Gov't. deposits 2/	(11) Cur- rency outside banks	(12) Total deposits and currency (5+6+10 +11)
	(2) Demand deposits adjusted	(7) Total (2+3)				(8) Total (7+8+9)	Commer- cial	Mutual savings	Postal savings			
End of Dec.												
1947	111.1	85.2	25.9	146.3	87.1	56.4	35.2	17.7	3.4	2.3	26.5	172.3
1948	108.8	83.5	25.3	144.6	85.5	57.5	35.8	18.4	3.3	3.6	26.1	172.7
1949	109.0	84.3	24.7	145.1	85.8	58.6	36.1	19.3	3.2	4.1	25.4	173.9
1950	114.3	89.8	24.5	150.6	92.3	59.2	36.3	20.0	2.9	3.7	25.4	180.6
1951	120.1	94.5	25.6	158.0	98.2	61.5	37.9	20.9	2.7	3.9	26.3	189.9
1952	124.7	97.8	26.9	165.4	101.5	65.8	40.7	22.6	2.5	5.6	27.5	200.4
1953	126.8	99.5	27.3	170.5	102.5	70.4	43.7	24.4	2.4	4.8	28.1	205.7
1954	129.7	102.8	26.9	176.5	106.6	75.3	46.8	26.3	2.1	5.1	27.9	214.8
1955	133.2	105.8	27.4	181.6	109.9	78.4	48.4	28.1	1.9	4.4	28.3	221.0
1956	134.4	106.7	27.7	185.0	111.4	82.2	50.6	30.0	1.6	4.5	28.3	226.4
1957:												
June 26	135.2	107.3	27.9	189.2	105.6	86.4	54.0	30.9	1.5	5.2	27.8	224.9
July 31	136.0	108.0	28.0	190.4	106.6	86.7	54.4	30.9	1.4	4.2	27.8	225.2
Aug. 28	134.7	106.8	27.9	189.4	105.1	87.1	54.7	31.0	1.4	4.9	27.8	224.9
Sept. 25	133.9	106.2	27.7	189.0	105.5	87.7	55.1	31.2	1.4	4.5	27.8	225.4
Oct. 30	134.2	106.5	27.7	189.7	107.2	88.1	55.5	31.3	1.4	4.0	27.8	227.0
Nov. 27	134.0	105.9	28.1	189.0	107.2	87.6	55.0	31.3	1.3	3.7	28.5	227.0
Dec. 31	133.2	105.1	28.1	189.3	110.3	89.1	56.1	31.7	1.3	4.7	28.3	232.3
1958:												
Jan. 29	132.2	104.7	27.5	188.8	107.6	89.8	56.6	31.9	1.3	2.9	27.3	227.7
Feb. 26	133.1	105.5	27.6	190.7	105.6	90.9	57.6	32.1	1.3	4.2	27.4	228.1
Mar. 26	134.0	106.4	27.6	192.8	104.6	92.5	58.8	32.4	1.3	6.4	27.4	230.9
Apr. 30	135.0	107.2	27.8	194.9	107.2	93.6	59.9	32.5	1.2	6.0	27.6	234.4
May 28	135.5	107.6	27.9	196.2	105.8	94.6	60.7	32.7	1.2	6.1	27.8	234.3
June 25	135.4	107.4	28.0	197.0	105.7	95.6	61.6	32.8	1.2	10.2	27.8	239.3
July 30p	137.5	109.5	28.0	199.8	108.1	96.4	62.3	32.9	1.2	4.8	27.8	237.1
Aug. 27p	137.3	109.2	28.1	200.0	107.5	97.0	62.7	33.1	1.2	6.2	28.0	238.7
Sept. 24p	136.7	108.9	27.8	199.4	108.1	97.3	62.7	33.3	1.2	5.0	27.9	283.3
Oct. 29p	137.8	109.9	27.9	200.6	110.7	97.5	62.8	33.5	1.2	4.2	28.0	240.4

p Preliminary

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Federal Reserve Bank of St. Louis

Seasonally adjusted series begins in 1957 and is available only for last Wednesday of the month.

2/ At commercial, savings, and Federal Reserve Banks.

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: 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	166.2	57.7	17.9	90.5	38.8	23.1	3.6	4.2	15.7	7.0
Feb. 26	167.1	58.3	18.2	90.6	38.6	23.2	3.9	4.4	15.5	6.9
Mar. 26	169.9	59.6	18.9	91.5	39.2	23.2	4.2	4.4	15.4	6.9
Apr. 30	174.0	62.8	19.3	91.9	38.4	23.3	5.1	4.4	15.5	7.0
May 28	173.8	63.1	19.4	91.3	38.1	23.5	4.4	4.4	15.5	7.1
June 25	178.2	64.6	20.0	93.6	38.8	23.7	5.4	4.6	15.7	7.2
July 30p	176.2	64.1	19.9	92.2	37.9	23.9	4.5	4.6	15.7	7.3
Aug. 27p	178.3	66.1	20.2	92.1	38.3	24.1	3.6	4.6	15.8	7.4
Sept. 24p	177.9	64.9	20.4	92.6	38.7	24.4	3.6	4.7	15.7	7.4
Oct. 29p	179.5	65.8	20.5	93.2	38.8	24.7	3.6	4.7	15.6	7.5

p - Preliminary

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. Data for October 29, 1958 are preliminary estimates based on data reported by a sample of member banks. Loans by type for August and September 1958 have been revised in accordance with preliminary call report data for September 24, 1958.

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Banking Section, Board of Governors,