

FEDERAL RESERVE BANK
of KANSAS CITY

Mr. Jow

L.4.3

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RESEARCH LIBRARY

BANKING AND MONETARY DEVELOPMENTS IN NOVEMBER 1958

Summary. Total credit at all commercial banks increased substantially in November as a result of a sizeable growth in loans and in holdings of U. S. Government securities. Seasonally adjusted demand deposit and currency holdings of businesses and individuals increased further and U. S. Government deposits rose substantially. Time deposits, which in other recent months had shown little change, declined somewhat more than the usual November reduction associated with withdrawal of Christmas savings. Free reserves of member banks were slightly below the level for September and October.

Bank credit. Total bank credit at all commercial banks increased \$2.4 billion in November, the largest increase for this month since 1952, as shown in Table 1. In the same month last year bank credit declined \$600 million. All of the growth in credit this year was accounted for by increases of somewhat more than \$1 billion each in loans and in holdings of U. S. Government securities. Government security portfolios rose sharply when commercial banks acquired initially most of the \$3.0 billion of new 214-day tax anticipation bills issued by the Treasury on November 20. At other times during the month, however, they reduced their Government security holdings.

Since the beginning of the year total bank credit has increased nearly \$13 billion, much more than in any other year since World War II and more than three times the average for the same months in 1947-1957. Most of the increase has been in U. S. Government securities (\$9 billion) and other securities (\$2.5 billion). Loans, on the other hand, have expanded by only a little more than \$1 billion, far less than in other recent years except 1949, when there was practically no increase, and 1954, when the growth was only slightly more than this year.

The November increase of \$1.2 billion in loans was greater than the average for the past seven years. All of the principal types of loans expanded with the largest relative growth occurring in real estate loans.

Real estate loans rose \$300 million in November and nearly \$2 billion since the beginning of the year. The growth this year has been greater than any year since 1955, when the increase amounted to \$2.3 billion. Expansion has been particularly rapid since mid-year, exceeding that in the same period in any previous year.

Not for publication

Table 1

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

Item	1958	1957	1958	1957	1958	1957
	Oct. 30 Nov. 26	Oct. 31 Nov. 27	June 26 Nov. 26	June 27 Nov. 27	Jan. 1 Nov. 26	Jan. 1 Nov. 27
<u>Total loans (excluding interbank)</u>	+ 1.2	- 0.1	+ 0.9	- 0.5	+ 1.3	+ 1.9
Business	+ 0.4	- 0.1	+ 0.4	- 0.9	- 1.3	+ 0.9
Real estate	+ 0.3	+ 0.1	+ 1.3	+ 0.4	+ 1.9	+ 0.5
Security	+ 0.2	- 0.1	- 1.6	- 0.3	- 0.4	- 0.7
Agricultural	+ 0.1	<u>1/</u>	+ 0.3	<u>1/</u>	+ 0.8	- 0.2
Consumer	+ 0.1	- <u>0.1</u>	+ 0.2	+ <u>0.3</u>	<u>1/</u>	+ 1.1
All other	+ 0.1	+ 0.1	+ 0.3	+ 0.1	+ <u>0.4</u>	+ 0.3
U. S. Government securities	+ 1.3	- 0.4	+ 2.7	+ 1.4	+ 9.1	- 1.7
Other securities	- 0.1	- 0.2	+ 0.4	+ 0.6	+ 2.5	+ 1.1
Total loans and investments (less interbank)	+ 2.4	- 0.6	+ 4.0	+ 1.6	+12.9	+ 1.4

Item	Change during November					
	1956	1955	1954	1953	1952	1951
<u>Total loans (excluding interbank)</u>	+ 0.6	+ 1.8	+ 1.9	+ 0.4	+ 1.2	+ 0.5
Business	+ 0.6	<u>2/</u> +1.2	+ 0.4	- 0.1	+ 0.6	+ 0.3
Real estate	+ 0.1	<u>2/</u> +0.2	+ 0.2	+ 0.1	+ 0.1	+ 0.1
Security	- 0.1	+ 0.1	<u>1/</u>	+ 0.2	+ 0.2	+ 0.1
Agricultural	+ 0.1	+ 0.3	+ <u>1.2</u>	+ 0.2	<u>1/</u>	<u>1/</u>
Consumer	<u>1/</u>	+ 0.1	<u>1/</u>	- 0.1	+ <u>0.1</u>	<u>1/</u>
All other	+ <u>0.1</u>	<u>1/</u>	+ <u>0.1</u>	+ 0.1	+ 0.2	<u>1/</u>
U. S. Government securities	+ 0.7	- 1.5	- 0.1	+ 1.4	+ 1.2	+ 0.7
Other securities	<u>1/</u>	- 0.2	+ 0.1	+ 0.1	<u>1/</u>	+ 0.1
Total loans and investments (less interbank)	+ 1.3	+ 0.1	+ 1.8	+ 1.7	+ 2.5	+ 1.4

1/ Less than \$50 million.

2/ Level of business loans increased by and real estate loans decreased by \$300 million in October 1955 to correct misclassification errors. Most of the misclassification probably occurred in 1955.

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

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Table 1 (continued)

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

Item	End of December to end of November				
	1956	1955	1954	1953	1952
<u>Total loans (excluding interbank)</u>	+ 6.2	+ 9.8	+ 1.5	+ 2.7	+ 5.4
Business	+ 4.6	^{2/} +5.4	- 0.6	- 0.1	+ 1.6
Real estate	+ 1.7	^{2/} +2.3	+ 1.5	+ 1.0	+ 1.0
Security	- 1.0	^{1/}	+ 0.8	- 0.2	+ 0.2
Agricultural	- 0.4	- 0.9	+ 0.1	+ 0.6	+ 0.7
Consumer	+ 1.2	+ 2.1	- 0.1	+ 1.4	+ 1.6
All other	+ 0.4	+ 0.9	- 0.4	+ 0.2	+ 0.3
U. S. Government securities	- 3.4	- 7.6	+ 6.7	+ 0.4	+ 2.6
Other securities	- 0.4	+ 0.3	+ 1.5	+ 0.5	+ 0.9
Total loans and investments (less interbank)	+ 2.4	+ 2.5	+ 9.6	+ 3.4	+ 8.8

Item	End of December to end of November				
	1951	1950	1949	1948	1947
<u>Total loans (excluding interbank)</u>	+ 4.4	+ 8.2	+ 0.1	+ 4.2	+ 6.4
Business	+ 3.4	+ 4.0	n.a.	n.a.	n.a.
Real estate	+ 1.0	+ 1.9	n.a.	n.a.	n.a.
Security	- 0.7	+ 0.2	n.a.	n.a.	n.a.
Agricultural	+ 0.5	- 0.2	n.a.	n.a.	n.a.
Consumer	^{1/}	+ 1.6	n.a.	n.a.	n.a.
All other	+ 0.4	+ 0.7	n.a.	n.a.	n.a.
U. S. Government securities	- 0.4	- 5.3	+ 4.3	- 6.4	- 4.7
Other securities	+ 0.6	+ 1.9	+ 0.9	+ 0.1	+ 0.8
Total loans and investments (less interbank)	+ 4.6	+ 4.9	+ 5.3	- 2.2	+ 2.5

n. a. Not available.

^{1/} Less than \$50 million.

^{2/} Level of business loans increased by and real estate loans decreased by \$300 million in October 1955 to correct classification errors. Most of the misclassification probably occurred in 1955.

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Business loans at commercial banks increased \$400 million in November, about the same as the average for other recent years, but in contrast with a \$100 million decline last year. Since the beginning of 1958 business loans have declined by \$1.3 billion, whereas in the same period of other recent years they showed increases ranging from \$900 million to \$5 billion with the exception of the recession years 1954 and 1953 when they declined by \$600 and \$100 million, respectively. This decline has been the major factor accounting for the relatively small growth in total commercial bank loans so far this year.

Seasonal borrowing at city banks by food processors, commodity dealers, and trade concerns was larger in November than in any other recent year except 1952, as shown in Table 2. Since June, however, loans to these borrowers have amounted to \$1,130 million, or about the average growth for other recent years.

Other business groups expanding their bank loans in November were sales finance companies (\$42 million), metal and metal products manufacturers (\$40 million), and public utilities (\$15 million). During much of 1958, the trend in outstanding loans to these industry groups has been downward, but this trend appears to have been halted in recent weeks and in the case of public utilities, to have been reversed.

Loans to textile, leather, and apparel manufacturers, which also have been declining during much of 1958, were down further in November, while loans to the construction industry, which had been rising during most of the year, also declined.

Consumer loans are estimated to have increased \$100 million in November in contrast with a decline of that amount last year. There has been little net change in the amount of these loans outstanding in 1958. In other years since 1949, consumer loans have expanded by \$1-\$2 billion with the exception of 1951 and 1954, when there was little change.

Security loans increased by \$200 million in November, agricultural loans \$100 million, and "all other" loans by \$100 million. The growth in agricultural loans since the beginning of the year has amounted to \$800 million, the largest in any recent year.

Deposits and currency. Preliminary estimates indicate that seasonally adjusted demand deposit and currency holdings of individuals and businesses rose by \$500 million in November

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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
	Oct. 30 Nov. 26	Oct. 31 Nov. 27	Nov. 1 Nov. 28	Oct. 27 Nov. 30	Oct. 28 Nov. 24	Oct. 29 Nov. 25	Oct. 30 Nov. 26
Food processors	+ 150	+ 63	+ 154	+ 135	+ 130	+ 73	+ 156
Commodity dealers	+ 81	+ 68	+ 97	+ 108	+ 131	+ 81	+ 112
Trade concerns	+ 108	+ 52	+ 31	+ 87	+ 30	+ 67	+ 91
<u>Total</u>	+ 339	+ 183	+ 282	+ 330	+ 291	+ 221	+ 359
Sales finance	+ 42	- 175	+ 60	+ 315	+ 63	- 56	+ 65
<u>All other - total</u>	- 49	- 169	+ 192	+ 253	- 38	- 191	+ 187
Metals and products	+ 40	- 89	+ 116	+ 88	- 49	- 25	+ 67
Textiles, apparel and leather	- 43	- 25	- 24	- 57	- 44	- 57	- 17
Petroleum, coal, etc.	<u>4/</u>	+ 49	+ 89	+ 76	- 14	+ 7	+ 47
Other manufacturing and mining	- 56	- 42	- 30	+ 2	- 18	- 21	+ 3
Public utilities	+ 15	+ 10	+ 32	+ 73	+ 13	- 72	+ 69
Construction	- 13	- 6	- 22	+ 22	+ 24	- 1	- 3
All other types of business	+ 8	- 66	+ 31	+ 49	+ 50	- 22	+ 21
Classified	+ 331	- 163	+ 534	+ 899	+ 316	- 25	+ 610
Unclassified	- 91	- 48	- 55	- 9	^{3/} +773	^{2/} - 71	- 9
<u>Total change</u>	+ 240	- 211	+ 479	+ 890	^{3/} +1089	^{2/} - 96	+ 601

^{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 increased \$828 million.

^{4/} 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 November 26, 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 November						
	1958	1957	1956	1955	1954	1953	1952
Food processors	+ 500	+ 350	+ 654	+ 418	+ 388	+ 415	+ 686
Commodity dealers	+ 388	+ 337	+ 635	+ 475	+ 461	+ 327	+ 660
Trade concerns	+ 242	+ 246	+ 257	+ 371	+ 188	+ 186	+ 227
Total	+1130	+ 933	+1546	+1264	+1037	+ 928	+1573
Sales finance	- 192	- 677	- 418	+ 223	- 196	- 308	+ 138
<u>All other - total</u>	- 582	- 844	+ 643	+ 829	- 565	- 234	+ 321
Metals and products	- 561	- 548	- 224	+ 79	- 524	- 266	- 30
Textiles, apparel and leather	- 188	- 139	- 9	+ 70	+ 5	- 68	- 7
Petroleum, coal, etc.	- 62	+ 61	+ 486	+ 153	+ 38	+ 56	+ 204
Other manufacturing and mining	- 110	- 96	+ 79	+ 55	- 45	- 16	+ 70
Public utilities	+ 59	- 17	+ 214	+ 58	- 271	- 3	- 68
Construction	+ 48	- 28	- 57	+ 101	+ 68	- 2	+ 23
All other types of business	+ 232	- 77	+ 154	+ 313	+ 164	+ 65	+ 129
Classified	+ 359	- 589	+1771	+2316	+ 275	+ 388	+2029
Unclassified	- 244	- 415	- 232	4/-121	3/- 27	2/+ 20	+ 74
Total change	+ 115	-1004	+1539	4/+2195	3/+248	2/+408	+2103

- 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 increased \$353 million.
- 4/ Includes CCC certificates of interest which are estimated to have declined \$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 November 26, 1958.

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following an increase of \$1.2 billion in the previous month. Since the beginning of the year the seasonally adjusted money supply has increased more than \$5 billion, an annual rate of growth of 4 per cent. This has been a larger relative as well as absolute growth than in the comparable period of any year since 1951. Most of the increase, however, occurred during the period March through July.

Demand deposits adjusted before seasonal correction increased \$800 million in November, somewhat more than the usual seasonal growth for this month. All of the increase reflected growth outside weekly reporting banks; the latter showed no change over the month. The increase in demand deposits adjusted was associated with a \$1.7 billion expansion in holdings of U. S. Government securities, principally at commercial banks, and a \$1 billion expansion in loans and investments other than U. S. Government securities. U. S. Government deposits at commercial and Federal Reserve Banks also increased by \$2.1 billion in November, considerably more than the November increase of any year since 1945.

Time deposits at commercial banks declined by \$800 million in November, somewhat more than the usual reduction associated with withdrawal of Christmas savings. In recent months the rapid expansion in time deposits at commercial banks, which began in 1957 and accelerated in the first part of 1958, has almost come to a halt. In September there was no increase and in October the increase amounted to only \$200 million. This compares with average increases of \$900 million per month in the first half of the year and \$500 million per month during July and August. At city banks time deposits began to decline in September but these declines were offset by small increases at banks outside weekly reporting banks in all months except November. Deposits at mutual savings banks are estimated to have increased by \$100 million in November, compared with no change in the same month in other recent years.

The seasonally adjusted annual rate of turnover of demand deposits at banks outside New York and other financial centers averaged 23.2 times in October, almost unchanged since July. Turnover at these banks is now only about two per cent below the third quarter 1957 peak. At banks in New York City, the average for October was 51.6 times. This was somewhat higher than September but well below the second quarter 1958 average of 56.9 times.

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Table 3

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

Item	1958	1957	1958	1957	1958	1957
	Oct. 30 Nov. 26	Oct. 31 Nov. 27	June 26 Nov. 26	June 27 Nov. 27	Jan. 1 Nov. 26	Jan. 1 Nov. 27
<u>Seasonally adjusted data</u> ^{1/}						
Demand deposits adjusted	+ 0.3	- 0.6	+ 2.9	- 1.4	+ 5.2	- 0.8
Currency outside banks	+ 0.2	+ 0.4	+ 0.1	+ 0.2	2/	+ 0.4
Total	+ 0.5	- 0.2	+ 3.0	- 1.2	+ 5.2	- 0.4
<u>Seasonally unadjusted data</u> ^{1/}						
Demand deposits adjusted	+ 0.8	2/	+ 5.9	+ 1.6	+ 1.3	- 4.2
Currency outside banks	+ 0.7	+ 0.7	+ 0.9	+ 0.7	+ 0.4	+ 0.2
Total	+ 1.5	+ 0.7	+ 6.8	+ 2.3	+ 1.7	- 4.0
Time deposits	- 0.7	- 0.5	+ 1.1	+ 1.2	+ 7.6	+ 5.4
Commercial banks	- 0.8	- 0.5	+ 0.5	+ 1.0	+ 6.0	+ 4.4
Mutual savings banks	+ 0.1	2/	+ 0.7	+ 0.4	+ 1.8	+ 1.3
U. S. Government deposits	+ 2.1	- 0.3	- 3.9	- 1.5	+ 1.6	- 0.8
Total	+ 2.9	2/	+ 4.0	+ 2.1	+ 11.0	+ 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. ^{3/}	+ 1.0	- 0.1	+ 1.9	+ 1.0	+ 6.0	+ 4.8
Commercial	+ 1.1	- 0.3	+ 1.3	+ 0.1	+ 3.8	+ 3.0
Mutual savings	+ 0.2	+ 0.2	+ 1.1	+ 1.0	+ 2.7	+ 2.1
Bank holdings of U. S. Government securities:	+ 1.7	- 0.3	+ 3.3	+ 1.6	+ 10.2	- 3.8
Federal Reserve	+ 0.4	+ 0.3	+ 0.8	+ 0.7	+ 1.6	- 1.3
Commercial	+ 1.3	- 0.4	+ 2.7	+ 1.4	+ 9.1	- 1.7
Mutual saving and other	2/	- 0.2	- 0.1	- 0.5	- 0.4	- 0.7
Gold stock and foreign deposits at F. R. Banks	2/	+ 0.2	- 0.7	+ 0.3	- 2.0	+ 0.9
Other factors	+ 0.2	+ 0.2	- 0.5	- 0.8	- 3.2	- 1.3

^{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.

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

Table 3 (continued)

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

Item	End of December to end of November				
	1956	1955	1954	1953	1952
<u>Seasonally adjusted data</u> ^{1/}					
Demand deposits adjusted	+ 1.2	+ 2.8	+ 3.3	+ 1.0	+ 3.5
Currency outside banks	+ 0.3	+ 0.5	- 0.4	+ 0.4	+ 1.2
Total	+ 1.5	+ 3.3	+ 2.9	+ 1.4	+ 4.7
<u>Seasonally unadjusted data</u> ^{1/}					
Demand deposits adjusted	- 1.6	+ 0.4	+ 1.5	- 1.3	+ 1.2
Currency outside banks	- 0.3	2/	- 0.6	+ 0.4	+ 1.1
Total	- 1.9	+ 0.4	+ 1.0	- 0.9	+ 2.3
Time deposits	+ 2.5	+ 2.1	+ 3.9	+ 3.5	+ 3.4
Commercial banks	+ 1.2	+ 0.9	+ 2.6	+ 2.2	+ 2.1
Mutual savings banks	+ 1.5	+ 1.5	+ 1.5	+ 1.4	+ 1.4
U. S. Government deposits	+ 1.3	- 0.1	+ 2.6	+ 0.6	+ 3.4
Total	+ 1.9	+ 2.4	+ 7.5	+ 3.2	+ 9.0

Item	End of December to end of November				
	1951	1950	1949	1948	1947
<u>Seasonally adjusted data</u> ^{1/}					
Demand deposits adjusted	+ 5.0	+ 4.6	+ 0.2	- 1.3	+ 3.1
Currency outside banks	+ 1.0	- 0.2	- 0.5	- 0.6	n.a.
Total	+ 6.0	+ 4.4	- 0.3	- 1.9	n.a.
<u>Seasonally unadjusted data</u> ^{1/}					
Demand deposits adjusted	+ 4.0	+ 4.5	- 0.5	- 1.9	+ 2.6
Currency outside banks	+ 0.4	- 0.5	- 1.0	- 0.6	- 0.2
Total	+ 4.4	+ 4.0	- 1.5	- 2.5	+ 2.4
Time deposits	+ 1.4	+ 0.1	+ 0.5	+ 0.6	+ 2.0
Commercial banks	+ 1.0	- 0.2	2/	+ 0.3	+ 1.2
Mutual savings banks	+ 0.6	+ 0.5	+ 0.7	+ 0.5	+ 0.7
U. S. Government deposits	+ 0.7	- 0.6	+ 0.1	+ 1.6	- 0.3
Total	+ 6.5	+ 3.5	- 0.9	- 0.3	+ 4.1

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. Member bank reserve positions tightened slightly further in November. Free reserves averaged \$38 million, about \$65 million below the level for October and September and \$350 million below August, as shown in Table 4. In the period March through July free reserves had remained near \$500 million. Borrowings in November were \$486 million, about \$60 million greater than in October, while excess reserves were \$525 million, almost unchanged from the preceding month. The tightening in reserve positions occurred principally at central reserve city banks; at reserve city and country banks there was little change from the preceding month.

Free reserves dropped from about \$70 million at the beginning of the month to a low of \$6 million in the first week of November when reserve needs were large and then rose to a high of \$150 million in the week ending November 12, when the beginning of the mid-month rise in float and a decline in required reserves eased reserve positions. In the ensuing two weeks ending November 26, free reserves declined to about \$15 million due in part to some reduction in System holdings of Government securities in the week ending November 19 and to a large increase in required reserves in the week of November 26 associated with purchase by commercial banks on November 20 of the new Treasury tax anticipation bills. By the beginning of December borrowings exceeded excess reserves by about \$50 million for the first time since January of this year.

The effective rate on Federal funds fluctuated between 2-1/4 and 2-1/2 per cent during most of November. In the first six days of the month the rate stood at 2 per cent, it dropped to a low of 1 per cent on November 12, and thereafter moved upward and remained at or near 2-1/2 per cent during the remainder of the month. Rates on private open market paper showed varying trends. The rate on 3-6 month finance paper declined by 1/8 of 1 per cent to 2-3/4 per cent on November 1 and remained at this level. The 4-6 month prime commercial paper rate, which was 3-1/8 per cent at the beginning of the month, declined briefly during the middle of the month to 3 per cent, and thereafter increased to 3-1/8 per cent. Rates on new and renewal call loans secured by U. S. Government securities ranged between 2 - 2-1/4 per cent at the beginning of the month but moved upward gradually to a level of 2-3/4 per cent before the end of November. Other private open market paper rates were unchanged during 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	- 79	- 3	- 201	378
October	111	17	- 3	- 187	284
November	38	- 42	- 16	- 192	289
1958: October 29	67	69	- 1	- 184	183
November 5	6	- 4	- 9	- 161	180
November 12	150	- 102	- 7	- 110	369
November 19	12	- 50	- 14	- 234	310
November 26	18	- 50	- 19	- 170	256
December 3	- 49	1	- 22	- 314	287

Note: Data for November and December are preliminary.

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Table 5

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

Item	November		July-November		January-November	
	1958	1957	1958	1957	1958	1957
<u>Member bank reserve balances</u>						
<u>Total</u>	+ 64	- 82	- 60	- 24	- 880	- 577
Required reserves <u>1/</u>	+ 73	- 146	+ 39	- 38	- 830	- 436
Effect of reduction in requirements	---	---	---	---	-1440	---
Effect of deposit change	+ 73	- 146	+ 39	- 38	+ 610	- 436
Excess reserves <u>1/</u>	- 9	+ 64	- 99	+ 14	- 50	- 141
<u>Principal factors</u> (signs indicate effect on reserves)						
Currency in circulation	- 342	- 225	- 693	- 432	+ 200	+ 441
Gold stock and foreign accounts	- 79	+ 99	- 837	+ 193	-2052	+ 851
Treasury operations	+ 41	+ 25	+ 67	+ 45	+ 136	+ 50
Federal Reserve float	+ 4	- 17	+ 123	- 44	- 404	- 507
Other factors	+ 23	- 26	+ 45	- 14	- 188	- 136
<u>Effect of above factors on reserves</u>	- 353	- 144	-1295	- 252	-2308	+ 699
Federal Reserve loans and investments:						
<u>Total</u>	+ 419	+ 63	+1237	+ 227	+1431	-1275
U. S. Govt. securities	+ 354	+ 69	+ 900	+ 428	+1668	-1348
Outright	+ 302	+ 24	+ 864	+ 359	+1947	-1222
Repurchase agreements	+ 52	+ 45	+ 36	+ 69	- 279	- 126
Acceptances	+ 2	+ 2	- 9	- 2	- 9	- 31
Discounts and advances:						
To member banks	+ 61	- 7	+ 344	- 201	- 224	+ 116
To others	+ 2	- 1	+ 2	+ 2	- 4	- 12

1/ Data for November 1958 are preliminary.

Not for publication

Reserves supplied to member banks in November principally by Federal Reserve purchases of U. S. Government securities (\$355 million) were more than absorbed by an increase in currency in circulation (\$340 million), a decline in gold stock and foreign accounts (\$80 million), and an increase in required reserves (\$73 million).

Deposits and Currency
(In billions of dollars)

Year or month	(1) Seasonally adjusted money supply <u>1/</u>		(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 <u>2/</u>	(11) Cur- rency outside banks	(12) Total deposits and currency (5+6+10 +11)
	Total (2+3)	Demand deposits adjusted				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 30	137.6	109.5	28.1	199.9	108.1	96.4	62.3	32.9	1.2	4.8	27.9	237.2
Aug. 27	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 24	136.7	108.9	27.8	199.4	108.1	97.2	62.7	33.3	1.2	5.0	27.9	238.1
Oct. 29 ^p	137.9	110.0	27.9	200.8	110.8	97.4	62.9	33.4	1.2	4.2	28.0	240.4
Nov. 26 ^p	138.4	110.3	28.1	200.5	111.6	96.7	62.1	33.5	1.1	6.3	28.7	243.3

1/ Preliminary Seasonally adjusted series begins in 1947 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	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: 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	15.3	7.2
July 31	164.1	56.3	16.8	91.0	39.6	22.7	3.7	3.9	15.4	7.2
Aug. 28	164.6	56.2	16.9	91.5	39.9	22.8	3.8	3.8	15.5	7.2
Sept 25	165.1	55.9	17.1	92.2	40.3	22.9	3.8	3.8	15.6	7.3
Oct. 30	166.5	57.3	17.6	91.6	39.7	22.9	3.7	4.0	15.7	7.2
Nov. 27	165.9	56.9	17.4	91.5	39.6	23.0	3.6	4.0	15.6	7.3
Dec. 31	169.3	58.2	17.9	93.2	40.5	23.1	4.2	4.1	15.7	7.3
1958: Jan. 29	166.2	57.7	17.9	90.5	38.8	23.1	3.6	4.2	15.5	7.2
Feb. 26	167.1	58.3	18.2	90.6	38.6	23.2	3.9	4.4	15.3	7.1
Mar. 26	169.9	59.6	18.9	91.5	39.2	23.2	4.2	4.4	15.2	7.1
Apr. 30	174.0	62.8	19.3	91.9	38.4	23.3	5.1	4.4	15.3	7.2
May 28	173.8	63.1	19.4	91.3	38.1	23.5	4.4	4.4	15.4	7.2
June 25	178.2	64.6	20.0	93.6	38.8	23.7	5.4	4.6	15.5	7.4
July 30	176.2	64.1	19.9	92.2	37.9	23.9	4.5	4.6	15.6	7.4
Aug. 27	178.3	66.1	20.2	92.1	38.3	24.1	3.6	4.6	15.6	7.6
Sept 24	177.9	64.7	20.6	92.6	38.7	24.3	3.7	4.7	15.6	7.5
Oct. 29p	179.8	66.0	20.5	93.3	38.8	24.7	3.6	4.8	15.6	7.6
Nov. 26p	182.2	67.3	20.4	94.5	39.2	25.0	3.8	4.9	15.7	7.7

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 and have been revised beginning with June 1957. Other data are partly estimated on all but June and December call dates. Data for November 26, 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.