

FEDERAL RESERVE BANK
of KANSAS CITY

MAR 31 1961

— Research Library —

BANKING AND MONETARY DEVELOPMENTS IN FEBRUARY 1960

Bank credit. Total credit at all commercial banks declined \$1.2 billion in February, less than in 1959 or 1955 but about the same as in 1956. Total loans rose \$1 billion, more than twice as much as in February of any other recent year, with increases in all categories except security loans. Holdings of U. S. Government securities declined \$2.2 billion, the same as in February of 1955 but more than in any other year. Holdings of other securities declined further.

So far this year, the total credit reduction of \$4.7 billion has substantially exceeded that of any other recent year. Loans have declined \$1.4 billion, slightly less than last year, but considerably more than in 1955 or 1956. The \$3 billion decline in holdings of U. S. Government securities in the January-February 1960 period exceeded that in the comparable period of any other year. The \$300 million reduction in holdings of other securities was also relatively large.

Loan growth at both weekly reporting city banks and country member banks (after a \$342 million adjustment for reclassification of reserve city banks to country banks) was larger than in February of other recent years of economic expansion. The reduction in holdings of U. S. Government securities was slightly smaller than in other comparable years at city banks but generally slightly larger at country banks, although less than in 1959. The total credit reduction in January and February was larger than usual at both city and country banks.

Business loans at all commercial banks (excluding loans to sales finance companies and other financial businesses) increased \$400 million in February, more than in February of any other year except 1956. So far this year, they have declined \$400 million, somewhat more than in 1955, while in 1956 they rose.

During February, loans to metals processors, textiles manufacturers, "other manufacturing and mining" and trade concerns rose more than in any other year. Net repayments by food processors and commodity dealers appeared to be of about seasonal volume, and loans to petroleum and chemicals companies also declined.

Real estate loans declined slightly at city banks in February but may have increased moderately further at other banks. So far this year growth appears to have been comparable with 1959 but less than in 1955 or 1956. Consumer loans at all commercial banks are estimated to have increased further in February. The \$200 million growth in the January-February period was about the same as in 1959 and slightly more than in earlier years.

Not for publication

Agricultural loans rose somewhat as is usual in February. Loans to nonbank financial institutions increased slightly. Over January and February, loans to sales finance companies at city banks showed a larger net reduction than usual, but the December rise had also been of record proportions. Security loans declined slightly further in February. Repayments of these loans have also exceeded those of other recent years although the 1959 year-end expansion was relatively moderate.

Loan - deposit ratio. At the end of February, the ratio of commercial bank loans (excluding interbank) to total deposits (excluding cash items) reached a postwar high of 56 per cent, compared with 49 per cent a year ago and a prerecession peak of 52 per cent in June 1957. The loan-deposit ratio in the comparable period of the previous recovery (22 months after the August 1954 turning point) was just under 50 per cent. In February 1960, the loan-deposit ratios ranged from 49 per cent at country member banks to 69 per cent at central reserve city banks in New York. A new table (Table 6) is appended to this report showing loan-deposit ratios monthly by class of bank.

Deposits and currency. Seasonally adjusted demand deposit and currency holdings of businesses and individuals declined \$1 billion in February, following a \$300 million reduction in January (revised data). At the end of February, the seasonally adjusted money supply was about 1/2 per cent below the level a year ago.

Seasonally adjusted semi-monthly averages of daily demand deposits adjusted at member banks show a decline of \$800 million (preliminary) between the second half of January and the second half of February.

U. S. Government deposits increased \$900 million in February. Although they declined \$300 million in February of 1959, in other recent years they have increased in a range of \$600 million to \$1.7 billion.

Time deposits at all commercial banks increased \$200 million in February, about the same as in February of other years of economic expansion. The reduction in January had been more substantial than usual however. Deposits at mutual savings banks showed little further change in February.

Deposit turnover. The seasonally adjusted annual rate of turnover of demand deposits at 337 centers outside New York and other financial centers rose sharply to 26.3 in February, 5 per cent above the January rate and over 8 per cent above the level a year earlier.

Not for publication

Bank reserves. Net borrowed reserves of member banks averaged \$370 million in February compared with \$360 million (revised downward) in January. Both borrowings at \$815 million and excess reserves at \$445 million were lower than a month earlier. Total required reserves at all member banks declined slightly when some reserve city banks were reclassified as country banks on February 11 and their deposits were shifted into a lower reserve requirement status.

During February, on a daily average basis, reserves were absorbed by a \$610 million reduction in Federal Reserve holdings of U. S. Government securities, a \$245 million reduction in Reserve Bank float, and changes in other factors totaling \$120 million. Reserves were supplied to banks through further currency inflow of \$430 million. As in January, gold stock declined slightly further but this loss of reserves was more than offset by a reduction in foreign deposits at the Reserve Banks. Required reserves declined \$575 million.

Not for publication

Banking Section,
Division of Research and Statistics,
Board of Governors of the Federal Reserve System.

March 17, 1960

Table 1

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

Item	Last Wednesday of Jan. to last Wednesday of Feb.					
	1960	1959	1958	1957	1956	1955
<u>Total loans (less bank)</u>	+ 1.0	+ 0.1	+ 0.1	+ 0.2	+ 0.3	+ 0.4
Business ^{2/}	+ 0.4	<u>1/</u>	- 0.2	+ 0.2	+ 0.2	+ 0.2
Real estate	+ 0.1	+ 0.1	+ 0.1	<u>1/</u>	+ 0.1	+ 0.2
Security	- 0.1	- 0.2	+ 0.3	<u>1/</u>	- 0.1	- 0.1
Agricultural	+ 0.2	<u>1/</u>	+ 0.2	<u>1/</u>	+ 0.1	<u>1/</u>
Consumer	+ 0.1	+ 0.1	- 0.2	+ 0.1	<u>1/</u>	+ 0.1
Nonbank financial	+ 0.1	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>
All other ^{2/}	+ 0.2	+ 0.1	- 0.1	- 0.1	<u>1/</u>	+ 0.1
Sales finance companies	<u>4/</u>	- 0.1	<u>1/</u>	<u>1/</u>	- 0.3	<u>1/</u>
Business less sales finance	<u>4/</u>	+ 0.1	- 0.2	+ 0.2	+ 0.5	+ 0.2
U. S. Government securities	- 2.2	- 2.0	+ 0.6	- 0.9	- 1.7	- 2.2
Other securities	- 0.1	<u>1/</u>	+ 0.3	+ 0.1	+ 0.1	+ 0.1
Total (less bank)	- 1.2	- 1.9	+ 0.9	- 0.5	- 1.2	- 1.7

Item	Last Wednesday of Jan. to last Wednesday of Feb.					
	1954	1953	1952	1951	1950	1949
<u>Total loans (less bank)</u>	<u>1/</u>	<u>1/</u>	+ 0.2	+ 0.7	+ 0.2	- 0.6
Business	- 0.2	- 0.1	<u>1/</u>	+ 0.8	<u>1/</u>	n.a.
Real estate	<u>1/</u>	+ 0.1	<u>1/</u>	+ 0.1	<u>1/</u>	n.a.
Security	<u>1/</u>	- 0.1	+ 0.1	- 0.1	+ 0.1	n.a.
Agricultural	+ 0.4	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
Consumer	- 0.2	+ 0.2	<u>1/</u>	- 0.1	+ 0.1	n.a.
Nonbank financial	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	n.a.
All other	<u>1/</u>	- 0.1	+ 0.1	<u>1/</u>	<u>1/</u>	n.a.
Sales finance companies	- 0.1	<u>1/</u>	- 0.1	n.a.	n.a.	n.a.
Business less sales finance	- 0.1	- 0.1	+ 0.1	n.a.	n.a.	n.a.
U. S. Government securities	- 1.2	- 0.9	- 0.7	- 0.9	- 0.9	- 0.8
Other securities	+ 0.3	- 0.1	+ 0.1	<u>1/</u>	+ 0.1	<u>1/</u>
Total (less bank)	- 0.8	- 0.9	- 0.5	- 0.2	- 0.6	- 1.4

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

n.a. Not available

^{2/} Data for 1960 are on revised basis (beginning June 1959) and exclude loans to nonbank financial institutions. For previous years, loans to sales finance companies at weekly reporting banks have been shown separately to provide roughly comparable changes in business loans on revised basis.

^{3/} Included in business and "other loans".

^{4/} See above data.

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

Item	End of December to last Wednesday of February 2/					
	1960	1959 3/	1958	1957	1956	1955
<u>Total loans (less bank)</u>	- 1.4	- 1.5	- 2.6	- 1.8	- 0.8	- 0.2
Business <u>4/</u>	- 0.4	- 1.2	- 1.9	- 0.9	- 0.3	- 0.1
Real estate	+ 0.1	+ 0.4	+ 0.1	<u>1/</u>	+ 0.2	+ 0.4
Security	- 0.9	- 0.7	- 0.3	- 0.6	- 0.5	- 0.6
Agricultural	+ 0.3	<u>1/</u>	+ 0.3	<u>1/</u>	<u>1/</u>	<u>1/</u>
Consumer	+ 0.2	+ 0.2	- 0.3	<u>1/</u>	+ 0.1	+ 0.1
Nonbank financial	- 0.8	<u>5/</u>	<u>5/</u>	<u>5/</u>	<u>5/</u>	<u>5/</u>
All other <u>4/</u>	+ 0.1	- 0.1	- 0.3	- 0.2	- 0.1	+ 0.1
Sales finance companies	<u>6/</u>	- 0.4	- 0.6	- 0.2	- 0.5	<u>1/</u>
Business less sales finance	<u>6/</u>	- 0.8	- 1.3	- 0.7	+ 0.2	- 0.1
U. S. Government securities	- 3.0	- 0.9	+ 0.1	- 1.8	- 2.4	- 2.2
Other securities	- 0.3	- 0.2	+ 0.3	<u>1/</u>	- 0.1	+ 0.5
Total (less bank)	- 4.7	- 2.5	- 2.2	- 3.4	- 3.2	- 1.9

Item	End of December to last Wednesday of February 2/					
	1954	1953	1952	1951	1950	1949
<u>Total loans (less bank)</u>	- 1.4	- 0.6	- 0.7	+ 0.8	- 0.1	- 0.7
Business <u>5/</u>	- 0.8	- 0.5	- 0.3	+ 1.2	+ 0.1	n.a.
Real estate	<u>1/</u>	+ 0.2	<u>1/</u>	+ 0.2	+ 0.2	n.a.
Security	- 0.7	- 0.6	- 0.4	- 0.4	- 0.2	n.a.
Agricultural	+ 0.5	<u>1/</u>	<u>1/</u>	<u>1/</u>	- 0.1	n.a.
Consumer	- 0.3	+ 0.3	<u>1/</u>	- 0.1	+ 0.1	<u>1/</u>
Nonbank financial	<u>5/</u>	<u>5/</u>	<u>5/</u>	<u>5/</u>	<u>5/</u>	n.a.
All other <u>5/</u>	- 0.1	<u>1/</u>	- 0.1	<u>1/</u>	- 0.2	n.a.
Sales finance companies	- 0.2	- 0.1	- 0.4	n.a.	n.a.	n.a.
Business less sales finance	- 0.6	- 0.4	+ 0.1	n.a.	n.a.	n.a.
U. S. Government securities	- 0.4	- 1.4	- 0.2	- 2.9	+ 0.1	- 0.4
Other securities	+ 0.3	<u>1/</u>	+ 0.1	<u>1/</u>	+ 0.2	- 0.1
Total (less bank)	- 1.5	- 2.1	- 1.0	- 2.1	+ 0.2	- 1.2

1/ Less than \$50 million.

n.a. Not Available

2/ Dates are for December 31 except for 1959 which is for December 30.

3/ As a result of bank structure changes in January 1959 total credit increased over \$400 million; total loans \$300 million; U. S. Govt. securities, \$100 million; and other securities, \$100 million.

4/ Beginning June 1959 data are on revised basis and exclude loans to nonbank financial institutions. For previous years, loans to sales finance companies at weekly reporting banks have been shown separately to provide roughly comparable changes in business loans on revised basis. 5/ Included in business and "other loans". 6/ See above data.

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

Item	Last Wednesday in Jan. to last Wednesday in Feb.					
	1960	1959	1958	1957	1956	1955
<u>Weekly reporting banks</u> 1/						
Total loans	+ 287	- 56	+ 36	+ 3	+ 135	+ 188
U. S. Government securities	-1,154	-1,301	+ 933	- 378	-1,203	-1,691
Other securities	- 34	+ 35	+ 205	+ 116	+ 49	+ 60
Total loans and investments	- 901	-1,322	+1,174	- 259	-1,019	-1,443
<u>Country member banks</u>						
Total loans	2/+ 621	+ 67	+ 6	+ 149	+ 167	+ 160
U. S. Government securities	2/- 10	- 569	- 230	- 372	- 354	- 405
Other securities	2/+ 63	+ 23	+ 67	+ 28	+ 47	+ 57
Total loans and investments	2/+ 674	- 479	- 157	- 195	- 140	- 188
Item	Last Wednesday in Jan. to last Wednesday in Feb.					
	1954	1953	1952	1951	1950	1949
<u>Weekly reporting banks</u> 1/						
Total loans	- 118	- 140	+ 78	+ 648	+ 21	- 405
U. S. Government securities	- 811	- 665	- 543	- 713	- 915	- 597
Other securities	+ 267	- 25	+ 100	+ 39	+ 61	+ 96
Total loans and investments	- 662	- 830	- 365	- 26	- 833	- 906
<u>Country member banks</u>						
Total loans	+ 84	+ 89	+ 103	+ 141	+ 151	- 27
U. S. Government securities	- 284	- 152	- 117	- 236	+ 64	- 101
Other securities	- 3	- 14	+ 12	+ 6	+ 28	- 6
Total loans and investments	- 203	- 77	- 2	- 89	+ 243	- 134

1/ Beginning 1959 changes are on revised basis.

Note: Data for country banks include interbank loans; these loans on October 6, 1959 were about \$200 million. Data for weekly reporting banks include interbank loans prior to 1952.

2/ In February 1960, as a result of reserve reclassifications, loans and investments at country banks increased \$949 million; loans \$342 million; U. S. Government securities, \$474 million; and other securities \$133 million. Corresponding reductions occurred at reserve city banks. Changes in February exclusive of these structure changes, would be total, -\$275 million; loans, +\$279 million; U. S. Government securities, -\$184 million; and other securities -\$70 million.

Not for publication

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

Item	Last Wednesday in Dec. to last Wednesday in Feb.					
	1960	1959	1958	1957	1956	1955
<u>Weekly reporting banks</u> 1/						
Total loans	- 1,859	- 1,553	- 2,377	- 1,998	- 696	- 460
U. S. Government securities	- 1,943	- 1,069	+ 433	- 931	- 1,850	- 2,152
Other securities	- 186	- 95	+ 318	+ 42	---	+ 347
Total loans and investments	- 3,988	- 2,717	- 1,626	- 2,887	- 2,546	- 2,265
<u>Country member banks</u>						
Total loans	2/+ 285	- 86	- 214	+ 14	+ 225	+ 207
U. S. Government securities	2/- 96	- 121	- 366	- 581	- 600	- 312
Other securities	2/+ 37	+ 20	+ 87	+ 89	+ 21	+ 136
Total loans and investments	+ 226	- 187	- 493	- 478	- 354	+ 30
Item	Last Wednesday in Dec. to last Wednesday in Feb.					
	1954	1953	1952	1951	1950	1949
<u>Weekly reporting banks</u> 1/						
Total loans	- 1,778	- 886	- 593	+ 590	- 294	- 694
U. S. Government securities	- 324	- 1,489	- 325	- 2,883	- 307	- 173
Other securities	+ 329	+ 43	+ 110	+ 5	+ 165	+ 62
Total loans and investments	- 1,773	- 2,332	- 808	- 2,288	- 436	- 805
<u>Country member banks</u>						
Total loans	+ 34	+ 173	+ 84	+ 226	+ 243	- 20
U. S. Government	- 207	+ 19	+ 151	- 462	+ 314	- 65
Other securities	- 16	- 41	- 4	+ 7	- 1	- 56
Total loans and investments	- 189	+ 151	+ 231	- 229	+ 556	- 140

1/ Beginning 1959 changes are on revised basis.

2/ In February 1960, as a result of reserve reclassifications, loans and investments at country banks increased \$949 million; loans \$342 million; U. S. Government securities, \$474 million; and other securities, \$133 million. Changes in the Jan.-Feb. period, exclusive of the structure changes would be total, -\$723 million; loans, -\$57 million; U. S. Government securities, -\$570 million; and other securities, -\$96 million.

Note: Data for country banks include interbank loans; these loans on October 6, 1959 were about \$200 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 January to last Wednesday in February								
	1960	1959	1958	1957	1956	1955	1954	1953	1952
Food processors	-109	- 70	-126	- 90	-120	-118	- 94	-142	-113
Commodity dealers	-120	-104	-125	- 74	+ 8	- 47	- 52	- 82	-121
Trade Concerns	+ 93	+ 34	- 51	+ 29	+ 57	+ 13	- 32	+ 25	- 5
Total	-136	-140	-302	-135	- 55	-152	-178	-199	-239
Sales finance	4/	- 95	- 44	+ 30	-257	+ 3	- 83	- 15	- 59
All other - total	+426	+163	+191	+128	+388	+272	+ 24	+ 62	+313
Metals and products	+259	+183	+111	+138	+250	+ 29	+ 6	+ 32	+141
Textiles, apparel and leather	+137	+ 84	+ 76	+ 84	+ 48	+ 90	+ 46	+ 69	+ 48
Petroleum, coal etc.	- 37	+ 4	+ 4	- 45	+ 45	+109	+ 8	- 1	+104
Other manufacturing and mining	+ 63	+ 20	+ 45	+ 42	+ 59	+ 4	- 3	- 7	+ 19
Public utilities	- 50	-128	- 89	- 50	+ 13	- 11	- 34	- 57	- 10
Construction	+ 27	+ 9	+ 1	- 8	- 29	+ 9	+ 3	---	- 7
All other types of business	+ 27	- 9	+ 43	- 33	+ 2	+ 42	- 2	+ 26	+ 18
Classified	+290	- 72	-155	+ 23	+ 75	+124	-237	-153	+ 14
Unclassified	+ 26	+ 72	- 40	+ 32	+ 45	2/- 10	3/+181	+ 11	- 12
Total change	+316	---	-195	+ 55	+120	2/+114	3/- 56	-142	+ 2
Total change excluding sales finance	+316	+ 95	-151	+ 25	+377	2/+111	3/+ 27	-127	+ 61

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

2/ Includes CCC certificates of interest which are estimated to have declined \$30 million.

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

4/ Not included in business loans on revised basis.

Note: Classified data 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 about 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 December to last Wednesday in February								
	1960	1959	1958	1957	1956	1955	1954	1953	1952
Food processors	- 246	- 221	- 353	- 344	- 233	- 237	- 192	- 174	- 231
Commodity dealers	- 233	- 164	- 135	- 142	- 30	- 128	- 89	- 171	- 214
Trade concerns	- 10	- 60	- 256	- 205	- 11	- 102	- 140	- 26	- 160
Total	- 489	- 445	- 744	- 691	- 274	- 467	- 421	- 371	- 605
Sales finance	<u>4/</u>	- 359	- 615	- 156	- 478	+ 8	- 236	- 122	- 379
All other - total	+ 372	- 115	- 114	+ 36	+ 497	+ 212	- 317	+ 121	+ 704
Metals and products	+ 343	+ 244	+ 67	+ 118	+ 316	+ 35	- 146	+ 122	+ 661
Textiles, apparel and leather	+ 151	+ 72	+ 101	+ 61	+ 54	+ 119	+ 60	+ 75	+ 9
Petroleum, coal etc.	- 33	- 67	- 18	- 27	+ 93	+ 109	- 96	- 3	+ 143
Other manufacturing and mining	+ 43	+ 7	+ 17	+ 21	+ 69	- 6	- 34	- 17	+ 22
Public utilities	- 74	- 237	- 170	+ 50	+ 78	- 20	- 49	- 33	- 63
Construction	- 13	- 14	- 23	- 46	- 33	+ 13	- 7	- 4	- 37
All other types of business	- 45	- 120	- 88	- 141	- 80	- 38	- 45	- 19	- 31
Classified	- 115	- 919	-1,472	- 810	- 255	- 248	- 974	- 372	- 278
Unclassified	- 172	- 200	- 321	- 167	- 95	<u>2/-</u> 67	<u>3/+</u> 40	- 149	+ 8
Total change	- 287	-1,119	-1,793	- 977	- 350	<u>2/-</u> 315	<u>3/-</u> 934	- 521	- 270
Total change excluding sales finance	- 287	- 760	-1,178	- 821	+ 128	<u>2/-</u> 323	<u>3/-</u> 698	- 399	+ 109

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

2/ Includes CCC certificates of interest which are estimated to have declined \$115 million.

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

4/ Not included in business loans on revised basis

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 about 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	End of January to last Wednesday in February					
	1960	1959	1958	1957	1956	1955
<u>Seasonally adjusted data</u> ^{1/}						
Demand deposits adjusted	- 0.9	+ 0.1	+ 0.5	- 0.1	- 0.4	+ 0.3
Currency outside banks	<u>- 0.1</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>+ 0.1</u>	<u>- 0.1</u>
Total	<u>- 1.0</u>	<u>+ 0.1</u>	<u>+ 0.5</u>	<u>- 0.1</u>	<u>- 0.3</u>	<u>+ 0.2</u>
<u>Seasonally unadjusted data</u> ^{1/}						
Demand deposits adjusted	- 3.5	- 2.5	- 2.0	- 2.5	- 3.3	- 2.5
Currency outside banks	<u>2/</u>	<u>+ 0.1</u>	<u>+ 0.1</u>	<u>2/</u>	<u>+ 0.1</u>	<u>2/</u>
Total	<u>- 3.5</u>	<u>- 2.4</u>	<u>- 1.9</u>	<u>- 2.5</u>	<u>- 3.2</u>	<u>- 2.5</u>
Time deposits	+ 0.2	+ 0.3	+ 1.1	+ 0.7	+ 0.4	+ 0.3
Commercial banks	+ 0.2	+ 0.3	+ 1.0	+ 0.6	+ 0.2	+ 0.2
Mutual savings banks	<u>2/</u>	+ 0.2	+ 0.2	+ 0.1	+ 0.1	+ 0.1
U. S. Government deposits	<u>+ 0.9</u>	<u>- 0.3</u>	<u>+ 1.3</u>	<u>+ 0.6</u>	<u>+ 1.7</u>	<u>+ 0.9</u>
Total	<u>- 2.4</u>	<u>- 2.4</u>	<u>+ 0.4</u>	<u>- 1.3</u>	<u>- 1.0</u>	<u>- 1.4</u>
<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/}	<u>+ 0.6</u>	<u>+ 0.1</u>	<u>+ 0.6</u>	<u>+ 0.9</u>	<u>+ 0.6</u>	<u>+ 0.7</u>
Commercial	+ 0.9	+ 0.1	+ 0.4	+ 0.3	+ 0.4	+ 0.5
Mutual savings	+ 0.1	+ 0.2	+ 0.2	+ 0.2	+ 0.2	+ 0.2
Bank holdings of U. S. Government securities:	<u>- 2.5</u>	<u>- 2.1</u>	<u>+ 0.6</u>	<u>- 1.4</u>	<u>- 1.8</u>	<u>- 2.2</u>
Federal Reserve	<u>- 0.3</u>	<u>- 0.1</u>	<u>2/</u>	<u>- 0.6</u>	<u>2/</u>	<u>+ 0.1</u>
Commercial	- 2.2	- 2.0	+ 0.6	- 0.9	- 1.7	- 2.2
Mutual saving and other	<u>2/</u>	+ 0.1	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Gold stock and foreign deposits at F. R. Banks	<u>2/</u>	<u>2/</u>	- 0.1	+ 0.1	<u>2/</u>	+ 0.1
Other factors	- 0.5	- 0.4	- 0.7	- 0.4	- 0.2	<u>2/</u>

^{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. Even if there were no changes in these items, changes at 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".

Not for publication

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

Item	End of December to last Wednesday in February					
	1960	1959 ^{4/}	1958	1957	1956	1955
<u>Seasonally adjusted data 1/</u>						
Demand deposits adjusted	- 1.4	+ 0.9	+ 0.1	^{2/}	- 0.6	+ 1.3
Currency outside banks	+ 0.1	- 0.1	- 0.1	+ ^{2/} 0.2	^{2/}	^{2/}
Total	- 1.3	+ 0.8	^{2/}	+ 0.2	- 0.6	+ 1.3
<u>Seasonally unadjusted data 1/</u>						
Demand deposits adjusted	- 6.0	- 4.2	- 4.7	- 4.4	- 4.3	- 2.1
Currency outside banks	- 0.8	- 1.0	- 0.9	- 0.9	- 1.1	- 1.1
Total	- 6.8	- 5.2	- 5.6	- 5.3	- 5.4	- 3.1
Time deposits	- 0.3	+ 0.4	+ 1.8	+ 1.4	+ 0.4	+ 0.4
Commercial banks	- 0.2	+ 0.5	+ 1.5	+ 1.2	+ 0.1	+ 0.2
Mutual savings banks	^{2/}	^{2/}	+ 0.4	+ 0.2	+ 0.3	+ 0.3
U. S. Government deposits	- 0.2	+ 0.1	- 0.5	- 1.4	+ 0.1	^{2/}
Total	- 7.3	- 4.8	- 4.2	- 5.3	- 4.9	- 2.8
<u>Factors affecting deposits and currency</u>	(signs indicate effect on deposits and currency)					
Bank loans and investments other than U. S. Govt. sec. ^{3/}	- 2.1	- 2.0	- 1.9	- 1.8	- 0.6	+ 0.6
Commercial	- 1.7	- 1.7	- 2.3	- 1.7	- 0.9	+ 0.3
Mutual savings	+ 0.1	+ 0.1	+ 0.6	+ 0.4	+ 0.4	+ 0.4
Bank holdings of U. S. Government securities:	- 4.6	- 1.8	- 0.9	- 3.8	- 3.7	- 3.4
Federal Reserve	- 1.6	- 1.0	- 0.8	- 2.1	- 1.3	- 1.2
Commercial	- 3.0	- 0.9	+ 0.1	- 1.8	- 2.4	- 2.2
Mutual saving and other	^{2/}	+ 0.1	- 0.1	^{2/}	^{2/}	^{2/}
Gold stock and foreign deposits at F. R. Banks	+ 0.1	- 0.1	^{2/}	+ 0.4	^{2/}	+ 0.2
Other factors	- 0.7	- 0.9	- 1.4	- 0.1	- 0.6	- 0.2

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 are for December 30, 1959.

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. 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.

4/ In January 1959, 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.

Not for publication

Table 4

Free Reserves

(excess reserves minus member bank borrowings;
based on averages 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
Fourth	- 439	- 168	- 83	- 385	196
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	- 459	- 210	- 82	- 338	171
November	- 435	- 184	- 62	- 369	180
December	- 425	- 109	- 104	- 449	237
1960: January	- 360	- 88	- 90	- 439	257
February	- 370	- 50	- 126	- 381	187
1960: January 27	- 372	- 32	- 26	- 399	85
February 3	- 327	- 63	- 71	- 402	209
10	- 419	- 59	- 133	- 375	148
17	- 466	- 117	- 195	- 450	296
24	- 195	5	- 95	- 225	120
March 2	- 354	- 25	- 80	- 444	203

Note: Data for second half of February and March 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	February		January-February		Year ending Feb.	
	1960	1959	1960	1959	1960	1959
<u>Member bank reserves</u>						
Required reserves ^{1/}	- 576	- 278	- 692	- 265	- 359	- 317
Effect of reduction in requirements	---	---	---	---	---	---
Effect of deposit change	- 576	- 278	- 692	- 265	- 359	- 317
Excess reserves ^{1/}	- 99	- 38	- 36	- 57	- 14	- 106
Total reserves held	- 675	- 316	- 729	- 322	- 374	- 423
Cash allowed as reserves	- 54	---	- 48	---	+ 256	---
Reserve balances	- 621	- 316	- 681	- 322	- 630	- 423
<u>Principal factors</u>	(signs indicate effect on reserves)					
Currency in circulation	+ 428	+ 364	+1,194	+1,213	- 423	- 549
Gold stock and foreign accounts	+ 31	- 40	+ 94	- 129	- 957	-2,293
Treasury operations	+ 1	- 19	- 27	+ 23	+ 272	+ 68
Federal Reserve float	- 245	- 209	- 328	- 535	+ 137	+ 54
Other factors	- 121	- 116	+ 216	- 78	+ 262	- 140
<u>Effect of above factors on reserves</u>	+ 94	- 20	+1,149	+ 494	- 709	-2,860
Federal Reserve loans and investments:						
<u>Total</u>	- 716	- 299	-1,830	- 821	+ 83	+2,434
U. S. Govt. securities	- 612	- 244	-1,714	- 780	- 210	+2,154
Outright	- 625	- 220	-1,704	- 713	- 214	+2,190
Repurchase agreements	+ 13	- 24	- 10	- 67	+ 4	- 36
Acceptances	- 13	- 6	- 23	- 3	+ 1	- 4
Discounts and advances:						
To member banks	- 89	- 48	- 90	- 49	+ 308	+ 266
To others	- 2	- 1	- 3	+ 11	- 16	+ 18

^{1/} Data for February 1960 are preliminary.

Not for publication

Table 6

Loan - Deposit Ratios *

Date	All com- mercial banks	Member Banks				Country
		Total	Central reserve city		Reserve city	
			New York	Chicago		
1953: Dec. 31	40.5	41.1	50.6	39.1	42.2	36.1
1954: Dec. 31	40.3	40.7	46.8	38.3	41.9	37.1
1955: Dec. 31	45.8	46.7	56.7	46.3	48.5	40.7
1956: Dec. 31	48.8	50.1	61.7	52.7	52.7	42.6
1957: Dec. 31	49.7	51.0	61.9	55.2	53.3	44.1
1958: Dec. 31	48.4	49.4	57.7	49.4	51.3	44.4
1959: Jan. 28	48.6	49.5	57.7	48.3	51.6	44.5
Feb. 25	49.3	50.3	58.2	48.7	52.6	45.2
Mar. 25	50.3	51.3	58.7	51.9	53.9	46.0
Apr. 29	50.5	51.5	59.0	50.5	53.9	46.4
May 27	51.4	52.4	60.0	51.8	55.3	47.0
June 24	52.5	53.6	62.2	54.4	56.2	47.9
July 29	52.6	53.7	62.6	54.0	56.6	47.7
Aug. 26	53.3	54.5	65.5	55.6	57.3	47.9
Sept. 30	53.4	54.7	65.3	57.2	57.7	47.9
Oct. 28	53.7	54.9	66.6	56.6	57.6	48.0
Nov. 25	54.4	55.8	69.5	56.2	58.5	48.4
Dec. 30	54.2	55.7	69.3	58.3	58.0	48.4
1960: Jan. 27	54.5	55.9	67.4	58.2	59.1	48.8
Feb. 24	55.8	57.3	69.4	62.7	61.0	49.4

* Total loans (adjusted to exclude loans to banks) as per cent of total deposits (adjusted to exclude cash items in process of collection)

Not for publication

- 15 -
Deposits and Currency
(In billions of dollars)

Year or month	(1) Seasonally adjusted money supply 1/			(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/	(10) Cur- rency outside banks	(12) Total deposits and currency (5+6+10 +11)
	(2) Total (2+3)	(3) Demand deposits adjusted	(8) Cur- rency outside banks			(7) Total (7+8+9)	(8) Commer- cial	(8) Mutual savings	(8) Postal savings			
End of Dec.												
1953	126.6	99.3	27.3	170.3	102.5	70.4	43.7	24.4	2.4	4.8	28.1	205.7
1954	130.0	103.1	26.9	176.8	106.6	75.3	46.8	26.3	2.1	5.1	27.9	214.8
1955	133.5	106.1	27.4	181.9	109.9	78.4	48.4	28.1	1.9	4.4	28.3	221.0
1956	134.5	107.1	27.4	185.1	111.4	82.2	50.6	30.0	1.6	4.5	28.3	226.4
1957	133.6	105.8	27.8	189.7	110.3	89.1	56.1	31.7	1.3	4.7	28.3	232.3
1958	138.8	110.7	28.1	202.0	115.5	98.3	63.2	34.0	1.1	4.9	28.7	247.5
1959:												
Jan. 28 3/	139.5	111.5	28.0	202.9	113.8	98.4	63.4	33.8	1.1	5.3	27.6	245.1
Feb. 25	139.6	111.6	28.0	203.3	111.3	98.7	63.7	34.0	1.1	5.0	27.7	242.7
Mar. 25	140.3	112.1	28.2	204.4	110.3	99.5	64.1	34.3	1.1	4.4	27.9	242.0
Apr. 29 4/	140.4	112.2	28.2	204.9	112.5	99.9	64.5	34.3	1.1	5.1	27.9	245.4
May 27	140.6	112.4	28.2	205.6	110.7	100.5	65.0	34.4	1.1	5.7	28.1	245.0
June 24	140.9	112.6	28.3	206.3	110.7	101.1	65.4	34.6	1.1	5.2	28.3	245.4
July 29p	141.2	112.9	28.3	206.5	112.7	100.8	65.3	34.5	1.0	5.6	28.4	247.6
Aug. 26p 5/	140.9	112.6	28.3	206.4	111.1	101.2	65.5	34.7	1.0	6.5	28.5	247.4
Sept. 30p	140.8	112.4	28.4	206.5	111.4	101.5	65.7	34.8	1.0	7.1	28.5	248.5
Oct. 28p	140.4	122.0	28.4	205.9	112.7	101.2	65.5	34.6	1.0	6.0	28.3	248.2
Nov. 25p	140.1	111.8	28.3	204.8	113.1	100.3	64.7	34.6	1.0	5.1	29.1	247.6
Dec. 30p 6/	140.0	111.8	28.2	205.4	116.1	101.3	65.4	34.9	1.0	5.5	28.8	251.7
1960:												
Jan. 27p	r139.7	r111.3	28.4	r204.7	r113.6	r100.8	65.0	r34.9	0.9	4.4	28.0	246.8
Feb. 24p	138.7	110.4	28.3	203.9	110.1	101.0	65.2	34.9	0.9	5.3	28.0	244.4

p Preliminary. 1/ Seasonally adjusted series begins in 1946 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. 6/ Demand deposits were reduced about \$400 million as a result of a technical change under Regulation D amending the definition of such deposits.

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	Nonbank financial institutions	All other
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	---	6.9
1957: Dec. 31	169.3	58.2	17.9	93.2	40.5	23.1	4.2	4.1	15.8	---	7.2
1958: Nov. 26	182.7	67.7	20.3	94.7	39.3	25.0	3.9	4.9	15.7	---	7.9
Dec. 31	184.4	66.4	20.6	97.5	40.4	25.3	4.7	5.0	15.9	---	8.2
1959: 1/ Jan. 28	183.8	67.5	20.4	95.9	39.2	25.6	4.2	5.0	16.0	---	8.0
Feb. 25	181.9	65.5	20.4	96.0	39.2	25.7	4.0	5.0	16.1	---	8.1
Mar. 25	181.1	63.2	20.6	97.4	40.2	25.9	3.9	4.8	16.3	---	8.2
2/ Apr. 29	183.8	63.6	20.9	99.3	40.6	26.3	4.3	4.9	16.7	---	8.4
May 27	183.9	62.6	20.8	100.5	41.4	26.6	4.1	4.9	17.0	---	8.6
June 24	184.2	60.9	20.6	102.8	42.5	26.9	4.1	5.0	17.4	---	8.9
June 24	184.2	60.9	20.6	102.8	37.8	26.9	4.1	5.0	17.4	5.9	7.7
July 29p	185.7	61.1	20.6	103.9	37.8	27.1	4.2	5.1	17.6	6.2	7.8
3/ Aug. 26p	186.1	60.3	20.5	105.3	38.2	27.3	4.2	5.1	17.9	6.6	8.0
Sept. 30p	186.3	59.2	20.7	106.3	38.7	27.5	4.1	5.1	18.1	6.5	8.3
Oct. 28p	186.6	59.6	20.6	106.5	38.7	27.7	4.1	5.0	18.3	6.1	8.5
Nov. 25p	186.0	58.4	20.3	107.3	39.2	27.9	4.1	4.9	18.3	6.3	8.5
Dec. 30p	188.8	58.6	20.4	109.8	39.9	28.1	4.7	4.8	18.5	7.3	8.4
1960: Jan. 27p	r185.3	r57.8	20.2	107.4r	39.1	28.1	3.9	r 4.9	18.6	6.4	8.3
Feb. 24p	184.1	55.6	20.1	108.4	39.5	28.2	3.8	5.1	18.7	6.5	8.5

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. 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; consumer loans, \$100 million; and other 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. Beginning June 24, 1959, "business loans" and "all other loans" have been revised to exclude loans to nonbank financial institutions.