

L.4.3 FEDERAL RESERVE BANK  
of KANSAS CITY

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RESEARCH LIBRARY

BANKING AND MONETARY DEVELOPMENTS IN OCTOBER 1959

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Bank credit. Total credit at all commercial banks increased \$300 million in October, considerably less than usual for this month. Loans rose \$200 million, well below the increases in October of 1955 and 1956; the difference, however, is accounted for entirely by the business loan category. Holdings of U. S. Government securities increased only \$300 million, although the Treasury issued \$4.3 billion of new securities for cash, of which commercial banks initially took about \$2.5 billion.

Total credit at weekly reporting banks in leading cities declined in October. Loans were reduced, compared with increases in the same month of most other recent years, and holdings of Government securities rose much less than usual. Other security holdings declined substantially. At country banks the increase in total credit was less than usual for October.

Loan growth at commercial banks since the beginning of 1959 has amounted to \$8.4 billion (after adjustment for structure changes), \$400 million more than in 1955, which was the previous peak year since the end of World War II. The reduction in holdings of U. S. Government securities of \$7.2 billion, however, has exceeded the decline in the same period of any postwar year. On balance, total credit at commercial banks has risen \$1.2 billion, less than in the first ten months of any other postwar year except 1956.

Business loans at city banks (excluding loans to sales finance companies) increased \$35 million in October, less than one-tenth as much as in October of 1955 and 1956. Borrowing by food processors, commodity dealers, and trade concerns was almost as great as usual. This was largely offset, however, by declines in loans to nearly all other categories of business borrowers. Loans to sales finance companies declined \$327 million, greater than in October of any year except 1957.

Consumer loans at all commercial banks showed further growth in October but at a slower pace than earlier. Real estate loans also rose further. Both consumer and real estate loans have expanded in record volume since the beginning of 1959.

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Deposits and currency. Seasonally adjusted demand deposits and currency holdings of businesses and individuals declined \$400 million between the last Wednesday of September and the last Wednesday of October, despite a substantial reduction (\$1.1 billion) in Government deposits. Since March there has been little net change in the seasonally adjusted money supply and at the end of October it was about 1-1/2 per cent above the level a year earlier.

Seasonally adjusted semi-monthly averages of daily demand deposits at member banks declined about \$700 million from the second half of September to the second half of October, based on preliminary figures. This series has declined about \$400 million since March.

Time deposits at commercial banks remained unchanged in October, while deposits at mutual savings banks declined \$200 million, presumably reflecting withdrawals of funds to purchase the 5 per cent five-year note issued by the Treasury in mid-October.

Deposit turnover. The seasonally adjusted annual rate of turnover of demand deposits at 337 centers outside New York and other financial centers was 24.8 in October (based on unpublished Board seasonals), compared with an average of 24.7 for the preceding six months. The October level of turnover was about 6 per cent higher than a year ago.

Bank reserves. Net borrowed reserves of member banks averaged \$466 million in October compared with \$493 million in September and an average of \$535 million for the months of June, July, and August. Net borrowed reserves remained above the \$500 million level in the first two weeks of October but dropped to \$315 million in the week ending October 21, when a sharp expansion in Federal Reserve float and other factors much more than offset factors draining reserves in that week. In the last week of October reserve positions were again near the \$500 million level.

The slight easing in reserve positions in October occurred principally at reserve city banks. At reserve city and country banks reserve positions have eased fairly steadily since June, whereas at central reserve city banks reserve positions in October were tighter than at midyear.

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During October reserves were supplied on a daily average basis principally by Treasury operations (\$49 million), a decline in currency in circulation (\$45 million), and by a reduction in other factors (\$65 million), reflecting in part the reduction of \$100 million in the account of the International Monetary Fund for the purchase of Treasury bills. Reserves were absorbed mainly by a decline in System holdings of U. S. Government securities (\$157 million). Required reserves declined \$12 million, as reductions early in the month were not completely offset by increases in the second half of October, when banks acquired substantial amounts of the new 5 per cent notes and tax-anticipation bills issued by the Treasury in mid-October.

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

Item	Last Wednesday of Sept. to Last Wednesday of Oct.					
	1959 2/	1958	1957	1956	1955	1954
<u>Total loans (excluding interbank)</u>	+ 0.2	+ 0.8	- 0.6	+ 0.4	+ 0.9	+ 0.2
Business	- 0.1	+ 0.2	- 0.6	+ 0.2	<sup>3/</sup> + 0.6	+ 0.1
Real estate	+ 0.2	+ 0.4	<u>1/</u>	+ 0.1	<sup>3/</sup> - 0.1	+ 0.2
Security	<u>1/</u>	- 0.1	- 0.1	+ 0.1	+ 0.2	<u>1/</u>
Agricultural	- 0.1	+ 0.1	+ 0.2	- 0.2	+ 0.1	<u>1/</u>
Consumer	+ 0.1	<u>1/</u>	+ 0.1	<u>1/</u>	+ 0.2	<u>1/</u>
All other	<u>1/</u>	+ 0.2	- 0.1	+ 0.1	- 0.1	<u>1/</u>
U. S. Government securities	+ 0.3	+ 1.5	+ 1.4	+ 0.5	+ 0.9	+ 2.9
Other securities	- 0.1	- 0.1	+ 0.5	- 0.3	- 0.1	+ 0.1
Total loans and investments (less interbank)	+ 0.3	+ 2.2	+ 1.4	+ 0.7	+ 1.7	+ 3.2

Item	Last Wednesday of Sept. to Last Wednesday of Oct.					
	1953	1952	1951	1950	1949	1948
<u>Total loans (excluding interbank)</u>	+ 0.4	+ 1.3	+ 0.6	+ 1.1	+ 0.1	<u>1/</u>
Business	<u>1/</u>	+ 0.7	+ 0.5	+ 0.6	n.a.	n.a.
Real estate	+ 0.1	+ 0.1	+ 0.1	+ 0.2	n.a.	n.a.
Security	- 0.1	+ 0.1	- 0.2	- 0.1	n.a.	n.a.
Agricultural	+ 0.4	+ 0.2	+ 0.1	+ 0.1	n.a.	n.a.
Consumer	<u>1/</u>	+ 0.3	<u>1/</u>	+ 0.1	+ 0.2	<u>1/</u>
All other	+ 0.1	- 0.1	+ 0.1	+ 0.2	n.a.	n.a.
U. S. Government securities	+ 0.1	+ 1.3	+ 1.2	<u>1/</u>	+ 0.9	+ 0.8
Other securities	<u>1/</u>	- 0.1	<u>1/</u>	<u>1/</u>	- 0.1	- 0.2
Total loans and investments (less interbank)	+ 0.6	+ 2.4	+ 1.7	+ 1.0	+ 1.0	+ 0.6

1/ Less than \$50 million.

n.a. Not available.

2/ Data for all commercial banks will not be revised to conform with changes in weekly reporting data until all bank call data are available on new basis.

3/ 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. Therefore unadjusted changes are + 0.3 for business loans and + 0.2 for real estate loans.

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

Item	End of June to Last Wednesday of October <u>2/</u>					
	1959 <sup>4/5/</sup>	1958	1957	1956	1955	1954
<u>Total loans (excluding interbank)</u>	+ 3.7	- 0.2	- 0.4	+ 1.4	+ 3.6	- 0.2
Business	+ 1.4	+ 0.1	- 0.8	+ 1.1	<sup>3/</sup> + 2.2	+ 0.1
Real estate	+ 0.9	+ 1.0	+ 0.3	+ 0.6	<sup>3/</sup> + 0.7	+ 0.8
Security	<u>1/</u>	- 1.8	- 0.2	- 0.3	- 0.1	+ 0.1
Agricultural	- 0.1	+ 0.2	<u>1/</u>	- 0.3	- 0.4	- 1.2
Consumer	+ 0.8	+ 0.1	+ 0.4	+ 0.2	+ 0.8	<u>1/</u>
All other	+ 0.6	+ 0.3	<u>1/</u>	<u>1/</u>	+ 0.3	+ 0.2
U. S. Government securities	- 1.4	+ 1.6	+ 1.8	+ 0.9	- 0.4	+ 6.7
Other securities	<u>1/</u>	+ 0.5	+ 0.8	- 0.2	<u>1/</u>	+ 0.6
Total loans and investments (less interbank)	+ 2.4	+ 1.9	+ 2.2	+ 2.1	+ 3.3	+ 7.1

Item	End of June to Last Wednesday of October					
	1953	1952	1951	1950	1949	1948
<u>Total loans (excluding interbank)</u>	+ 1.4	+ 2.7	+ 1.4	+ 5.0	+ 0.7	+ 1.7
Business	+ 0.5	+ 1.6	+ 1.3	+ 3.1	n.a.	n.a.
Real estate	+ 0.4	+ 0.5	+ 0.3	+ 0.9	n.a.	n.a.
Security	<u>1/</u>	- 0.5	- 0.5	- 0.3	n.a.	n.a.
Agricultural	+ 0.6	+ 0.4	+ 0.3	<u>1/</u>	n.a.	n.a.
Consumer	+ 0.3	+ 0.7	<u>1/</u>	+ 0.8	+ 0.5	+ 0.3
All other	- 0.1	<u>1/</u>	+ 0.2	+ 0.6	n.a.	n.a.
U. S. Government securities	+ 3.7	+ 1.7	+ 2.4	- 3.3	+ 4.4	- 1.5
Other securities	+ 0.2	+ 0.2	+ 0.2	+ 0.8	+ 0.6	<u>1/</u>
Total loans and investments (less interbank)	+ 5.4	+ 4.5	+ 3.9	+ 2.6	+ 5.6	+ 0.2

<sup>1/</sup> Less than \$50 million.

n.a. Not available.

<sup>2/</sup> Dates are for June 30, for all years except 1959, 1958, and 1957 which are for last Wednesday.

<sup>3/</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. Therefore, unadjusted changes are +1.9 and + 1.0 respectively.

<sup>4/</sup> As a result of inclusion of banks in Hawaii, in August 1959 total credit increased about \$300 million; total loans \$200 million; and U. S. Government securities, \$100 million.

<sup>5/</sup> Data for all commercial banks will not be revised to conform with changes in weekly reporting data until all bank call data are available on new basis.

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

Item	End of December to Last Wednesday in October					
	1959 3/4/	1958	1957	1956	1955	1954
<u>Total loans (excluding interbank)</u>	+ 9.0	+ 0.2	+ 2.0	+ 5.6	+ 8.0	- 0.4
Business	+ 3.5	- 1.6	+ 1.0	+ 4.0	2/+ 4.2	- 1.0
Real estate	+ 2.5	+ 1.6	+ 0.4	+ 1.6	2/+ 2.1	+ 1.3
Security	- 0.6	- 0.6	- 0.6	- 0.9	- 0.1	+ 0.2
Agricultural	- 0.1	+ 0.7	- 0.2	- 0.5	- 1.2	- 1.1
Consumer	+ 2.2	- 0.1	+ 1.2	+ 1.2	+ 2.0	- 0.1
All other	+ 1.4	+ 0.4	+ 0.1	+ 0.2	+ 0.9	+ 0.3
U. S. Government securities	- 6.9	+ 8.0	- 1.3	- 4.1	- 6.1	+ 6.8
Other securities	<u>1/</u>	+ 2.6	+ 1.3	- 0.4	+ 0.5	+ 1.4
Total loans and investments (less interbank)	+ 2.2	+ 10.8	+ 2.0	+ 1.1	+ 2.4	+ 7.8

Item	End of December to Last Wednesday in October					
	1953	1952	1951	1950	1949	1948
<u>Total loans (excluding interbank)</u>	+ 2.3	+ 4.2	+ 3.9	+ 6.8	- 0.8	+ 3.5
Business	<u>1/</u>	+ 1.0	+ 3.1	+ 2.9	n.a.	n.a.
Real estate	+ 0.9	+ 0.9	+ 0.9	+ 1.8	n.a.	n.a.
Security	- 0.4	<u>1/</u>	- 0.8	- 0.1	n.a.	n.a.
Agricultural	+ 0.4	+ 0.7	+ 0.5	- 0.2	n.a.	n.a.
Consumer	+ 1.5	+ 1.5	<u>1/</u>	+ 1.6	+ 0.9	+ 0.9
All other	+ 0.1	+ 0.1	+ 0.4	+ 0.8	n.a.	n.a.
U. S. Government securities	- 1.0	+ 1.4	- 1.1	- 4.5	+ 5.0	- 5.9
Other securities	+ 0.4	+ 0.9	+ 0.5	+ 1.9	+ 0.9	+ 0.2
Total loans and investments (less interbank)	+ 1.7	+ 6.3	+ 3.2	+ 4.2	+ 5.1	- 2.3

1/ Less than \$50 million.

n.a. Not available.

2/ 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. Most of the misclassification probably occurred during 1955.

3/ Data for all commercial banks will not be revised to conform with changes in weekly reporting data until all bank call data are available on new basis.

4/ Structure changes in 1959 added about \$1 billion to total credit; \$600 million in loans; \$300 million in U. S. Government securities; and \$100 million in other securities. Real estate loans increased about \$300 million; business loans \$100 million; and consumer loans \$100 million.

Table 1

Changes in Loans and Investments at City and Country Banks  
(In millions of dollars)

Item	Last Wednesday in Sept. to Last Wednesday in Oct.					
	1959	1958	1957	1956	1955	1954
<u>Weekly reporting banks</u> <sup>1/</sup>						
Total loans	- 102	+ 334	- 718	+ 263	+ 622	+ 184
U. S. Government securities	+ 76	+ 167	+ 654	- 135	+ 575	+1,837
Other securities	- 157	+ 1	+ 249	- 145	- 119	+ 79
Total loans and investments	- 183	+ 502	+ 185	- 17	+1,078	+2,100
<u>Country member banks</u>						
Total loans	+ 142	+ 281	+ 71	+ 185	+ 224	+ 164
U. S. Government securities	+ 126	+ 694	+ 502	+ 347	+ 93	+ 732
Other securities	+ 20	+ 94	+ 220	- 17	+ 24	+ 46
Total loans and investments	+ 288	+1,069	+ 793	+ 515	+ 341	+ 942
Item	Last Wednesday in Sept. to Last Wednesday in Oct.					
	1953	1952	1951	1950	1949	1948
<u>Weekly reporting banks</u> <sup>1/</sup>						
Total loans	+ 185	+1,014	+ 601	+ 636	- 77	- 264
U. S. Government securities	+ 132	+ 692	+ 714	- 116	+ 834	+ 967
Other securities	- 84	- 168	- 75	- 57	- 47	- 167
Total loans and investments	+ 233	+1,538	+1,240	+ 463	+ 710	+ 536
<u>Country member banks</u>						
Total loans	+ 202	+ 217	+ 187	+ 226	+ 169	+ 96
U. S. Government securities	+ 2	+ 406	+ 400	+ 33	+ 81	- 109
Other securities	+ 1	+ 33	+ 61	+ 28	+ 41	- 20
Total loans and investments	+ 205	+ 656	+ 648	+ 287	+ 291	- 33

<sup>1/</sup> Beginning July 1, 1959 changes are on revised basis.

Note: Data for country banks include interbank loans, which on June 10, 1959, were about \$100 million. Data for weekly reporting banks include interbank loans prior to 1952.

Not for publication

Table 1

Changes in Loans and Investments at City and Country Banks  
(In millions of dollars)

Item	End of June to Last Wednesday in October <sup>1/</sup>					
	1959	1958 <sup>3/</sup>	1957	1956	1955	1954
<u>Weekly reporting banks <sup>2/</sup></u>						
Total loans	+ 1,893	- 1,021	- 840	+ 848	+ 2,397	- 271
U. S. Government securities	- 1,786	- 983	+ 274	- 621	- 1,154	+ 3,808
Other securities	- 195	+ 77	+ 337	- 189	- 144	+ 356
Total loans and investments	- 88	- 1,927	- 229	+ 38	+ 1,099	+ 3,893
<u>Country member banks</u>						
Total loans	+ 900	+ 420	+ 258	+ 469	+ 911	+ 185
U. S. Government securities	+ 265	+ 1,608	+ 938	+ 901	+ 454	+ 2,053
Other securities	+ 107	+ 302	+ 292	+ 3	+ 88	+ 164
Total loans and investments	+ 1,272	+ 2,330	+ 1,488	+ 1,372	+ 1,452	+ 2,402
Item	End of June to Last Wednesday in October					
	1953	1952	1951	1950	1949	1948
<u>Weekly reporting banks <sup>2/</sup></u>						
Total loans	+ 755	+ 1,701	+ 1,206	+ 3,554	+ 39	+ 895
U. S. Government securities	+ 2,584	- 115	+ 750	- 2,909	+ 3,660	- 1,140
Other securities	+ 38	+ 35	+ 57	+ 625	+ 464	+ 40
Total loans and investments	+ 3,377	+ 1,621	+ 2,013	+ 1,270	+ 4,163	- 205
<u>Country member banks</u>						
Total loans	+ 591	+ 784	+ 383	+ 1,133	+ 442	+ 596
U. S. Government securities	+ 914	+ 1,172	+ 1,066	- 436	+ 1,083	- 417
Other securities	+ 81	+ 108	+ 134	+ 202	+ 136	+ 4
Total loans and investments	+ 1,585	+ 2,064	+ 1,583	+ 898	+ 1,660	+ 183

<sup>1/</sup> Country bank data are for June call dates except for 1959, 1958, and 1957, which are for last Wednesday.

<sup>2/</sup> Beginning July 1, 1959, changes are on revised basis.

<sup>3/</sup> Data are on unrevised basis as revised data do not begin until July 9, 1958; however difference in changes is generally very small between old and new series.

Note: Data for country banks include interbank loans, which on June 10, 1959, were about \$100 million. Data for weekly reporting banks include interbank loans prior to 1952.



Table 1

Changes in Loans and Investments at City and Country Banks  
(In millions of dollars)

Item	End of December to Last Wednesday in October <sup>1/</sup>					
	1959	1958	1957	1956	1955	1954
<u>Weekly reporting banks <sup>2/</sup></u>						
Total loans	+ 9,851	- 1,878	- 163	+ 3,602	+ 5,091	- 1,695
U. S. Government securities	- 3,700	+ 5,209	- 1,463	- 4,161	- 5,980	+ 4,733
Other securities	+ 663	+ 1,588	+ 444	- 517	- 46	+ 1,095
Total loans and investments	+ 6,814	+ 4,919	- 1,182	- 1,076	- 935	+ 4,133
<u>Country member banks <sup>3/</sup></u>						
Total loans	+ 2,960	+ 1,158	+ 1,466	+ 1,806	+ 2,268	+ 788
U. S. Government securities	- 964	+ 1,854	- 101	- 593	- 854	+ 1,409
Other securities	+ 151	+ 789	+ 680	+ 136	+ 379	+ 275
Total loans and investments	+ 2,147	+ 3,801	+ 2,045	+ 1,349	+ 1,792	+ 2,472
Item	End of December to Last Wednesday in October <sup>1/</sup>					
	1953	1952	1951	1950	1949	1948
<u>Weekly reporting banks <sup>2/</sup></u>						
Total loans	+ 535	+ 2,067	+ 2,484	+ 4,244	- 1,638	+ 1,307
U. S. Government securities	- 1,172	+ 137	- 1,748	- 3,740	+ 4,851	- 3,701
Other securities	+ 34	+ 563	+ 123	+ 1,305	+ 808	+ 20
Total loans and investments	- 603	+ 2,767	+ 859	+ 1,809	+ 4,021	- 2,374
<u>County member banks <sup>3/</sup></u>						
Total loans	+ 1,406	+ 1,621	+ 1,253	+ 1,951	+ 465	+ 1,631
U. S. Government securities	- 241	+ 791	- 64	- 468	+ 694	- 1,382
Other securities	+ 185	+ 245	+ 284	+ 441	+ 112	+ 233
Total loans and investments	+ 1,350	+ 2,657	+ 1,473	+ 1,924	+ 1,272	+ 482

<sup>1/</sup> Country bank data for December call dates.

<sup>2/</sup> Beginning July 1, 1959, changes are on revised basis.

<sup>3/</sup> Country bank assets and liabilities were increased about \$350 million in April 1959 as a result of inclusion of a national bank in Hawaii and the shifting of six national banks in Alaska from nonmember banks. (Loans +200; U. S. Govt. +100; other securities +50.)

**Note:** Data for country banks include interbank loans, which on June 10, 1959, were about \$100 million. Data for weekly reporting banks include interbank loans prior to 1952.

Not for publication

Table 2

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

Business of Borrower	Last Wednesday in September to the last Wednesday in October							
	1959	1958 <u>2/</u>	1957	1956	1955	1954	1953	1952
Food processors	+ 82	+ 195	+125	+290	+161	+113	+ 124	+ 210
Commodity dealers	+ 163	+ 152	+ 89	+208	+159	+ 95	+ 165	+ 262
Trade concerns	+ 203	+ 133	+145	+170	+162	+113	+ 84	+ 122
Total	+ 448	+ 480	+359	+668	+482	+321	+ 373	+ 594
Sales finance	<u>2/</u> (-327)	- 79	-410	-305	-204	-117	- 199	<u>4/</u>
All other - total	- 380	- 242	-390	-103	- 97	-166	- 61	+ 71
Metals and products	- 153	- 197	- 50	- 97	<u>4/</u>	- 69	- 20	+ 111
Textiles, apparel and leather	- 107	- 126	-137	- 77	- 54	- 47	- 63	- 54
Petroleum, coal, etc.	- 12	- 34	- 21	+ 52	+ 22	+ 90	+ 14	+ 42
Other manufacturing and mining	- 25	- 60	- 76	- 45	- 13	- 26	- 9	+ 36
Public utilities	- 31	+ 104	+ 6	+102	-109	-180	+ 23	- 60
Construction	<u>4/</u>	+ 2	- 37	- 24	+ 17	+ 7	- 9	+ 4
All other types of business	- 52	+ 69	- 75	- 14	+ 40	+ 59	+ 3	- 8
Classified	+ 68	+ 159	-439	+260	+180	+ 38	+ 113	+ 665
Unclassified	- 33	- 121	-224	- 57	- 34	- 10	<u>3/</u> + 85	+ 10
Total change	+ 35	+ 38	-663	+203	+146	+ 28	<u>3/</u> +198	+ 675
Total change excluding sales finance	+ 35	+ 117	-253	+508	+350	+145	<u>3/</u> +397	+ 675

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

2/ Not included in business loans on revised basis.

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

4/ Less than \$500 thousand.

5/ Data for 1958 have not been revised for additional banks and coverage.

Note: Classified data are for a sample of about 210 banks reporting changes in their larger loans. These banks hold over 95 per cent of total commercial and industrial loans of all weekly reporting banks and nearly 75 per cent of those of all commercial banks.

Not for publication

Table 2

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

Business of Borrower	Last Wednesday in June to last Wednesday in October							
	1959	1958 <u>6/</u>	1957	1956	1955	1954	1953	1952
Food processors	+ 412	+ 349	+287	+ 500	+ 283	+258	+342	+ 530
Commodity dealers	+ 395	+ 307	+270	+ 538	+ 367	+330	+246	+ 548
Trade concerns	+ 285	+ 210	+195	+ 226	+ 284	+158	+118	+ 136
Total	+1,092	+ 866	+752	+1,264	+ 934	+746	+706	+1,214
Sales finance	<u>2/</u> (-212)	- 233	-502	- 478	- 92	-259	-253	+ 73
<u>All other - total</u>	+ 24	- 531	-675	+ 452	+ 576	-528	- 42	+ 132
Metals and products	- 297	- 600	-459	- 340	- 9	-476	-242	- 97
Textiles, apparel and leather	+ 22	- 146	-114	+ 16	+ 127	+ 49	- 10	+ 9
Petroleum, coal, etc.	+ 117	- 62	+ 12	+ 397	+ 77	+ 53	+ 49	+ 157
Other manufacturing and mining	+ 53	- 53	- 54	+ 110	+ 53	- 28	+ 5	+ 67
Public utilities	+ 303	+ 44	- 27	+ 182	- 15	-284	+ 69	- 137
Construction	- 1	+ 62	- 22	- 36	+ 80	+ 44	- 1	+ 26
All other types of business	- 173	+ 224	- 11	+ 123	+ 263	+114	+ 88	+ 107
Classified	+1,118	+ 103	-426	+1,237	+1,417	- 41	+413	+1,419
Unclassified	- 86	- 152	-367	- 177	<u>5/</u> - 112	<u>4/</u> -800	<u>3/</u> + 92	+ 83
Total change	+1,032	- 49	-793	+1,060	<u>5/</u> +1,305	<u>4/</u> -841	<u>3/</u> +504	+1,502
Total change excluding sales finance	+1,032	+ 184	-291	+1,538	<u>5/</u> +1,397	<u>4/</u> -582	<u>3/</u> +757	+1,429

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

2/ Not included in business loans on revised basis.

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

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

5/ Includes CCC certificates of interest which are estimated to have declined by \$300 million.

6/ Data for 1958 have not been revised for additional banks and coverage.

Note: Classified data are for a sample of about 210 banks reporting changes in their larger loans. These banks hold over 95 per cent of total commercial and industrial loans of all weekly reporting banks and nearly 75 per cent of those of all commercial banks.

Not for publication

Table 3

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

Item	Last Wednesday in September to last Wednesday October					
	1959	1958	1957	1956	1955	1954
<u>Seasonally adjusted data</u> <sup>1/</sup>						
Demand deposits adjusted	- 0.3	+ 1.3	+ 0.3	+ 0.6	- 0.2	+ 0.5
Currency outside banks	<u>- 0.1</u>	<u>+ 0.1</u>	<u>2/</u>	<u>+ 0.1</u>	<u>2/</u>	<u>2/</u>
Total	- 0.4	+ 1.4	+ 0.3	+ 0.7	- 0.2	+ 0.5
<u>Seasonally unadjusted data</u> <sup>1/</sup>						
Demand deposits adjusted	+ 1.3	+ 2.9	+ 1.7	+ 2.0	+ 1.2	+ 1.9
Currency outside banks	<u>- 0.2</u>	<u>+ 0.1</u>	<u>2/</u>	<u>+ 0.3</u>	<u>+ 0.1</u>	<u>2/</u>
Total	+ 1.1	+ 3.0	+ 1.7	+ 2.3	+ 1.3	+ 1.9
Time deposits	- 0.3	+ 0.2	+ 0.4	+ 0.2	+ 0.2	+ 0.4
Commercial banks	<u>2/</u>	+ 0.2	+ 0.4	+ 0.1	+ 0.1	+ 0.3
Mutual savings banks	- 0.2	+ 0.1	+ 0.1	+ 0.1	+ 0.1	+ 0.1
U. S. Government deposits	<u>- 1.1</u>	<u>- 0.8</u>	<u>- 0.5</u>	<u>- 1.7</u>	<u>+ 0.2</u>	<u>+ 1.5</u>
Total	- 0.3	+ 2.5	+ 1.6	+ 0.8	+ 1.9	+ 3.7
<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>	- 0.2	+ 1.0	+ 0.3	+ 0.3	+ 1.1	+ 0.6
Commercial	+ 0.1	+ 0.5	- 0.1	+ 0.1	+ 0.8	+ 0.3
Mutual savings	<u>2/</u>	+ 0.2	+ 0.2	+ 0.2	+ 0.2	+ 0.2
Bank holdings of U. S. Government securities:	- 0.1	+ 1.9	+ 1.3	+ 0.5	+ 0.9	+ 3.2
Federal Reserve	- 0.2	+ 0.5	+ 0.1	+ 0.2	+ 0.3	+ 0.4
Commercial	+ 0.3	+ 1.5	+ 1.4	+ 0.5	+ 0.9	+ 2.9
Mutual saving and other	- 0.1	<u>2/</u>	- 0.2	- 0.2	- 0.2	<u>2/</u>
Gold stock and foreign deposits at F. R. Banks	<u>2/</u>	- 0.2	<u>2/</u>	+ 0.1	<u>2/</u>	<u>2/</u>
Other factors	<u>2/</u>	- 0.2	<u>2/</u>	- 0.1	- 0.1	- 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, while total loans exclude only those to domestic banks. Also there is some lack of synchronization in reporting asset and liability items used in computing "loans net".

Not for publication

Table 3

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

Item	End of June to last Wednesday in October					
	1959 <u>4/</u>	1958	1957	1956	1955	1954
<u>Seasonally adjusted data</u> <u>1/</u>						
Demand deposits adjusted	- 0.6	+ 2.8	- 0.8	<u>2/</u>	+ 0.5	+ 2.7
Currency outside banks	- 0.2	- 0.1	- 0.2	- 0.1	+ 0.1	- 0.2
Total	- 0.8	+ 2.7	- 1.0	- 0.1	+ 0.6	+ 2.5
<u>Seasonally unadjusted data</u> <u>1/</u>						
Demand deposits adjusted	+ 2.0	+ 4.8	+ 1.6	+ 2.7	+ 2.9	+ 5.0
Currency outside banks	---	+ 0.2	<u>2/</u>	- 0.6	- 0.1	- 0.2
Total	+ 2.0	+ 5.0	+ 1.6	+ 2.1	+ 2.8	+ 4.8
Time deposits	+ 0.1	+ 1.9	+ 1.7	+ 0.9	+ 0.8	+ 1.5
Commercial banks	+ 0.2	+ 1.4	+ 1.5	+ 0.5	+ 0.4	+ 1.0
Mutual savings banks	<u>2/</u>	+ 0.6	+ 0.4	+ 0.4	+ 0.5	+ 0.5
U. S. Government deposits	+ 0.8	- 5.8	- 1.2	- 1.8	- 0.5	- 0.1
Total	+ 2.8	+ 1.1	+ 2.1	+ 1.2	+ 3.2	+ 6.1
<u>Factors affecting deposits and currency</u>	(signs indicate effect on deposits and currency)					
Bank loans and investments other than U. S. Govt. sec. <u>3/</u>						
Commercial	+ 4.7	+ 1.0	+ 1.1	+ 1.7	+ 4.3	+ 1.4
Mutual savings	+ 3.9	+ 0.1	+ 0.4	+ 1.2	+ 3.6	+ 0.4
Total	+ 0.7	+ 0.9	+ 0.7	+ 0.9	+ 0.8	+ 0.8
Bank holdings of U. S. Government securities:						
Federal Reserve	- 1.2	+ 1.8	+ 1.9	+ 0.5	- 0.3	+ 5.8
Commercial	+ 0.5	+ 0.4	+ 0.3	<u>2/</u>	+ 0.4	- 0.7
Mutual saving and other	- 1.4	+ 1.6	+ 1.8	+ 0.9	- 0.4	+ 6.7
Gold stock and foreign deposits at F. R. Banks	- 0.3	- 0.1	- 0.3	- 0.3	- 0.2	- 0.2
Other factors	- 0.3	- 0.7	+ 0.1	+ 0.1	<u>2/</u>	- 0.1
	- 0.4	- 1.0	- 1.0	- 1.1	- 0.8	- 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. Data for June 1959, 1958, and 1957 are for last Wednesday throughout.

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, while total loans exclude only those to domestic banks. In addition, there is some lack of synchronization in reporting asset and liability items used in computing "loans net".

4/ In August 1959, as a result of the addition of nonmember banks in Hawaii demand deposits adjusted increased \$200 million and time deposits at commercial banks increased \$200 million.

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Table 3

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

Item	End of December to last Wednesday in October					
	1959 4/	1958	1957	1956	1955	1954
<u>Seasonally adjusted data</u> 1/						
Demand deposits adjusted	+ 0.6	+ 5.1	- 0.2	+ 0.9	+ 2.6	+ 2.9
Currency outside banks	+ 0.1	- 0.2	2/	+ 0.1	+ 0.3	- 0.5
Total	+ 0.7	+ 4.9	- 0.2	+ 1.0	+ 2.9	+ 2.4
<u>Seasonally unadjusted data</u> 1/						
Demand deposits adjusted	- 2.8	+ 0.7	- 4.2	- 2.5	- 0.5	+ 0.6
Currency outside banks	- 0.4	- 0.3	- 0.5	- 0.6	- 0.6	- 1.2
Total	- 3.2	+ 0.4	- 4.7	- 3.1	- 1.0	- 0.5
Time deposits	+ 2.9	+ 8.3	+ 5.9	+ 3.1	+ 2.6	+ 4.4
Commercial banks	+ 2.4	+ 6.8	+ 4.9	+ 1.8	+ 1.4	+ 3.0
Mutual savings banks	+ 0.6	+ 1.8	+ 1.3	+ 1.5	+ 1.5	+ 1.5
U. S. Government deposits	+ 1.1	- 0.5	- 0.5	- 0.1	+ 0.2	+ 1.9
Total	+ 0.7	+ 8.3	+ 0.6	- 0.1	+ 1.9	+ 5.7
<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/	+10.0	+ 5.1	+ 4.9	+ 7.1	+10.4	+ 3.3
Commercial	+ 9.0	+ 2.6	+ 3.3	+ 5.2	+ 8.5	+ 1.0
Mutual savings	+ 1.5	+ 2.5	+ 1.9	+ 2.2	+ 2.0	+ 2.1
Bank holdings of U. S. Government securities:						
Federal Reserve	- 7.2	+ 8.7	- 3.5	- 5.7	- 7.5	+ 4.7
Commercial	2/	+ 1.2	- 1.7	- 1.0	- 1.0	- 1.5
Mutual saving and other	- 6.9	+ 8.0	- 1.3	- 4.1	- 6.1	+ 6.8
Gold stock and foreign deposits at F. R. Banks	- 0.3	- 0.4	- 0.5	- 0.5	- 0.5	- 0.6
Other factors	- 1.1	- 2.0	+ 0.7	+ 0.3	+ 0.1	- 0.3
Other factors	- 1.0	- 3.5	- 1.5	- 1.8	- 1.1	- 2.0

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, while total loans exclude only those to domestic banks. Also there is some lack of synchronization in reporting asset and liability items used in computing "loans net".

4/ During 1959, as a result of structure changes, demand deposits adjusted increased \$400 million; time deposits at commercial banks increased \$700 million, and time deposits at mutual savings banks declined \$300 million.

Not for publication

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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>					
1958: First	314	- 10	- 16	- 27	366
Second	508	- 18	- 4	- 63	422
Third	341	- 28	- 1	- 55	424
Fourth	25	- 44	- 17	- 194	280
1959: First	- 82	- 25	- 67	- 215	225
Second	- 363	- 52	- 56	- 393	137
Third	- 528	- 202	- 42	- 431	146
1958: June	484	7	12	57	408
July	546	16	4	56	471
August	383	- 22	---	- 22	426
September	95	- 79	- 3	- 201	378
October	96	- 8	- 3	- 198	305
November	20	- 43	- 16	- 189	268
December	- 41	- 80	- 32	- 197	268
1959: January	- 59	- 65	- 53	- 223	281
February	- 47	- 28	- 26	- 195	202
March	- 140	16	- 122	- 228	194
April	- 258	- 89	- 64	- 284	178
May	- 318	- 51	- 41	- 360	133
June	- 513	- 15	- 63	- 535	101
July	- 557	- 154	- 47	- 482	124
August	- 535	- 225	- 35	- 420	145
September	- 493	- 227	- 44	- 391	169
October	- 466	- 209	- 82	- 337	162
September 30	- 499	- 169	- 17	- 266	- 47
October 7	- 523	- 289	- 100	- 368	234
14	- 557	- 271	- 93	- 350	157
21	- 314	- 227	- 62	- 339	314
28	- 489	- 115	- 83	- 340	49
November 4	- 440	- 169	- 55	- 341	125

Note: Data for first half of November 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	October		July - October		January-October	
	1959	1958	1959	1958	1959	1958
<u>Member bank reserve balances</u>						
<u>Total</u>	+ 17	+ 51	+ 159	- 124	- 289	- 944
Required reserves <u>1/</u>	- 12	+ 101	+ 127	- 19	- 211	- 888
Effect of reduction in requirements	---	---	---	---	---	-1,440
Effect of deposit change	- 12	+ 101	+ 127	- 19	- 211	+ 552
Excess reserves <u>1/</u>	+ 29	- 50	+ 32	- 105	- 78	- 56
(signs indicate effect on reserves)						
<u>Principal factors</u>						
Currency in circulation	+ 45	- 48	- 158	- 351	+ 396	+ 542
Gold stock and foreign accounts	- 17	- 164	- 557	- 758	-1,105	-1,973
Treasury operations	+ 49	+ 7	+ 234	+ 26	+ 321	+ 95
Federal Reserve float	+ 27	+ 45	+ 106	+ 119	- 381	- 408
Other factors	+ 65	+ 16	+ 15	+ 22	- 52	- 211
<u>Effect of above factors on reserves</u>	+ 169	- 144	- 360	- 942	- 821	-1,955
Federal Reserve loans and investments:						
<u>Total</u>	-151	+ 197	+ 520	+ 818	+ 532	+1,012
U. S. Govt. securities	- 157	+ 245	+ 554	+ 546	+ 205	+1,314
Outright	- 149	+ 209	+ 530	+ 562	+ 263	+1,645
Repurchase agreements	- 8	+ 36	+ 24	- 16	- 58	- 331
Acceptances	+ 1	+ 3	- 5	- 11	- 18	- 11
Discounts and advances:						
To member banks	+ 2	- 51	- 16	+ 283	+ 348	- 285
To others	+ 3	---	- 13	---	- 3	- 6

1/ Data for October 1959 are preliminary.

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Deposits and Currency  
(In billions of dollars)

Year or month	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Seasonally adjusted money supply 1/			Seasonally adjusted money supply and time dep. at com'l. banks(1+7)	Demand deposits adjusted	Time deposits				U. S. Gov't. deposits 2/	Cur- rency outside banks	Total deposits and currency (5+6+10 +11)
Total (2+3)	Demand deposits adjusted	Cur- rency outside banks	Total (7+8+9)			Commer- cial	Mutual savings	Postal savings				
End of Dec.												
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	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:												
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	138.1	110.2	27.9	201.0	111.0	97.4	62.9	33.4	1.2	4.2	28.0	240.6
Nov. 26	138.8	110.6	28.2	200.9	111.9	96.8	62.1	33.5	1.1	6.3	28.8	243.7
Dec. 31	139.4	111.3	28.1	202.6	115.5	98.3	63.2	34.0	1.1	4.9	28.7	247.5
1959:												
Jan. 28 3/	138.5	110.7	27.8	201.9	113.8	98.4	63.4	33.8	1.1	5.3	27.6	245.1
Feb. 25	139.1	111.2	27.9	202.8	111.3	98.7	63.7	34.0	1.1	5.0	27.7	242.7
Mar. 25	140.3	112.2	28.1	204.4	110.3	99.5	64.1	34.3	1.1	4.4	27.9	242.0
Apr. 29 4/	140.7	112.5	28.2	205.2	112.5	99.9	64.5	34.3	1.1	5.1	27.9	245.4
May 27	140.9	112.6	28.3	205.9	110.7	100.5	65.0	34.4	1.1	5.7	28.1	245.0
June 24	140.9	112.5	28.4	206.3	110.7	101.1	65.4	34.6	1.1	5.2	28.3	245.4
July 29p	142.7	114.2	28.5	208.0	112.7	100.8	65.3	34.5	1.0	5.6	28.4	247.6
Aug. 26p 5/	141.4	112.9	28.5	206.9	111.1	101.2	65.5	34.7	1.0	6.5	28.5	247.4
Sept. 30p	140.5	112.2	28.3	206.1	111.4	101.5	65.6	34.8	1.0	7.1	28.5	248.5
Oct. 28p	140.1	111.9	28.2	205.7	112.7	101.2	65.6	34.6	1.0	6.0	28.3	248.2

p Preliminary. 1/ Seasonally adjusted series begins in 1947 and is available only for last Wednesday of the month.  
 2/ At commercial, savings, and Federal Reserve Banks. 3/ As a result of the addition of all banks in Alaska, time deposits at commercial banks increased almost \$100 million and demand deposits adjusted increased about \$100 million. As a result of the absorption of a mutual savings bank, time deposits at commercial banks increased \$300 million and those at mutual savings banks declined \$300 million. 4/ As a result of inclusion of a national bank in Hawaii, demand deposits adjusted increased about \$100 million and time deposits at commercial banks about \$100 million. 5/ As a result of inclusion of all banks in Hawaii, demand deposits adjusted increased about \$200 million and time deposits at commercial banks about \$200 million. On balance in 1959, as a result of structure changes, demand deposits adjusted increased \$400 million, time deposits at commercial banks increased \$700 million; and time deposits at mutual savings banks declined \$300 million.

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	2.8
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: Dec. 31	169.3	58.2	17.9	93.2	40.5	23.1	4.2	4.1	15.7	7.3
1958: June 23	178.2	64.2	20.1	93.9	38.9	23.7	5.6	4.6	15.5	7.5
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. 29	180.1	66.2	20.5	93.4	38.9	24.7	3.6	4.8	15.6	7.7
Nov. 26	182.7	67.7	20.3	94.7	39.3	25.0	3.9	4.9	15.6	8.0
Dec. 31	184.4	66.4	20.6	97.5	40.4	25.3	4.7	5.0	15.8	8.3
1959: 1/ Jan. 28	183.8	67.5	20.4	95.9	39.2	25.6	4.2	5.0	15.9	8.1
Feb. 25	181.9	65.5	20.4	96.0	39.2	25.7	4.0	5.0	16.0	8.2
Mar. 25	181.1	63.2	20.6	97.4	40.2	25.9	3.9	4.8	16.1	8.4
2/ Apr. 29	183.8	63.6	20.9	99.3	40.6	26.3	4.3	4.9	16.5	8.6
May 27	183.9	62.6	20.8	100.5	41.4	26.6	4.1	4.9	16.8	8.8
June 24	184.2	60.9	20.6	102.8	42.5	26.9	4.1	5.0	17.2	9.1
July 29p	185.7	61.1	20.6	103.9	42.8	27.1	4.2	5.1	17.4	9.3
3/ 4/ Aug. 26p	186.1	60.3	20.5	105.3	43.4	27.4	4.2	5.0	17.7	9.5
Sept. 30p	186.3	59.2	20.7	106.3	44.0	27.6	4.1	5.0	17.9	9.7
Oct. 28p	186.6	59.5	20.6	106.5	43.9	27.8	4.1	4.9	18.0	9.7

- 1/ Total credit increased over \$400 million in January as a result of bank structure changes.  
2/ Total credit increased about \$200 million as a result of bank structure changes.  
3/ Total credit increased about \$300 million as a result of bank structure changes.  
4/ Structure changes in 1959, on balance through August, added almost \$1 billion to total credit; \$600 million in loans; \$300 million in U. S. Government securities; and \$100 million in other securities. Real estate loans increased about \$300 million; business loans \$100 million; and consumer loans, \$100 million.

**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 all commercial banks will not be revised to conform with changes in weekly reporting data until all bank data are available on new basis.

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