





















































































TABLE 1 (continued)

Date	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Deposits at		S & L Shares (7)
		Demand (2)	Time (3)	Total (4)	Mut.	Post.	
					Sav. Banks (5)	Sav. Syst. (6)	
1947							
Jan.	26.7	82.8	33.3	116.1	16.9	3.3	
Feb.	26.7	83.0	33.5	116.5	17.0	3.3	
Mar.	26.7	83.7	33.6	117.3	17.2	3.4	
Apr.	26.6	84.5	33.7	118.2	17.2	3.4	
May	26.6	85.1	33.8	118.9	17.2	3.4	
June	26.6	85.5	33.9	119.4	17.4	3.4	
July	26.5	85.7	34.0	119.7	17.5	3.4	
Aug.	26.5	86.1	34.4	120.5	17.5	3.4	
Sept.	26.7	86.3	34.7	121.0	17.6	3.4	
Oct.	26.5	86.4	35.0	121.4	17.6	3.4	
Nov.	26.5	86.8	35.2	122.0	17.7	3.4	
Dec.	26.4	86.7	35.4	122.1	17.7	3.4	9.8
1948							
Jan.	26.4	87.0	35.5	122.5	17.8	3.4	
Feb.	26.3	86.8	35.7	122.5	17.9	3.4	
Mar.	26.2	86.4	35.7	122.1	18.0	3.4	
Apr.	26.1	86.3	35.7	122.0	18.0	3.4	
May	26.0	86.0	35.7	121.7	18.0	3.4	
June	26.0	86.0	35.8	121.8	18.1	3.4	
July	26.0	86.2	35.8	122.0	18.2	3.4	
Aug.	26.0	86.2	35.9	122.1	18.2	3.4	
Sept.	26.0	86.2	35.9	122.1	18.2	3.3	
Oct.	26.0	86.1	35.9	122.0	18.3	3.3	
Nov.	26.0	85.9	36.0	121.9	18.3	3.3	
Dec.	25.8	85.8	36.0	121.8	18.4	3.3	11.0
1949							
Jan.	25.7	85.5	36.1	121.6	18.4	3.3	
Feb.	25.7	85.5	36.1	121.6	18.6	3.3	
Mar.	25.7	85.6	36.1	121.7	18.6	3.3	
Apr.	25.7	85.6	36.2	121.8	18.7	3.3	
May	25.7	85.8	36.3	122.1	18.8	3.3	
June	25.6	85.7	36.4	122.1	18.8	3.3	
July	25.5	85.7	36.4	122.1	18.9	3.3	
Aug.	25.5	85.6	36.4	122.0	19.0	3.2	
Sept.	25.3	85.6	36.4	122.0	19.0	3.2	
Oct.	25.3	85.6	36.4	122.0	19.1	3.2	
Nov.	25.2	85.8	36.4	122.2	19.2	3.2	

Consolidated Totals <sup>a</sup>					
M <sub>1</sub> <sup>b</sup> (Cols. 1 + 2) (8)	M <sub>2</sub> (Cols. 8 + 3) (9)	Dupli- cations Betw. Col. 9 and Cols. 5 + 6 (10)	M <sub>3</sub> (Cols. 9+5 +6 - 10) (11)	Dupli- cations Betw. Cols. 11 and 7 (12)	M <sub>4</sub> (Cols. 11+7 -12) (13)
109.5	142.8	0	163.0		
109.7	143.2	0	163.5		
110.3	143.9	0	164.5		
111.1	144.8	0	165.4		
111.7	145.5	0	166.1		
112.1	146.0	0	166.8		
112.2	146.2	0	167.1		
112.6	147.0	0	167.9		
113.0	147.7	0	168.7		
112.9	147.9	0	168.9		
113.3	148.5	0	169.6		
113.1	148.5	0	169.6	0.6	178.8
113.4	148.9	0	170.1		
113.2	148.9	0	170.2		
112.6	148.3	0	169.7		
112.3	148.0	0	169.4		
112.1	147.8	0	169.2		
112.0	147.8	0	169.3		
112.2	148.0	0	169.6		
112.3	148.2	0	169.8		
112.2	148.1	0	169.6		
112.1	148.0	0	169.6		
111.8	147.8	0	169.4		
111.5	147.5	0	169.2	0.7	179.5
111.2	147.3	0	169.0		
111.2	147.3	0	169.2		
111.2	147.3	0	169.2		
111.3	147.5	0	169.5		
111.5	147.8	0	169.9		
111.3	147.7	0	169.8		
111.2	147.6	0	169.8		
111.0	147.4	0	169.6		
110.9	147.3	0	169.5		
110.9	147.3	0	169.6		
111.0	147.4	0	169.8		

(continued)



TABLE 1 (continued)

Date	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Deposits at		S & L Shares (7)
		Demand (2)	Time (3)	Total (4)	Mut. Sav. Banks (5)	Post. Sav. Syst. (6)	
1949							
Dec.	25.1	86.0	36.4	122.4	19.3	3.2	12.5
1950							
Jan.	25.1	86.4	36.4	122.8	19.4	3.2	
Feb.	25.1	86.9	36.6	123.5	19.4	3.2	
Mar.	25.2	87.3	36.6	123.9	19.6	3.2	12.9
Apr.	25.3	88.0	36.7	124.7	19.7	3.2	
May	25.2	88.5	36.9	125.4	19.8	3.1	
June	25.1	89.0	36.9	125.9	19.8	3.1	13.3
July	25.0	89.6	36.8	126.4	19.8	3.0	
Aug.	24.9	90.1	36.7	126.8	19.8	3.0	
Sept.	24.9	90.3	36.6	126.9	19.8	3.0	13.5
Oct.	24.9	90.8	36.5	127.3	19.9	3.0	
Nov.	24.9	90.9	36.6	127.5	20.0	3.0	
Dec.	25.0	91.2	36.7	127.9	20.0	2.9	14.0
1951							
Jan.	25.0	91.7	36.7	128.4	20.0	2.9	
Feb.	25.1	92.0	36.6	128.6	20.0	2.9	
Mar.	25.2	92.4	36.6	129.0	20.0	2.8	14.3
Apr.	25.2	92.6	36.7	129.3	20.2	2.8	
May	25.3	92.8	36.8	129.6	20.2	2.8	
June	25.4	93.2	36.9	130.1	20.2	2.8	14.8
July	25.6	93.4	37.2	130.6	20.4	2.8	
Aug.	25.7	93.8	37.4	131.2	20.4	2.8	
Sept.	25.8	94.5	37.7	132.2	20.6	2.7	15.4
Oct.	26.0	95.1	37.8	132.9	20.6	2.7	
Nov.	26.0	96.0	38.0	134.0	20.8	2.7	
Dec.	26.1	96.5	38.2	134.7	20.8	2.7	16.1
1952							
Jan.	26.2	96.9	38.4	135.3	21.0	2.7	
Feb.	26.3	97.3	38.7	136.0	21.0	2.7	
Mar.	26.4	97.5	38.9	136.4	21.2	2.7	16.8
Apr.	26.4	97.6	39.1	136.7	21.4	2.6	
May	26.5	98.0	39.3	137.3	21.5	2.6	
June	26.7	98.4	39.5	137.9	21.6	2.6	17.5
July	26.7	98.6	39.7	138.3	21.8	2.6	
Aug.	26.8	98.9	40.0	138.9	22.0	2.6	

Consolidated Totals<sup>a</sup>

M <sub>1</sub> <sup>b</sup> (Cols. 1 + 2) (8)	M <sub>2</sub> (Cols. 8 + 3) (9)	Dupli- cations Betw. Col. 9 and Cols. 5 + 6 (10)	M <sub>3</sub> (Cols. 9+5 +6 - 10) (11)	Dupli- cations Betw. Cols. 11 and 7 (12)	M <sub>4</sub> (Cols. 11+7 -12) (13)
111.2	147.6	0	170.1	0.9	181.7
111.5	147.9	0	170.5		
112.1	148.7	0	171.3		
112.5	149.1	0	171.9	0.9	183.9
113.2	149.9	0	172.8		
113.7	150.6	0	173.5		
114.1	151.0	0	173.9	0.8	186.4
114.6	151.4	0	174.2		
115.0	151.7	0	174.5		
115.2	151.8	0	174.6	0.8	187.3
115.7	152.2	0	175.1		
115.9	152.5	0	175.5		
116.2	152.9	0	175.8	0.8	189.0
116.7	153.4	0	176.3		
117.1	153.7	0	176.6		
117.6	154.2	0	177.0	0.8	190.5
117.8	154.5	0	177.5		
118.2	155.0	0	178.0		
118.6	155.5	0	178.5	0.9	192.4
119.1	156.3	0	179.5		
119.6	157.0	0	180.2		
120.4	158.1	0	181.4	0.9	195.9
121.0	158.8	0	182.1		
122.0	160.0	0	183.5		
122.7	160.9	0	184.4	1.0	199.5
123.1	161.5	0	185.2		
123.6	162.3	0	186.0		
123.8	162.7	0	186.6	1.0	202.4
124.1	163.2	0	187.2		
124.5	163.8	0	187.9		
125.0	164.5	0	188.7	1.1	205.1
125.3	165.0	0	189.4		
125.7	165.7	0	190.3		

(continued)

TABLE 1 (continued)

Date	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Deposits at		S & L Shares (7)
		Demand (2)	Time (3)	Total (4)	Mut. Sav. Banks (5)	Post. Sav. Syst. (6)	
1952							
Sept.	26.9	99.4	40.3	139.7	22.1	2.6	18.3
Oct.	27.0	99.7	40.5	140.2	22.2	2.6	
Nov.	27.2	99.9	40.9	140.8	22.4	2.6	
Dec.	27.3	100.1	41.1	141.2	22.6	2.5	19.1
1953							
Jan.	27.4	99.9	41.4	141.3	22.7	2.5	
Feb.	27.5	99.9	41.6	141.5	22.8	2.5	
Mar.	27.6	100.4	41.9	142.3	23.0	2.5	20.1
Apr.	27.7	100.7	42.1	142.8	23.2	2.5	
May	27.7	100.7	42.4	143.1	23.4	2.5	
June	27.7	100.7	42.6	143.3	23.4	2.4	21.0
July	27.8	100.8	42.9	143.7	23.6	2.4	
Aug.	27.8	100.9	43.2	144.1	23.8	2.4	
Sept.	27.8	100.8	43.5	144.3	23.9	2.4	21.9
Oct.	27.8	100.9	43.9	144.8	24.0	2.4	
Nov.	27.8	100.9	44.2	145.1	24.2	2.4	
Dec.	27.7	101.1	44.5	145.6	24.3	2.4	22.8
1954							
Jan.	27.7	101.3	44.8	146.1	24.5	2.3	
Feb.	27.7	101.5	45.2	146.7	24.6	2.3	
Mar.	27.6	101.6	45.6	147.2	24.8	2.3	23.9
Apr.	27.6	101.0	46.1	147.1	25.0	2.3	
May	27.6	102.1	46.5	148.6	25.1	2.3	
June	27.5	102.3	46.8	149.1	25.2	2.2	24.9
July	27.5	102.8	47.3	150.1	25.4	2.2	
Aug.	27.5	103.2	47.8	151.0	25.5	2.2	
Sept.	27.4	103.5	47.9	151.4	25.7	2.2	26.1
Oct.	27.4	104.1	48.1	152.2	25.8	2.2	
Nov.	27.4	104.7	48.2	152.9	26.0	2.2	
Dec.	27.4	104.9	48.3	153.2	26.2	2.1	27.1
1955							
Jan.	27.4	105.6	48.5	154.1	26.4	2.1	27.4
Feb.	27.5	106.4	48.7	155.1	26.6	2.1	27.9
Mar.	27.5	106.0	48.8	154.8	26.7	2.0	28.3
Apr.	27.5	106.3	49.0	155.3	26.8	2.0	28.7
May	27.6	107.0	49.0	156.0	27.0	2.0	29.0

Consolidated Totals <sup>a</sup>					
M <sub>1</sub> <sup>b</sup> (Cols. 1 + 2) (8)	M <sub>2</sub> (Cols. 8 + 3) (9)	Dupli- cations Betw. Col. 9 and Cols. 5 + 6 (10)	M <sub>3</sub> (Cols. 9+5 +6 - 10) (11)	Dupli- cations Betw. Cols. 11 and 7 (12)	M <sub>4</sub> (Cols. 11+7 -12) (13)
126.4	166.7	0	191.4	1.1	208.6
126.7	167.2	0	192.0		
127.1	168.0	0	193.0		
127.4	168.5	0	193.6	1.2	211.5
127.3	168.7	0	193.9		
127.4	169.0	0	194.3		
128.0	169.9	0	195.4	1.2	214.3
128.3	170.4	0	196.1		
128.5	170.9	0	196.8		
128.5	171.1	0	196.9	1.2	216.7
128.6	171.5	0	197.5		
128.7	171.9	0	198.1		
128.6	172.1	0	198.4	1.3	219.0
128.7	172.6	0	199.0		
128.7	172.9	0	199.5		
128.8	173.3	0	200.0	1.3	221.5
129.0	173.8	0	200.6		
129.1	174.3	0	201.2		
129.2	174.8	0	201.9	1.6	224.2
128.6	174.7	0	202.0		
129.7	176.2	0	203.6		
129.9	176.7	0	204.1	1.6	227.4
130.3	177.6	0	205.2		
130.7	178.5	0	206.2		
130.9	178.8	0	206.7	1.8	231.0
131.5	179.6	0	207.6		
132.1	180.3	0	208.5		
132.3	180.6	0	208.9	1.8	234.2
133.0	181.5	0	210.0	1.9	235.5
133.9	182.6	0	211.3	1.9	237.3
133.6	182.4	0	211.1	1.9	237.5
133.9	182.9	0	211.7	1.8	238.6
134.6	183.6	0	212.6	1.8	239.8

(continued)

TABLE 1 (continued)

Date	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Deposits at		S & L Shares (7)
		Demand (2)	Time (3)	Total (4)	Mut.	Post.	
					Sav. Banks (5)	Sav. Syst. (6)	
1955							
June	27.6	106.8	49.2	156.0	27.2	2.0	29.4
July	27.7	107.2	49.3	156.5	27.2	2.0	29.8
Aug.	27.7	107.0	49.3	156.3	27.4	2.0	30.2
Sept.	27.7	107.3	49.6	156.9	27.6	1.9	30.6
Oct.	27.8	107.4	49.7	157.1	27.8	1.9	31.0
Nov.	27.8	107.1	49.9	157.0	27.9	1.9	31.4
Dec.	27.8	107.4	50.0	157.4	28.0	1.9	31.8
1956							
Jan.	27.9	107.7	49.9	157.6	28.2	1.9	32.2
Feb.	27.9	107.7	49.9	157.6	28.4	1.8	32.7
Mar.	27.9	107.8	50.1	157.9	28.4	1.8	33.1
Apr.	27.9	108.1	50.3	158.4	28.6	1.8	33.5
May	27.9	107.9	50.4	158.3	28.8	1.8	33.9
June	27.9	108.1	50.7	158.8	29.0	1.8	34.3
July	28.0	108.0	50.9	158.9	29.0	1.8	34.7
Aug.	28.0	107.8	51.2	159.0	29.2	1.7	35.2
Sept.	28.0	108.2	51.5	159.7	29.4	1.7	35.5
Oct.	28.0	108.2	51.6	159.8	29.6	1.7	35.9
Nov.	28.1	108.4	51.8	160.2	29.7	1.7	36.4
Dec.	28.2	108.7	51.9	160.6	29.9	1.6	36.8
1957							
Jan.	28.2	108.6	52.6	161.2	30.0	1.6	37.1
Feb.	28.2	108.6	53.1	161.7	30.2	1.6	37.5
Mar.	28.2	108.7	53.7	162.4	30.2	1.6	37.9
Apr.	28.2	108.7	54.0	162.7	30.4	1.6	38.3
May	28.2	108.8	54.5	163.3	30.5	1.5	38.7
June	28.3	108.6	54.8	163.4	30.7	1.5	39.1
July	28.3	108.7	55.3	164.0	30.8	1.4	39.5
Aug.	28.3	108.8	55.7	164.5	30.9	1.4	39.8
Sept.	28.3	108.4	56.1	164.5	31.1	1.4	40.2
Oct.	28.3	108.2	56.6	164.8	31.2	1.4	40.6
Nov.	28.3	108.0	57.0	165.0	31.4	1.4	41.0
Dec.	28.3	107.6	57.4	165.0	31.6	1.3	41.5
1958							
Jan.	28.3	107.2	57.6	164.8	31.8	1.3	42.0
Feb.	28.2	107.9	59.2	167.1	32.0	1.3	42.4
Mar.	28.2	108.3	60.5	168.8	32.2	1.3	42.9

Consolidated Totals <sup>a</sup>					
M <sub>1</sub> <sup>b</sup> (Cols. 1 + 2) (8)	M <sub>2</sub> (Cols. 8 + 3) (9)	Dupli- cations Betw. Col. 9 and Cols. 5 + 6 (10)	M <sub>3</sub> (Cols. 9+5 +6 - 10) (11)	Dupli- cations Betw. Cols. 11 and 7 (12)	M <sub>4</sub> (Cols. 11+7 -12) (13)
134.4	183.6	0	212.8	1.8	240.4
134.8	184.1	0	213.3	1.8	241.3
134.8	184.1	0	213.5	1.8	241.9
135.0	184.6	0	214.1	1.8	242.9
135.2	184.9	0	214.6	1.8	243.8
134.9	184.8	0	214.6	1.9	244.1
135.2	185.2	0	215.1	1.9	245.0
135.5	185.4	0	215.5	1.9	245.8
135.5	185.4	0	215.6	2.0	246.3
135.7	185.8	0	216.0	1.9	247.2
136.0	186.3	0	216.7	1.9	248.3
135.8	186.2	0	216.8	1.9	248.8
136.0	186.7	0	217.5	1.9	249.9
136.0	186.9	0	217.7	1.9	250.5
135.7	186.9	0	217.8	1.9	251.1
136.2	187.7	0	218.8	1.9	252.4
136.3	187.9	0	219.2	1.9	253.2
136.6	188.4	0	219.8	1.9	254.3
136.9	188.8	0	220.3	1.9	255.2
136.9	189.5	0	221.1	1.9	256.3
136.8	189.9	0	221.7	1.9	257.3
136.9	190.6	0	222.4	1.8	258.5
136.9	190.9	0	222.9	1.8	259.4
137.0	191.5	0	223.5	1.8	260.4
136.9	191.7	0	223.9	1.8	261.2
137.0	192.3	0	224.5	1.8	262.2
137.1	192.8	0	225.1	1.8	263.1
136.8	192.9	0	225.4	1.8	263.8
136.5	193.1	0	225.7	1.8	264.5
136.3	193.3	0	226.1	1.8	265.3
135.9	193.3	0	226.2	1.9	265.8
135.5	193.1	0	226.2	2.0	266.2
136.2	195.4	0	228.7	2.1	269.0
136.5	197.0	0	230.5	2.2	271.2

(continued)

TABLE 1 (continued)

Date	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Deposits at		S & L Shares (7)
		Demand (2)	Time (3)	Total (4)	Mut.	Post.	
					Sav. Banks (5)	Sav. Syst. (6)	
1958							
Apr.	28.2	108.7	61.5	170.2	32.4	1.2	43.5
May	28.3	109.2	62.3	171.5	32.6	1.2	43.9
June	28.3	110.1	63.2	173.3	32.8	1.2	44.3
July	28.4	110.0	64.0	174.0	32.8	1.2	44.8
Aug.	28.4	110.7	64.6	175.3	33.0	1.2	45.3
Sept.	28.5	111.1	64.8	175.9	33.2	1.2	45.9
Oct.	28.5	111.6	64.9	176.5	33.4	1.2	46.4
Nov.	28.5	112.4	65.2	177.6	33.6	1.2	46.9
Dec.	28.6	112.6	65.4	178.0	33.9	1.1	47.5
1959							
Jan.	28.6	112.9	66.0	178.9	33.9	1.1	48.0
Feb.	28.7	113.2	66.0	179.2	33.8	1.1	48.5
Mar.	28.8	113.7	66.2	179.9	34.0	1.1	49.0
Apr.	28.8	113.9	66.5	180.4	34.2	1.1	49.6
May	29.0	114.2	66.6	180.8	34.4	1.1	50.1
June	29.0	114.3	67.0	181.3	34.4	1.1	50.6
July	29.0	115.1	67.1	182.2	34.4	1.0	51.3
Aug.	29.1	114.5	67.2	181.7	34.5	1.0	51.9
Sept.	29.0	114.3	67.3	181.6	34.7	1.0	52.5
Oct.	29.0	113.9	67.3	181.2	34.7	1.0	53.0
Nov.	28.9	113.8	67.3	181.1	34.8	1.0	53.5
Dec.	28.9	113.1	67.4	180.5	34.9	1.0	54.1
1960							
Jan.	29.0	112.7	67.2	179.9	34.9	0.9	54.6
Feb.	29.0	112.4	66.9	179.3	34.9	0.9	55.1
Mar.	29.0	111.9	67.0	178.9	35.0	0.9	55.7
Apr.	29.0	111.8	67.3	179.1	35.2	0.9	56.3
May	29.0	111.3	67.4	178.7	35.2	0.9	56.8
June	29.0	111.1	67.9	179.0	35.2	0.8	57.4
July	29.0	111.5	68.7	180.2	35.4	0.8	58.1
Aug.	29.0	112.0	69.7	181.7	35.5	0.8	58.8
Sept.	29.0	112.1	70.5	182.6	35.7	0.8	59.4
Oct.	29.0	112.1	71.3	183.4	35.8	0.8	60.2
Nov.	29.0	111.8	72.1	183.9	36.0	0.8	60.9
Dec.	28.9	112.1	72.9	185.0	36.2	0.8	61.6
1961							
Jan.	29.0	112.3	73.6	185.9	36.4	0.8	62.2

Consolidated Totals<sup>a</sup>

$M_1^b$ (Cols. 1 + 2) (8)	$M_2$ (Cols. 8 + 3) (9)	Dupli- cations Betw. Col. 9 and Cols. 5 + 6 (10)	$M_3$ (Cols. 9+5 +6 - 10) (11)	Dupli- cations Betw. Cols. 11 and 7 (12)	$M_4$ (Cols. 11+7 -12) (13)
137.0	198.5	0	232.1	2.4	273.2
137.5	199.8	0	233.6	2.5	275.0
138.4	201.6	0	235.6	2.5	277.4
138.4	202.4	0	236.4	2.5	278.7
139.1	203.7	0	237.9	2.5	280.7
139.5	204.3	0	238.7	2.5	282.1
140.1	205.0	0	239.6	2.5	283.5
140.9	206.1	0	240.9	2.4	285.4
141.1	206.5	0	241.5	2.4	286.6
141.6	207.6	0	242.6	2.3	288.3
142.0	208.0	0	242.9	2.2	289.2
142.5	208.7	0	243.8	2.2	290.6
142.7	209.2	0	244.5	2.1	292.0
143.2	209.8	0	245.3	2.1	293.3
143.4	210.4	0	245.9	2.1	294.4
144.1	211.2	0	246.6	2.1	295.8
143.6	210.8	0	246.3	2.0	296.2
143.3	210.6	0	246.3	2.0	296.8
142.9	210.2	0	245.9	1.9	297.0
142.7	210.0	0	245.8	1.9	297.4
141.9	209.3	0	245.2	1.9	297.4
141.7	208.9	0	244.7	1.9	297.4
141.3	208.2	0	244.0	1.8	297.3
140.9	207.9	0	243.8	1.8	297.7
140.8	208.1	0	244.2	1.8	298.7
140.3	207.7	0	243.8	1.9	298.7
140.1	208.0	0	244.0	2.0	299.4
140.4	209.1	0	245.3	2.1	301.3
140.9	210.6	0	246.9	2.1	303.6
141.1	211.6	0	248.1	2.2	305.3
141.1	212.4	0	249.0	2.3	306.9
140.8	212.9	0	249.7	2.4	308.2
141.1	214.0	0	251.0	2.4	310.2
141.2	214.8	0	252.0	2.5	311.7

(continued)



TABLE 1 (continued)  
Part II. February 1961 – December 1968

Date	Cur- rency Held by the Public (1)	Deposits Adjusted, Commercial Banks				Deposits at		S&L Shares (7)
		Demand (2)	Con- sumer Type (3a)	Large Nego- tiable CD's (3b)	Total (4)	Mut. Sav. Banks (5)	Post. Sav. Syst. (6)	
1961								
Feb.	28.9	112.8	74.7	0.2	187.7	36.6	0.8	62.8
Mar.	28.9	113.1	75.2	0.3	188.6	36.8	0.7	63.6
Apr.	29.0	113.4	75.7	0.5	189.6	36.9	0.7	64.3
May	28.9	113.8	76.5	0.7	191.0	37.0	0.7	64.9
June	28.9	114.0	77.2	0.9	192.1	37.1	0.7	65.5
July	29.0	114.0	77.9	1.2	193.1	37.3	0.7	66.3
Aug.	29.1	114.3	78.5	1.4	194.2	37.5	0.7	67.0
Sept.	29.2	114.7	79.0	1.7	195.4	37.8	0.7	67.8
Oct.	29.3	115.0	79.5	2.0	196.5	37.9	0.7	68.6
Nov.	29.4	115.5	79.9	2.3	197.7	38.1	0.7	69.4
Dec.	29.6	115.9	80.0	2.7	198.6	38.4	0.7	70.3
1962								
Jan.	29.6	115.8	81.1	3.0	199.9	38.5	0.6	70.9
Feb.	29.7	116.1	82.8	3.2	202.1	38.7	0.6	71.4
Mar.	29.8	116.2	84.3	3.3	203.8	39.0	0.6	72.3
Apr.	30.0	116.4	85.2	3.6	205.2	39.2	0.6	73.1
May	30.0	116.1	85.7	3.8	205.6	39.2	0.6	73.7
June	30.1	116.1	86.6	4.0	206.7	39.4	0.6	74.3
July	30.1	115.9	87.5	4.2	207.6	39.8	0.6	75.0
Aug.	30.2	115.8	88.1	4.5	208.4	40.0	0.6	75.8
Sept.	30.3	115.6	88.9	4.8	209.3	40.4	0.6	76.8
Oct.	30.3	116.0	89.9	5.1	211.0	40.7	0.6	77.7
Nov.	30.4	116.4	90.8	5.4	212.6	41.0	0.5	78.6
Dec.	30.6	116.8	92.1	5.7	214.6	41.4	0.5	79.6
1963								
Jan.	30.7	117.4	93.1	5.9	216.4	41.6	0.5	80.4
Feb.	30.9	117.7	94.1	6.2	218.0	41.8	0.5	81.4
Mar.	31.0	117.8	94.9	6.5	219.2	42.1	0.5	82.6
Apr.	31.1	118.2	95.9	6.8	220.9	42.4	0.5	83.6
May	31.3	118.5	96.5	7.1	222.1	42.6	0.5	84.3
June	31.5	118.9	97.3	7.4	223.6	42.9	0.5	85.1
July	31.6	119.4	98.2	7.7	225.3	43.1	0.5	85.9

Consolidated Totals <sup>a</sup>						
M <sub>1</sub> <sup>b</sup> (Cols. 1 + 2) (8)	M <sub>2</sub> - CD's (Cols. 8 + 3a) <sup>c</sup> (9a)	M <sub>2</sub> (Cols. 8 + 3a + 3b) (9b)	Dupli- cations Betw. Col. 9 and Cols. 5 + 6 (10)	M <sub>3</sub> (Cols. 9b+5 +6 - 10) (11)	Dupli- cations Betw. Cols. 11 and 7 (12)	M <sub>4</sub> (Cols. 11+7 -12) (13)
141.7	216.4	216.6	0	254.0	2.6	314.2
142.0	217.2	217.5	0	255.0	2.6	316.0
142.3	218.0	218.5	0	256.1	2.6	317.8
142.7	219.2	219.9	0	257.6	2.7	319.8
143.0	220.2	221.1	0	258.9	2.8	321.6
143.0	220.9	222.1	0	260.1	2.8	323.6
143.3	221.8	223.2	0	261.4	2.9	325.5
143.9	222.9	224.6	0	263.1	2.9	328.0
144.3	223.8	225.8	0	264.4	2.9	330.1
145.0	224.9	227.2	0	266.0	3.0	332.4
145.4	225.4	228.1	0	267.3	3.0	334.6
145.5	226.6	229.6	0	268.7	2.9	336.7
145.8	228.6	231.8	0	271.1	3.0	339.5
146.0	230.3	233.6	0	273.2	3.0	342.5
146.3	231.5	235.1	0	274.9	3.1	344.9
146.1	231.8	235.6	0	275.4	3.1	346.0
146.2	232.8	236.8	0	276.8	3.1	348.0
146.1	233.6	237.8	0	278.2	3.1	350.1
146.0	234.1	238.6	0	279.2	3.2	351.8
145.8	234.7	239.5	0	280.5	3.2	354.1
146.4	236.3	241.4	0	282.7	3.3	357.1
146.9	237.7	243.1	0	284.6	3.3	359.9
147.4	239.5	245.2	0	287.1	3.4	363.3
148.0	241.1	247.0	0	289.1	3.5	366.0
148.6	242.7	248.9	0	291.2	3.6	369.0
148.8	243.7	250.2	0	292.8	3.6	371.8
149.3	245.2	252.0	0	294.9	3.7	374.8
149.8	246.3	253.4	0	296.5	3.6	377.2
150.4	247.7	255.1	0	298.5	3.6	380.0
151.0	249.2	256.9	0	300.5	3.6	382.8

(continued)

TABLE 1 (continued)

Date	Cur- rency Held by the Public (1)	Deposits Adjusted, Commercial Banks				Deposits at		S&L Shares (7)
		Demand (2)	Con- sumer Type Time (3a)	Large Nego- tiable CD's (3b)	Total (4)	Mut. Sav. Banks (5)	Post. Sav. Syst. (6)	
1963								
Aug.	31.8	119.5	99.1	8.1	226.7	43.4	0.5	86.8
Sept.	31.9	119.6	100.0	8.4	228.0	43.6	0.5	87.8
Oct.	32.0	120.3	100.8	8.8	229.9	43.8	0.5	88.8
Nov.	32.3	121.0	101.9	9.2	232.1	44.4	0.5	89.7
Dec.	32.5	120.5	102.8	9.6	232.7	44.6	0.5	90.6
1964								
Jan.	32.6	120.9	103.2	10.2	234.3	44.8	0.4	91.2
Feb.	32.8	121.1	103.8	10.7	235.6	45.2	0.4	91.9
Mar.	32.9	121.2	104.4	10.9	236.5	45.6	0.4	93.0
Apr.	33.1	121.4	105.0	11.2	237.6	45.9	0.4	93.9
May	33.3	121.8	105.6	11.8	239.2	46.2	0.4	94.6
June	33.5	122.1	106.7	12.0	240.8	46.4	0.4	95.3
July	33.6	123.0	107.6	12.1	242.7	46.8	0.4	96.2
Aug.	33.8	123.6	108.4	12.4	244.4	47.2	0.4	97.2
Sept.	33.9	124.2	110.0	12.2	246.4	47.6	0.4	98.4
Oct.	34.0	124.6	111.0	12.5	248.1	48.0	0.4	99.5
Nov.	34.2	125.0	112.1	12.9	250.0	48.4	0.4	100.4
Dec.	34.2	125.1	113.8	12.8	251.7	48.8	0.4	101.3
1965								
Jan.	34.4	125.2	115.2	13.5	253.9	49.2	0.4	101.7
Feb.	34.6	125.4	116.8	14.0	256.2	49.5	0.4	102.1
Mar.	34.7	125.7	117.9	14.2	257.8	49.8	0.4	103.2
Apr.	34.7	126.1	118.9	14.7	259.7	50.0	0.4	103.9
May	34.9	126.0	119.7	15.2	260.9	50.1	0.4	104.2
June	35.0	126.7	120.9	15.5	263.1	50.4	0.4	104.8
July	35.2	127.2	122.1	15.9	265.3	50.7	0.3	105.4
Aug.	35.5	127.6	123.3	16.4	267.3	51.1	0.3	106.1
Sept.	35.7	128.4	125.1	16.3	269.8	51.4	0.3	107.2
Oct.	36.0	129.3	127.0	16.5	272.8	51.7	0.3	108.2
Nov.	36.1	129.6	128.6	16.6	274.8	52.2	0.3	109.0
Dec.	36.3	130.4	130.4	16.3	277.1	52.6	0.3	109.8
1966								
Jan.	36.6	131.4	131.4	16.3	279.1	52.8	0.3	110.0
Feb.	36.7	131.9	132.1	16.6	280.6	52.9	0.3	110.2
Mar.	36.9	132.4	132.9	17.0	282.3	53.2	0.3	111.1
Apr.	37.1	133.5	134.5	17.6	285.6	53.2	0.3	111.4

Consolidated Totals <sup>a</sup>						
M <sub>1</sub> <sup>b</sup> (Cols. 1 + 2) (8)	M <sub>2</sub> - CD's (Cols. 8 + 3a) <sup>c</sup> (9a)	M <sub>2</sub> (Cols. 8 + 3a + 3b) (9b)	Dupli- cations Betw. Col. 9 and Cols. 5 + 6 (10)	M <sub>3</sub> (Cols. 9b+5 +6 - 10) (11)	Dupli- cations Betw. Cols. 11 and 7 (12)	M <sub>4</sub> (Cols. 11+7 -12) (13)
151.2	250.3	258.4	0	302.3	3.6	385.5
151.5	251.5	259.9	0	304.0	3.6	388.2
152.3	253.1	261.9	0	306.2	3.6	391.4
153.3	255.2	264.4	0	309.3	3.6	395.4
153.0	255.6	265.2	0	310.3	3.6	397.3
153.5	256.7	266.9	0	312.1	3.6	399.7
153.8	257.6	268.3	0	313.9	3.5	402.3
154.1	258.5	269.4	0	315.4	3.5	404.9
154.5	259.5	270.7	0	317.0	3.5	407.4
155.1	260.7	272.5	0	319.1	3.5	410.2
155.6	262.3	274.3	0	321.1	3.5	412.9
156.6	264.2	276.3	0	323.5	3.5	416.2
157.3	265.7	278.1	0	325.7	3.6	419.3
158.0	268.0	280.2	0	328.2	3.6	423.0
158.5	269.5	282.0	0	330.4	3.6	426.3
159.1	271.2	284.1	0	332.9	3.6	429.7
159.3	273.1	285.9	0	335.1	3.6	432.8
159.6	274.8	288.3	0	337.9	3.6	436.0
160.0	276.8	290.8	0	340.7	3.5	439.3
160.4	278.3	292.5	0	342.7	3.5	442.4
160.8	279.7	294.4	0	344.8	3.4	445.3
160.9	280.6	295.8	0	346.3	3.4	447.1
161.7	282.6	298.1	0	348.9	3.4	450.3
162.4	284.5	300.4	0	351.4	3.4	453.4
163.1	286.4	303.2	0	354.6	3.5	457.2
164.0	289.1	305.4	0	357.1	3.6	460.7
165.2	292.2	308.7	0	360.7	3.6	465.3
165.8	294.4	311.0	0	363.5	3.6	468.9
166.7	297.1	313.4	0	366.3	3.6	472.5
167.9	299.3	315.6	0	368.7	3.4	475.3
168.6	300.7	317.3	0	370.5	3.3	477.4
169.3	302.2	319.2	0	372.7	3.3	480.5
170.6	305.1	322.7	0	376.2	3.1	484.5

(continued)

TABLE 1 (concluded)

Date	Cur- rency Held by the Public (1)	Deposits Adjusted, Commercial Banks				Deposits at		S&L Shares (7)
		Demand (2)	Con- sumer Type Time (3a)	Large Nego- tiable CD's (3b)	Total (4)	Mut. Sav. Banks (5)	Post. Sav. Syst. (6)	
1966								
May	37.3	133.0	135.9	17.8	286.7	53.0	0.3	111.2
June	37.4	133.1	136.5	17.8	287.4	53.2	0.2	111.3
July	37.6	132.0	137.8	18.3	288.1	53.4	0.2	111.1
Aug.	37.8	132.1	138.2	18.4	288.7	53.7	0.2	111.2
Sept.	37.9	132.7	139.8	17.5	290.0	54.0	0.2	111.8
Oct.	38.0	132.1	140.7	16.3	289.1	54.3	0.2	112.3
Nov.	38.2	131.9	141.3	15.6	288.8	54.7	0.1	112.7
Dec.	38.3	132.1	143.0	15.5	290.6	55.1	0.1	113.4
1967								
Jan.	38.5	131.7	144.2	16.8	292.7	55.4	0.1	113.7
Feb.	38.7	133.0	145.6	18.4	297.0	55.8	0.1	114.2
Mar.	38.9	134.3	147.2	19.0	300.5	56.2	0.1	115.5
Apr.	39.0	133.7	149.5	18.9	302.1	56.7	0.1	116.7
May	39.1	135.3	151.7	18.8	305.8	57.0	0.1	117.6
June	39.3	136.7	153.6	19.2	309.5	57.5	0.1	118.3
July	39.4	138.1	155.8	19.4	313.3	58.0	0.1	119.3
Aug.	39.5	139.3	156.5	20.4	316.2	58.4	0.1	120.4
Sept.	39.7	139.9	158.6	20.2	318.7	58.8	-	121.7
Oct.	39.9	140.5	160.3	20.0	320.8	59.2	-	122.7
Nov.	40.0	141.1	161.3	20.7	323.1	59.8	-	123.4
Dec.	40.4	141.3	163.0	20.7	325.0	60.1	-	124.0
1968								
Jan.	40.6	142.0	163.5	20.6	326.1	60.5	-	123.9
Feb.	40.7	142.6	164.9	20.9	328.4	60.9	-	124.0
Mar.	41.1	143.2	166.4	20.8	330.4	61.4	-	125.2
Apr.	41.3	143.8	167.7	20.0	331.5	61.6	-	125.9
May	41.6	145.3	168.6	19.6	333.5	61.8	-	126.2
June	41.9	146.3	169.3	19.3	334.9	62.2	-	126.5
July	42.1	147.5	170.5	20.6	338.6	62.4	-	126.9
Aug.	42.4	148.6	171.6	22.2	342.4	62.8	-	127.6
Sept.	42.7	148.8	174.3	22.1	345.2	63.2	-	128.7
Oct.	42.8	149.1	176.4	23.0	348.5	63.6	-	129.7
Nov.	43.2	150.5	178.4	23.7	352.6	64.1	-	130.4
Dec.	43.4	151.4	181.0	23.9	356.3	64.6	-	131.1

Consolidated Totals<sup>a</sup>

$M_1^b$ (Cols. 1 + 2) (8)	$M_2 -$ CD's (Cols. 8 + 3a) <sup>c</sup> (9a)	$M_2$ (Cols. 8 + 3a + 3b) (9b)	Dupli- cations Betw. Col. 9 and Col. 5 + 6 (10)	$M_3$ (Cols. 9b+5 + 6 - 10) (11)	Dupli- cations Betw. Col. 11 and 7 (12)	$M_4$ Cols. 11+7 -12 (13)
170.3	306.2	324.0	0	377.3	3.1	485.4
170.5	307.0	324.8	0	378.2	3.1	486.4
169.6	307.4	325.7	0	379.3	3.0	487.4
169.9	308.1	326.5	0	380.4	2.9	488.7
170.6	310.4	327.9	0	382.1	2.9	491.0
170.2	310.9	327.2	0	381.7	2.8	491.2
170.1	311.4	327.0	0	381.8	2.9	491.6
170.4	313.4	328.9	0	384.1	3.0	494.5
170.2	314.4	331.2	0	386.7	3.1	497.3
171.8	317.4	335.8	0	391.7	3.2	502.7
173.2	320.4	339.4	0	395.7	3.4	507.8
172.7	322.2	341.1	0	397.9	3.6	511.0
174.4	326.1	344.9	0	402.0	3.5	516.1
176.0	329.6	348.8	0	406.4	3.5	521.2
177.5	333.3	352.7	0	410.8	3.6	526.5
178.8	335.3	355.7	0	414.2	3.5	531.1
179.6	338.2	358.4	0	417.2	3.4	535.5
180.4	340.7	360.7	0	419.9	3.3	539.3
181.2	342.5	363.2	0	423.0	3.2	543.2
181.7	344.7	365.4	0	425.5	3.2	546.3
182.6	346.1	366.7	0	427.2	3.0	548.1
183.3	348.2	369.1	0	430.0	2.9	551.1
184.2	350.6	371.4	0	432.8	2.9	555.1
185.1	352.8	372.8	0	434.4	2.8	557.5
186.8	355.4	375.0	0	436.8	2.7	560.3
188.2	357.5	376.8	0	439.0	2.7	562.8
189.6	360.1	380.7	0	443.1	2.6	567.4
191.0	362.6	384.8	0	447.6	2.6	572.6
191.4	365.7	387.8	0	451.0	2.7	577.0
191.8	368.2	391.2	0	454.8	2.7	581.8
193.6	372.0	395.7	0	459.8	2.8	587.4
194.8	375.8	399.7	0	464.3	2.7	592.7

*Notes to Table 1*

<sup>a</sup>Sums of unrounded figures.

<sup>b</sup>Not correctly consolidated because that part of currency in commercial bank vaults and of interbank deposits of commercial banks regarded as held on account of time deposits has been subtracted in computing cols. 1 and 2. Since any estimates of these amounts are necessarily arbitrary, we have not tried to correct this error.

<sup>c</sup>Less than five million dollars from Jan. 1911 (start of operations) through Sept. 1911.

<sup>d</sup>These estimates are not correctly consolidated because that part of currency in commercial bank vaults and of interbank demand and time deposits at commercial banks regarded as held on account of such certificates has been subtracted in computing cols. 1, 2, and 3. Since any estimates of these amounts are necessarily arbitrary, we have not tried to correct this error.

Source, by Column  
Part I

1. This column was obtained by adding vault cash in mutual savings banks, 1867-1946, and Postal Savings System currency holdings, 1919-63 (the period with reported data), to the estimates of currency held by the public in the sources listed below.

Vault cash in mutual savings banks, 1867-1906, is from Table 20, col. 10; 1907-46, from *All-Bank Statistics*, p. 47, interpolated monthly along a straight line between end-of-June figures. Postal Savings System currency holdings are from *Statement of Operations*, Board of Trustees, U.S. Postal Savings System, annual issues, interpolated along a straight line between end-of-June figures. Sources of the currency estimates are: 1867-1906, Table 20, col. 1; 1907-42, Table 27, col. 3; 1943-45, end-of-month data, *Federal Reserve Bulletin*, monthly issues beginning Feb. 1944, seasonally adjusted by us; 1946, end-of-month data, seasonally adjusted by Federal Reserve, *ibid.*, Feb. 1960, p. 136. *Thereafter*, monthly averages of daily figures, seasonally adjusted by Federal Reserve, which include currency held by mutual savings banks, *ibid.*, Oct. 1969, pp. 790-793.

2. This column was obtained by adding bank balances due to mutual savings banks, 1914-46 (from *All-Bank Statistics*, p. 47, interpolated monthly along a straight line between end-of-June figures) to the estimates of demand deposits adjusted in the following sources: 1914-17, Table 35, Part II, col. 4; 1917-19, Table 35, Part III, col. 5; 1919-45, Table 36, col. 3; 1946, end-of-month data, seasonally adjusted by Federal Reserve, *Federal Reserve Bulletin*, Feb. 1960, p. 135. *Thereafter*, monthly averages of daily figures, seasonally adjusted by Federal Reserve, which include demand balances with

*Notes to Table 1* (continued)

commercial banks of mutual savings banks (same sources as for col. 1).

3. This column was obtained by adding bank balances due to the Postal Savings System, 1919-63 (see the source in col. 1 above) to the estimates of time deposits adjusted in the following sources: 1914-17, Table 35, Part II, col. 8; 1917-19, Table 35, Part III, col. 9; 1919-45, Table 36, col. 6; 1946, Federal Reserve end-of-month data, seasonally adjusted by us, *Federal Reserve Bulletin*, monthly issues. *Thereafter*, monthly averages of daily figures, seasonally adjusted by Federal Reserve (same sources as for col. 1).

4. This column was obtained, 1896-1914, by adding bank balances due to mutual savings banks (figures before 1896 are unavailable), as described in col. 2 above, to total deposits adjusted in the following sources: 1867-1906, Table 20, col. 2; 1907-14, Table 35, Part I, col. 4; 1914-Jan. 1961, sum of cols. 2 and 3.

5. Jan. 1867 - Feb. 1875: Emerson W. Keyes, *A History of Savings Banks in the United States*, New York, 1878, table facing p. 532, sum of all cols. except for Cal., Iowa, Chicago, and Wash., D.C. Deposit figures in latter cols. are for stock savings banks, according to present definition, while cols. used omit deposits of such banks. Data were interpolated on a straight line to the end of each month. Aug. 1875 - June 1895, David Fand, "Estimates of Deposits and Vault Cash in the Nonnational Banks in the Post-Civil War Period in the United States" (unpublished Ph.D. dissertation, University of Chicago, 1954), corrected for seasonal variations by us as required: June 1896 - June 1906, *All-Bank Statistics*, p. 48; 1907-23, Table 38, col. 5; 1923-46, Table 39, col. 5; 1947-Jan. 1961, Federal Reserve estimates for last Wed. of month, seasonally adjusted by us, with pairs of the last Wed.-of-month figures averaged to get figures centered at midmonth, *Federal Reserve Bulletin*, monthly issues.

6. The Postal Savings System opened for business January 1911.

a. Jan. 1911 - Oct. 1955: Depositors' balances including principal of outstanding and unclaimed deposits, monthly, from its *Annual Report of Operations*, minus monthly estimates of depositors' balances at banks in the U.S. possessions. The series was seasonally adjusted by us, Jan. 1913 - July 1930.

b. Nov. 1955 - Jan. 1961: Federal Reserve estimates for last Wed. of month, from *Federal Reserve Bulletin*, monthly issues, without seasonal adjustment.

7. 1896-1919, Raymond Goldsmith, *A Study of Saving in the United States*, Vol. I, Princeton University Press, 1955, Table J-5, p. 441, col. 2, adjusted to lower level of following segment, 1920-35, obtained from sources listed below: 1920-21, *Federal Home Loan Bank Review*, Statistical Supplement, 1947, p. 9, 1922-58 (Dec.



## Notes to Table 1 (continued)

figures), *Trends in the Savings and Loan Field, 1958*, Federal Home Loan Bank Board, Washington, Nov. 1959. 1950-54 (Mar., June, Sept. figures), *Selected Balance Sheet Data, All Operating Savings and Loan Associations*, FHLBB, Feb. 1956. 1955-58 (Jan. - Nov. figures), *ibid.*, Dec. issues showing revised figures for year earlier than year of publication. 1959-Jan. 1961, *ibid.*, issues showing final revisions.

Quarterly and monthly data were seasonally adjusted by us. The monthly seasonal adjustment factors are as follows:

Jan. 100.4	Apr. 99.8	July 100.0	Oct. 99.5
Feb. 100.2	May 100.0	Aug. 99.8	Nov. 99.3
Mar. 100.0	June 101.1	Sept. 99.5	Dec. 100.3

Beginning 1955, we averaged pairs of the seasonally adjusted end-of-month data to get figures centered at midmonth.

10. Sum of vault cash in and bank balances due to mutual savings banks (through 1946), and currency holdings of and bank balances due to Postal Savings System (for sources, see cols. 1-4 above). Zeros are shown, beginning 1947, because Postal Savings System cash assets were under \$50 million.

12. Cash and bank balances of savings and loan associations: 1896-1932 from Raymond Goldsmith, *A Study of Saving*, Vol. I, p. 436, Table J-2, col. 5; 1933-35, from A. G. Hart, *Debts and Recovery*, Twentieth Century Fund, 1938, p. 303; 1936-49, *Trends in the Savings and Loan Field*, 1961, Table 1; 1950-68, *Selected Balance Sheet Data, All Operating Savings and Loan Associations*. June estimates were interpolated between Dec. figures, 1896-1906. Quarterly and monthly figures, 1950-68, were seasonally adjusted by Census X-11 method. Beginning 1955, pairs of seasonally adjusted end-of-month figures were averaged to get figures centered at midmonth.

## Part II

1-2. See Part I.

3a. Total time deposits, as in Part I, minus col. 3b.

3b. Large negotiable certificates of deposits, beginning Jan. 1964, are reported weekly for weekly reporting member banks - since June 29, 1966, weekly reporting large commercial banks - (*Federal Reserve Bulletin*, Feb. 1965, p. 329, note 9; Mar. 1966, p. 419, note 9; Mar. 1967, pp. 464-465; Mar. 1968, pp. A-92 and A-93; monthly issues thereafter, p. A-29). The weekly figures were averaged monthly by us, and the segment for Jan. 1964-June 1965 was raised to the level of the new series available since that date. We treated the first weekly figure reported (for Jan. 8, 1964), adjusted in level, as a bench-mark figure in addition to annual (Dec.) bench-mark figures available for 1960-62 (*ibid.*, Apr. 1963, p. 460). To obtain monthly estimates beginning Feb. 1961, when a secondary market dealing in large negoti-

*Notes to Table 1 (concluded)*

able certificates was formed, we interpolated logarithmically along a straight line between the bench-mark dates to the middle of intervening months. From this monthly series, we subtracted an estimate of the amount of large (but not negotiable) certificates outstanding. The estimate was obtained by decumulating along a straight line the amount outstanding on Dec. 31, 1960, the amount declining to zero in Jan. 1962.

4. Sum of cols. 3a and 3b.

5-6. *Federal Reserve Bulletin*, monthly issues; see Part I.

7, 12. *Selected Balance Sheet Data, All Operating Savings and Loan Associations*, FHLBB, issues showing final revisions; see Part I.

10. Zeros are shown because Postal Savings System cash assets were under \$50 million.

process of collection.<sup>2</sup> The savings and loan figures are the redeemable value of savings and loan association shares.

For currency and deposits, the estimates in Table 1 are for the period since 1867. They are annual from 1867 through 1874 and 1882 through 1906, semiannual from 1875 through 1881, and monthly from May 1907 through 1968. Through December 1946, the estimates are for the *end* of the month listed in the table; and were constructed by us for the whole period for deposits, through December 1942, for currency. From 1943 through 1946, we use Federal Reserve estimates for currency. After 1946, the estimates of both deposits and currency are those of the Federal Reserve, in the form of monthly averages of daily figures that refer to the *middle* of the month. In part, then, the estimates are of the stock as of the indicated date, and in part they are averages of the stock for a number of dates (at the limit, daily) centered on the indicated date. Where feasible, we have used the averages for a number of dates in order to average out random fluctuations.

For savings and loan shares, the estimates are for the period since 1897 and are all from published sources. They are for one date a year from 1897 through 1949 (end of June 1897 through 1906; end of December, 1907 through 1949), for four dates a year from 1950

<sup>2</sup> We do not show, or use, a total of the public's and government's money combined either before or after the establishment of the Federal Reserve System, because Treasury cash and government deposits are susceptible to change by simple bookkeeping transactions. Statisticians who include government deposits at the Federal Reserve System in the money stock implicitly do not consolidate Federal Reserve operations with the monetary operations of the Treasury. Yet the distinction between the two monetary

through 1954 (end of March, June, September, and December), and centered at the middle of each month from 1955 through 1968.

Current estimates published by the Board of Governors of the Federal Reserve System and by the Federal Home Loan Bank Board monthly can be used to extend the estimates beyond 1968.<sup>3</sup>

In addition to the annual, semiannual, and monthly estimates in Table 1, we give quarterly estimates of currency held by the public and commercial bank deposits in Table 2. The derivation of the quarterly estimates for 1867–1907 is described in Chapter 11, section 3. The quarterly estimates for 1907–68 are averages of the monthly figures in Table 1.

## 2. Coverage of Our Estimates

The “public” of the United States, ideally defined, excludes the monetary authorities and all banks, whether operated by private individuals, partnerships, corporations, or governments, and includes all other individuals, partnerships, corporations, states, counties, municipalities, and government agencies resident in the United States and its possessions. For the public so defined, we would have liked to determine the total holdings of U.S. currency, the four classes of U.S. dollar deposits listed,

authorities seems a technical one without fundamental economic significance. Given the artificial separation between the two, government money holdings can be whatever the monetary authorities choose to make them. See *A Monetary History*, Appendix B, pp. 776 ff.

<sup>3</sup> See the *Federal Reserve Bulletin* (tables for “Money Supply” and “Banks and the Monetary System”) and the monthly FHLBB release (“Table 1, Selected Balance Sheet Data, All Operating Savings and Loan Associations”).

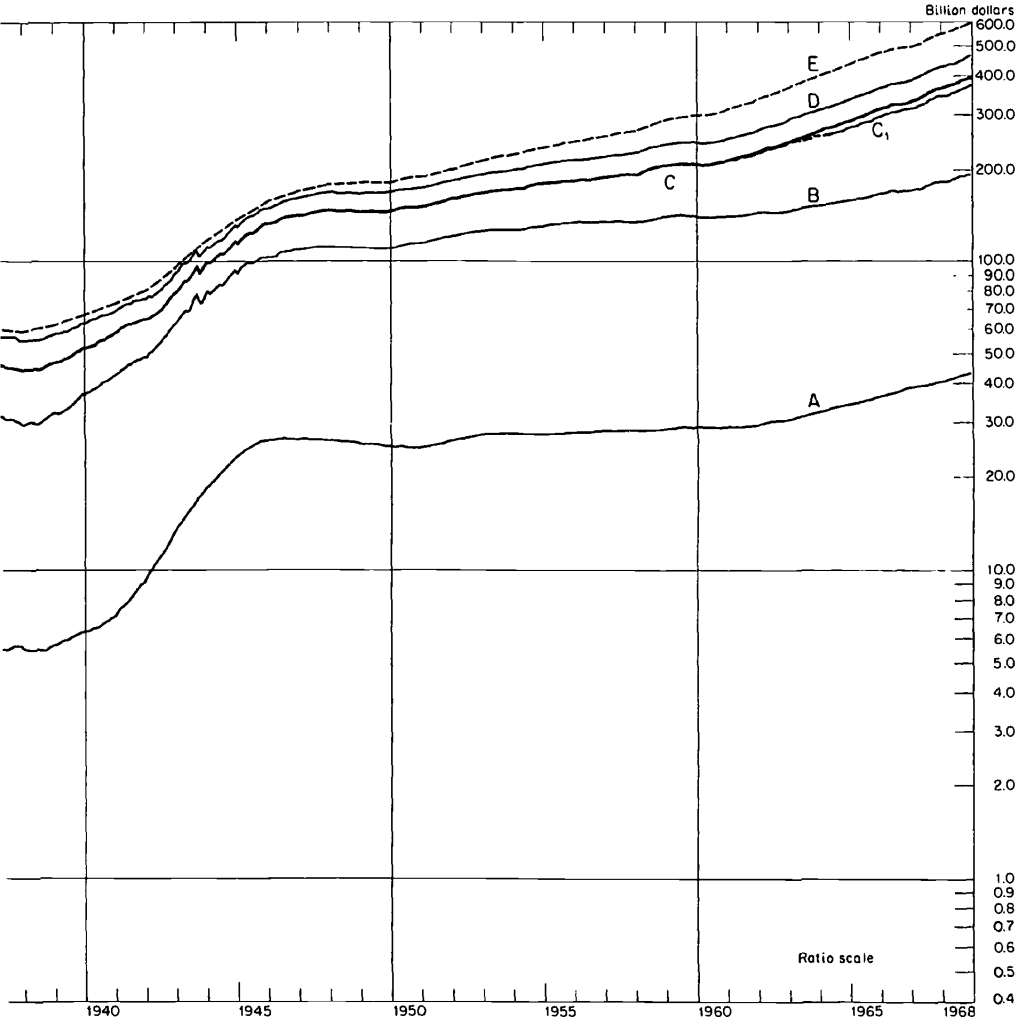
The “Money Supply” table shows seasonally adjusted monthly averages of daily figures. The columns headed “Currency component,” “Demand deposit component,” “Time deposits adjusted,” and “Total money supply” provide the basic entries for Table 1, cols. 1–3 and 8.

The “Banks and the Monetary System” table shows seasonally unadjusted last-Wednesday-of-the-month figures for time deposits at mutual savings banks and the Postal Savings System. We apply a seasonal adjustment to the mutual savings bank figures (for the factors, see pp. 552–553, note 4), but the amplitude of the adjustment is small. We use a two-month moving average to get middle-of-month estimates for Table 1, col. 5.

Note that the Postal Savings System was discontinued on April 27, 1966, by the Act of March 28, 1966. No entries for Postal Savings System deposits have been given in the *Federal Reserve Bulletin* table since September 27, 1967.

The FHLBB release shows end-of-month figures. The column headed “Total Savings Capital” corresponds to the column on savings and loan shares in Table 1. For seasonal adjustment factors, see the source notes to the table. We use a two-month moving average of the seasonally adjusted figures to get midmonth estimates.

**CHART 1**  
**Currency, Deposits, and Savings and Loan Shares**  
**Held by the Public, 1867-1968**



SOURCE: Table 1.

and savings and loan shares. In practice, we have had to depart from this ideal. The departures are explained by a single circumstance: the basic data we use are reported by the issuers of currency and by the banking institutions whose liabilities are so misleadingly termed "deposits,"<sup>4</sup> rather than by the holders of the currency and the deposits. As a consequence, it is often necessary to make the coverage of the data correspond to the geographic location or other characteristics of the issuers of currency or of the banking institutions or correspond to the character of their liabilities, rather than, as we should prefer, to the characteristics of the holders and of their monetary assets.<sup>5</sup>

<sup>4</sup> Misleadingly, because "deposit" connotes the placing of something in safekeeping, as in a 100 per cent reserve banking system. In a fractional reserve system, a "deposit" is a loan of funds to a bank, which uses the excess over the cash reserves it keeps to acquire other assets, i.e., to make loans in its turn. The bank is thus basically a financial intermediary that borrows from one group and lends to another rather than a depository institution, in any literal sense.

<sup>5</sup> There is also a discrepancy between holder records of deposits and bank ledgers, due to mail float, a factor that our estimates ignore. The mail float refers to the dollar amount of checks which holders of deposits have drawn against their accounts and mailed, but which have not been received or deposited by the payees, and hence are not credited on payees' records. Because of the amount always in transit, bank ledgers record a higher total of deposits than holder records would if holders promptly deducted all checks drawn.

Another important discrepancy results from bank float. When payees receive and deposit the checks, they are entered to their credit on the ledgers of the banks in which the checks are deposited before they are subtracted from the ledgers of the banks on which the checks are drawn. Our deposit figures exclude this bank float, which in recent years has been as high as 16 per cent of demand deposits adjusted. In constructing owner-records of demand deposits for flow-of-funds accounts for years before 1959, the Federal Reserve estimated mail float as equal to bank float, though no empirical evidence existed for the assumed one-to-one relationship. In 1959 it abandoned this technique. Since then, demand deposit figures in the flow-of-funds accounts have differed from demand deposits in its money supply figures only by the estimated amount of business checks sent to other business firms. As Earl Hicks has pointed out, the discrepancy is not a measure of mail float ("Comment: The Float in Flow-of-Funds Accounts," *The Flow-of-Funds Approach to Social Accounting*, Studies in Income and Wealth, Vol. 26, Princeton for NBER, 1962, p. 460).

One consistent accounting concept of the amount of money according to holders' records would deduct mail float as well as bank float. However, it is by no means clear that such an accounting concept would be economically more meaningful than the concept we use—just as it is not entirely clear that deduction of bank float, despite the hoary vintage of the practice, yields an economically more meaningful monetary total. The man who mails a check is fully aware that the corresponding amount will not be debited against his account until the check has reached its destination, has been deposited by the recipient, and has been forwarded to his bank for collection. Whatever accounting practice may call for, he is unlikely to refrain from taking this knowledge into account when pressed for cash. The practice of "kiting" checks, i.e., writing them for a larger sum than the payer currently has to his credit (when there are, in bank jargon, "insufficient funds") but that the payer intends to "cover" before the checks are presented for collection is no less ancient than the practice of deducting "checks in the process of collection" in computing demand deposits adjusted.

The main departures from our ideal are slightly different for currency and for commercial bank deposits. We include as currency held by the U.S. public (1) currency held by both the public of foreign countries and banks in foreign countries,<sup>6</sup> and (2) currency held by U.S. government departments and bureaus outside the Washington, D.C., offices of the Treasury and outside the mint and assay offices of the United States. The currency that is held by the Treasury outside Washington in its role as a monetary authority should be excluded. On the other side, the currency that is held by the Treasury in Washington, D.C., in its role as an operating agency should be included. Hence we do not know whether item 2 makes our currency estimates too large or too small. We exclude from currency held by the U.S. public (3) some items that should be counted as currency but for which we were unable to make estimates, notably private issues during banking panics and travelers' checks. (Travelers' checks issued by reporting banks are included as deposits, but travelers' checks issued by the American Express Company, which is not a bank, are excluded from both currency and deposits.)<sup>7</sup>

We include as deposits held by the U.S. public (1) deposits held by the public of foreign countries at banks located in the continental United States, and (2) since 1947, deposits held by foreign commercial banks at U.S. commercial banks and by foreign governments, central banks,

In the source cited above in this note, Earl Hicks takes the position that owner-records of deposits have no special importance, while the total quantity of money shown as liabilities of the issuers is of the greatest importance. He would use only bank record data and offset the discrepancy between bank-records and owner-records in the sector accounts by the opposite discrepancies in goods receivable or bills payable accounts of the two parties to purchases and sales.

Whatever the verdict on the treatment of owner-records of deposits in the flow-of-funds accounts, the absence of data has made it impossible for us to do anything about mail float, so that in fact, if not also in principle, our position is similar to that of Hicks.

<sup>6</sup> The treatment of foreign branches of U.S. banks varies: before 1920, their holdings of U.S. currency are excluded; after 1920, they are included. U.S. currency holdings of banks in U.S. territories and possessions are excluded through 1946, but included thereafter.

<sup>7</sup> On emergency issues of currency in 1893, 1907, and 1933, see Phillip Cagan, *Determinants and Effects of Changes in the Stock of Money, 1875-1960*, National Bureau of Economic Research, 1965, pp. 139-140.

Travelers' checks issued by the American Express Company are in effect private currency issues subject to no legal requirements with respect to reserves and the like. They are, in fact, issued on a fractional reserve basis. So far as we know, they are the only major monetary issue in the U.S. that is not subject to legal reserve requirements. At the end of 1967 the American Express Company balance sheet showed \$647 million in liabilities for travelers' checks, equal to 1½ per cent of currency then held by the public. Leland Yeager argues that travelers' checks are not the equivalent of currency ("Essential Properties of the Medium of Exchange," *Kyklos*, 1968, No. 1, p. 57). For an analysis of his argument, see Chapter 3, section 1.

TABLE 2

*Currency and Commercial Bank Deposits Held by the Public and Consolidated Total of Money Stock, Quarterly, 1867-1968*  
(seasonally adjusted, in billions of dollars)

## Part I. 1867-1960

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock, Consolidated Total (5)
		Demand (2)	Time (3)	Total (4)	
1867 I	0.60			0.71	1.31
II	0.59			0.69	1.28
III	0.58			0.69	1.27
IV	0.56			0.70	1.26
1868 I	0.55			0.71	1.26
II	0.54			0.73	1.27
III	0.54			0.75	1.29
IV	0.54			0.73	1.27
1869 I	0.55			0.72	1.27
II	0.56			0.73	1.29
III	0.55			0.74	1.29
IV	0.53			0.76	1.29
1870 I	0.53			0.78	1.31
II	0.54			0.81	1.35
III	0.55			0.81	1.36
IV	0.56			0.83	1.39
1871 I	0.55			0.88	1.43
II	0.53			0.95	1.48
III	0.54			1.00	1.54
IV	0.55			1.02	1.57
1872 I	0.55			1.06	1.61
II	0.54			1.07	1.61
III	0.56			1.06	1.62
IV	0.56			1.05	1.61
1873 I	0.56			1.07	1.63
II	0.55			1.08	1.63
III	0.57			1.08	1.65
IV	0.56			1.03	1.59
1874 I	0.54			1.06	1.60
II	0.54			1.10	1.64
III	0.54			1.13	1.67
IV	0.55			1.14	1.69

(continued)

TABLE 2 (continued)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock, Consolidated Total (5)
		Demand (2)	Time (3)	Total (4)	
1875 I	0.56			1.16	1.72
II	0.54			1.18	1.72
III	0.53			1.19	1.72
IV	0.54			1.16	1.70
1876 I	0.53			1.16	1.69
II	0.53			1.15	1.68
III	0.52			1.16	1.68
IV	0.53			1.15	1.68
1877 I	0.53			1.15	1.68
II	0.53			1.14	1.67
III	0.54			1.11	1.65
IV	0.54			1.07	1.61
1878 I	0.54			1.06	1.60
II	0.55			1.03	1.58
III	0.54			1.03	1.57
IV	0.52			1.03	1.55
1879 I	0.54			1.02	1.56
II	0.56			1.05	1.61
III	0.58			1.10	1.68
IV	0.62			1.19	1.81
1880 I	0.65			1.28	1.93
II	0.66			1.32	1.98
III	0.67			1.38	2.05
IV	0.71			1.46	2.17
1881 I	0.74			1.54	2.28
II	0.76			1.64	2.40
III	0.80			1.72	2.52
IV	0.81			1.74	2.55
1882 I	0.83			1.75	2.58
II	0.83			1.77	2.60
III	0.84			1.81	2.65
IV	0.85			1.84	2.69
1883 I	0.88			1.88	2.76
II	0.88			1.92	2.80
III	0.87			1.96	2.83
IV	0.86			1.97	2.83

(continued)



TABLE 2 (continued)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock, Consolidated Total (5)
		Demand (2)	Time (3)	Total (4)	
1884 I	0.85			1.99	2.84
II	0.85			1.94	2.79
III	0.84			1.93	2.77
IV	0.83			1.95	2.78
1885 I	0.81			1.99	2.80
II	0.80			2.03	2.83
III	0.79			2.11	2.90
IV	0.78			2.17	2.95
1886 I	0.78			2.26	3.04
II	0.78			2.30	3.08
III	0.79			2.34	3.13
IV	0.79			2.38	3.17
1887 I	0.80			2.45	3.25
II	0.82			2.49	3.31
III	0.84			2.49	3.33
IV	0.85			2.49	3.34
1888 I	0.85			2.52	3.37
II	0.85			2.52	3.37
III	0.85			2.57	3.42
IV	0.86			2.59	3.45
1889 I	0.86			2.65	3.51
II	0.86			2.70	3.56
III	0.88			2.76	3.64
IV	0.88			2.81	3.69
1890 I	0.90			2.90	3.80
II	0.92			2.98	3.90
III	0.93			3.04	3.97
IV	0.96			3.03	3.99
1891 I	0.96			3.05	4.01
II	0.96			3.08	4.04
III	0.95			3.14	4.09
IV	0.96			3.24	4.20
1892 I	0.96			3.37	4.33
II	0.97			3.48	4.45
III	0.97			3.52	4.49
IV	0.96			3.48	4.44

(continued)

TABLE 2 (continued)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock, Consolidated Total (5)
		Demand (2)	Time (3)	Total (4)	
1893 I	0.98			3.42	4.40
II	1.00			3.29	4.29
III	1.04			3.14	4.18
IV	0.99			3.18	4.17
1894 I	0.96			3.26	4.22
II	0.92			3.31	4.23
III	0.91			3.39	4.30
IV	0.92			3.44	4.36
1895 I	0.90			3.46	4.36
II	0.91			3.53	4.44
III	0.92			3.58	4.50
IV	0.90			3.53	4.43
1896 I	0.89			3.45	4.34
II	0.86			3.42	4.28
III	0.88			3.48	4.36
IV	0.92			3.50	4.42
1897 I	0.92			3.56	4.48
II	0.90			3.63	4.53
III	0.92			3.77	4.69
IV	0.94			3.92	4.86
1898 I	0.95			4.05	5.00
II	1.02			4.13	5.15
III	1.02			4.30	5.32
IV	1.03			4.52	5.55
1899 I	1.06			4.76	5.82
II	1.09			4.96	6.05
III	1.12			5.10	6.22
IV	1.14			5.14	6.28
1900 I	1.16			5.19	6.35
II	1.19			5.24	6.43
III	1.24			5.46	6.70
IV	1.25			5.69	6.94
1901 I	1.27			5.94	7.21
II	1.26			6.13	7.39
III	1.27			6.30	7.57
IV	1.29			6.46	7.75

(continued)

TABLE 2 (continued)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock, Consolidated Total (5)
		Demand (2)	Time (3)	Total (4)	
1902 I	1.30			6.65	7.95
II	1.31			6.77	8.08
III	1.35			6.89	8.24
IV	1.38			7.02	8.40
1903 I	1.40			7.14	8.54
II	1.43			7.19	8.62
III	1.43			7.29	8.72
IV	1.44			7.40	8.84
1904 I	1.44			7.52	8.96
II	1.44			7.63	9.07
III	1.44			7.89	9.33
IV	1.45			8.17	9.62
1905 I	1.45			8.43	9.88
II	1.49			8.64	10.13
III	1.50			8.85	10.35
IV	1.54			9.06	10.60
1906 I	1.56			9.18	10.74
II	1.61			9.31	10.92
III	1.65			9.52	11.17
IV	1.69			9.78	11.47
1907 I	1.70			9.96	11.66
II	1.71			10.09	11.80
III	1.67			9.98	11.65
IV	1.81			9.49	11.30
1908 I	1.84			9.18	11.02
II	1.75			9.51	11.26
III	1.71			9.92	11.63
IV	1.72			10.32	12.04
1909 I	1.70			10.61	12.31
II	1.70			10.91	12.61
III	1.71			11.19	12.90
IV	1.72			11.36	13.08
1910 I	1.72			11.50	13.22
II	1.72			11.54	13.26
III	1.75			11.58	13.33
IV	1.77			11.84	13.61

(continued)

TABLE 2 (continued)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock, Consolidated Total (5)
		Demand (2)	Time (3)	Total (4)	
1911 I	1.75			12.26	14.01
II	1.78			12.30	14.08
III	1.78			12.46	14.24
IV	1.75			12.80	14.55
1912 I	1.75			13.07	14.82
II	1.83			13.25	15.08
III	1.85			13.43	15.28
IV	1.85			13.64	15.49
1913 I	1.85			13.77	15.62
III	1.90			13.75	15.65
III	1.90			13.84	15.74
IV	1.91			14.10	16.01
1914 I	1.88			14.27	16.15
II	1.83			14.51	16.34
III	1.95	9.85	4.71	14.56	16.51
IV	1.97	9.87	4.82	14.69	16.66
1915 I	1.90	10.08	4.87	14.95	16.85
II	1.92	10.29	5.03	15.32	17.24
III	1.92	10.66	5.16	15.82	17.74
IV	1.97	11.49	5.52	17.01	18.98
1916 I	2.06	12.02	5.76	17.78	19.84
II	2.17	12.31	6.04	18.35	20.52
III	2.20	12.77	6.27	19.04	21.24
IV	2.26	13.40	6.74	20.14	22.40
1917 I	2.06	13.99	7.08	21.07	23.13
II	2.17	14.32	7.24	21.56	23.73
III	2.20	14.68	7.37	22.05	24.25
IV	2.26	14.71	7.56	22.27	24.53
1918 I	2.45	15.09	7.62	22.71	25.16
II	2.66	15.00	7.66	22.66	25.32
III	2.86	15.41	7.83	23.24	26.10
IV	3.08	16.02	8.08	24.10	27.18
1919 I	3.98	16.65	8.61	25.26	29.24
II	3.95	17.43	8.93	26.36	30.31
III	4.00	18.27	9.50	27.77	31.77
IV	4.16	19.16	10.14	29.30	33.46

(continued)

TABLE 2 (continued)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock, Consolidated Total (5)
		Demand (2)	Time (3)	Total (4)	
1920 I	4.31	19.50	10.67	30.17	34.48
II	4.46	19.48	11.12	30.60	35.06
III	4.59	19.17	11.32	30.49	35.08
IV	4.58	18.76	11.42	30.18	34.76
1921 I	4.29	18.08	11.46	29.54	33.83
II	4.13	17.32	11.34	28.66	32.79
III	3.97	16.92	11.23	28.15	32.12
IV	3.79	17.10	11.31	28.41	32.20
1922 I	3.65	17.16	11.41	28.57	32.22
II	3.65	17.98	11.85	29.83	33.48
III	3.69	18.36	12.45	30.81	34.50
IV	3.78	18.79	12.76	31.55	35.33
1923 I	3.82	19.03	13.17	32.20	36.02
II	3.97	18.96	13.70	32.66	36.63
III	4.02	18.85	13.89	32.74	36.76
IV	4.02	19.08	14.13	33.21	37.23
1924 I	3.97	18.99	14.41	33.40	37.37
II	4.00	19.26	14.76	34.02	38.02
III	3.92	20.15	15.15	35.30	39.22
IV	3.94	20.70	15.57	36.27	40.21
1925 I	3.96	21.09	15.94	37.03	40.99
II	3.95	21.42	16.28	37.70	41.65
III	3.95	22.17	16.62	38.79	42.74
IV	3.97	22.42	16.95	39.37	43.34
1926 I	3.99	22.38	17.23	39.61	43.60
II	4.01	22.25	17.46	39.71	43.72
III	4.02	22.12	17.66	39.78	43.80
IV	4.00	21.86	17.72	39.58	43.58
1927 I	4.03	21.90	18.14	40.04	44.07
II	4.01	22.13	18.55	40.68	44.69
III	3.96	22.16	18.87	41.03	44.99
IV	3.90	22.36	19.23	41.59	45.49
1928 I	3.86	22.57	19.79	42.36	46.22
II	3.92	22.56	20.17	42.73	46.65
III	3.91	22.26	20.10	42.36	46.27
IV	3.88	22.69	20.23	42.92	46.80

(continued)

TABLE 2 (continued)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock, Consolidated Total (5)	
		Demand (2)	Time (3)	Total (4)		
1929	I	3.89	22.55	20.14	42.69	46.58
	II	3.92	22.50	19.87	42.37	46.29
	III	3.91	22.84	19.94	42.78	46.69
	IV	3.86	23.12	19.75	42.87	46.73
1930	I	3.77	22.48	19.79	42.27	46.04
	II	3.71	22.08	20.00	42.08	45.79
	III	3.70	21.77	20.18	41.95	45.65
	IV	3.73	21.58	19.85	41.43	45.16
1931	I	3.87	21.16	19.40	40.56	44.43
	II	3.96	20.42	19.28	39.70	43.66
	III	4.22	19.71	18.44	38.15	42.37
	IV	4.59	18.13	16.53	34.66	39.25
1932	I	4.87	16.86	15.39	32.25	37.12
	II	4.87	16.18	14.96	31.14	36.01
	III	5.05	15.57	14.59	30.16	35.21
	IV	4.90	15.91	14.57	30.48	35.38
1933	I	5.42	14.90	13.23	28.13	33.55
	II	5.12	14.54	11.69	26.23	31.35
	III	4.92	14.64	12.01	26.65	31.57
	IV	4.89	15.11	11.90	27.01	31.90
1934	I	4.58	16.16	12.14	28.30	32.88
	II	4.62	16.86	12.55	29.41	34.03
	III	4.67	17.74	12.71	30.45	35.12
	IV	4.66	18.65	12.78	31.43	36.09
1935	I	4.73	19.88	12.94	32.82	37.55
	II	4.76	20.61	13.23	33.84	38.60
	III	4.80	21.94	13.25	35.19	39.99
	IV	4.92	22.62	13.45	36.07	40.99
1936	I	5.03	22.90	13.62	36.52	41.55
	II	5.15	24.30	13.89	38.19	43.34
	III	5.30	25.14	14.11	39.25	44.55
	IV	5.44	25.57	14.24	39.81	45.25
1937	I	5.53	25.85	14.50	40.35	45.88
	II	5.56	25.69	14.67	40.36	45.92
	III	5.64	25.22	14.98	40.20	45.84
	IV	5.62	24.26	15.03	39.29	44.91

(continued)

TABLE 2 (continued)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock, Consolidated Total (5)
		Demand (2)	Time (3)	Total (4)	
1938 I	5.52	24.51	15.07	39.58	45.10
II	5.49	24.29	15.02	39.31	44.80
III	5.54	25.14	14.95	40.09	45.63
IV	5.64	26.39	14.91	41.30	46.94
1939 I	5.81	26.59	15.03	41.62	47.43
II	5.98	27.16	15.13	42.29	48.27
III	6.13	28.90	15.17	44.07	50.20
IV	6.26	30.50	15.23	45.73	51.99
1940 I	6.43	31.50	15.40	46.90	53.33
II	6.59	32.46	15.54	48.00	54.59
III	6.83	33.63	15.63	49.26	56.09
IV	7.18	35.00	15.71	50.71	57.89
1941 I	7.63	36.95	15.92	52.87	60.50
II	8.07	38.09	16.01	54.10	62.17
III	8.65	39.13	16.01	55.14	63.79
IV	9.25	39.34	16.04	55.38	64.63
1942 I	10.10	40.83	15.60	56.43	66.53
II	10.83	42.71	15.56	58.27	69.10
III	11.96	45.42	15.88	61.30	73.26
IV	13.27	48.73	16.22	64.95	78.22
1943 I	14.61	53.00	16.78	69.78	84.39
II	15.68	55.09	17.30	72.39	88.07
III	16.95	59.35	18.22	77.57	94.52
IV	18.15	58.98	18.88	77.86	96.01
1944 I	19.31	60.75	19.79	80.54	99.85
II	20.65	63.31	20.93	84.24	104.89
III	21.81	65.10	22.21	87.31	109.12
IV	23.11	69.09	23.83	92.92	116.03
1945 I	24.15	71.85	25.24	97.09	121.24
II	25.05	73.57	26.78	100.35	125.40
III	25.91	75.07	28.59	103.66	129.57
IV	26.21	77.09	29.97	107.06	133.27
1946 I	26.32	76.96	31.04	108.00	134.32
II	26.59	80.10	32.08	112.18	138.77
III	26.56	81.63	32.94	114.57	141.13
IV	26.46	82.12	33.61	115.73	142.19

(continued)

TABLE 2 (continued)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock, Consolidated Total (5)
		Demand (2)	Time (3)	Total (4)	
1947 I	26.7	83.2	33.5	116.6	143.3
II	26.6	85.0	33.8	118.8	145.4
III	26.6	86.0	34.4	120.4	147.0
IV	26.5	86.6	35.2	121.8	148.3
1948 I	26.3	86.7	35.6	122.4	148.7
II	26.0	86.1	35.7	121.8	147.9
III	26.0	86.2	35.9	122.1	148.1
IV	25.9	85.9	36.0	121.9	147.8
1949 I	25.7	85.5	36.1	121.6	147.3
II	25.7	85.7	36.3	122.0	147.7
III	25.4	85.6	36.4	122.0	147.4
IV	25.2	85.8	36.4	122.2	147.4
1950 I	25.1	86.9	36.5	123.4	148.6
II	25.2	88.5	36.8	125.3	150.5
III	24.9	90.0	36.7	126.7	151.6
IV	24.9	91.0	36.6	127.6	152.5
1951 I	25.1	92.0	36.6	128.7	153.8
II	25.3	92.9	36.8	129.7	155.0
III	25.7	93.9	37.4	131.3	157.1
IV	26.0	95.9	38.0	133.9	159.9
1952 I	26.3	97.2	38.7	135.9	162.2
II	26.5	98.0	39.3	137.3	163.8
III	26.8	99.0	40.0	139.0	165.8
IV	27.2	99.9	40.8	140.7	167.9
1953 I	27.5	100.1	41.6	141.7	169.2
II	27.7	100.7	42.4	143.1	170.8
III	27.8	100.8	43.2	144.0	171.8
IV	27.8	101.0	44.2	145.2	172.9
1954 I	27.7	101.5	45.2	146.7	174.3
II	27.6	101.8	46.5	148.3	175.9
III	27.5	103.2	47.7	150.8	178.3
IV	27.4	104.6	48.2	152.8	180.2
1955 I	27.5	106.0	48.7	154.7	182.2
II	27.6	106.7	49.1	155.8	183.4
III	27.7	107.2	49.4	156.6	184.3
IV	27.8	107.3	49.9	157.2	185.0

(continued)



TABLE 2 (continued)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks			Money Stock Consolidated Total (5)
		Demand (2)	Time (3)	Total (4)	
1956 I	27.9	107.7	50.0	157.7	185.5
II	27.9	108.0	50.5	158.5	186.4
III	28.0	108.0	51.2	159.2	187.2
IV	28.1	108.4	51.8	160.2	188.4
1957 I	28.2	108.6	53.1	161.8	190.0
II	28.2	108.7	54.4	163.1	191.4
III	28.3	108.6	55.7	164.3	192.7
IV	28.3	107.9	57.0	164.9	193.2
1958 I	28.2	107.8	59.1	166.9	195.2
II	28.3	109.3	62.3	171.7	200.0
III	28.4	110.6	64.5	175.1	203.5
IV	28.5	112.2	65.2	177.4	205.9
1959 I	28.7	113.3	66.1	179.3	208.1
II	28.9	114.1	66.7	180.8	209.8
III	29.0	114.6	67.2	181.8	210.9
IV	28.9	113.6	67.3	180.9	209.8
1960 I	29.0	112.3	67.0	179.4	208.3
II	29.0	111.4	67.5	178.9	207.9
III	29.0	111.9	69.6	181.5	210.4
IV	29.0	112.0	72.1	184.1	213.1

## Part II. 1961-68

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks				Money Stock, Consolidated Total	
		Demand (2)	Con-sumer Type (3a)	Large Negoti-able CD's (3b)	Total (4)	Excl. Large Negoti-able CD's (5a)	Incl. Large Negoti-able CD's (5b)
1961 I	28.9	112.7	75.0	0.2	188.2	216.8	216.3
II	28.9	113.7	76.5	0.7	190.9	219.1	219.8
III	29.1	114.3	78.5	1.4	194.2	221.9	223.3
IV	29.4	115.5	79.8	2.3	197.6	224.7	227.0
1962 I	29.7	116.0	82.7	3.2	201.9	228.5	231.7
II	30.0	116.2	85.8	3.8	205.8	232.0	235.8
III	30.2	115.8	88.2	4.5	208.4	234.1	238.7
IV	30.4	116.4	90.9	5.4	212.7	237.8	243.2

(continued)

TABLE 2 (concluded)

Year and Quarter	Currency Held by the Public (1)	Deposits Adjusted, Commercial Banks				Money Stock, Consolidated Total	
		Demand (2)	Con- sumer Type (3a)	Large Negoti- able CD's (3b)	Total (4)	Excl. Large Negoti- able CD's (5a)	Incl. Large Negoti- able CD's (5b)
1963 I	30.9	117.6	94.0	6.2	217.9	242.5	248.7
II	31.3	118.5	96.6	7.1	222.2	246.4	253.5
III	31.8	119.5	99.1	8.1	226.7	250.3	258.4
IV	32.3	120.6	101.8	9.2	231.5	254.7	263.8
1964 I	32.8	121.1	103.8	10.6	235.5	257.6	268.2
II	33.3	121.8	105.8	11.7	239.2	260.8	272.5
III	33.8	123.6	108.7	12.2	244.5	266.0	278.2
IV	34.1	124.9	112.3	12.7	249.9	271.3	284.0
1965 I	34.6	125.4	116.6	13.9	256.0	276.6	290.5
II	34.9	126.3	119.8	15.1	261.2	281.0	296.1
III	35.5	127.7	123.5	16.2	267.5	286.7	303.0
IV	36.1	129.8	128.7	16.5	274.9	294.6	311.0
1966 I	36.7	131.9	132.1	16.6	280.7	300.7	317.4
II	37.3	133.2	135.6	17.7	286.6	306.1	323.8
III	37.8	132.3	138.6	18.1	288.9	308.6	326.7
IV	38.2	132.0	141.7	15.8	289.5	311.9	327.7
1967 I	38.7	133.0	145.7	18.1	296.7	317.4	335.5
II	39.1	135.2	151.6	19.0	305.8	326.0	344.9
III	39.5	139.1	157.0	20.0	316.1	335.6	355.6
IV	40.1	141.0	161.5	20.5	323.0	342.6	363.1
1968 I	40.8	142.6	164.9	20.8	328.3	348.3	369.1
II	41.6	145.1	168.5	19.6	333.3	355.2	374.9
III	42.4	148.3	172.1	21.6	342.1	362.8	384.4
IV	43.1	150.3	178.6	23.5	352.5	372.0	395.5

*Notes to Table 2 (concluded)*

Source, by Column

## Part I

1. 1867-1907, estimates of vault cash in mutual savings banks (Table 20, col. 10) were interpolated along a straight line to middle of Feb., May, Aug., and Nov., and added to quarterly estimates of currency (Table 21, col. 1); 1907-60, quarterly averages of monthly figures (Table 1, col. 1).

2-3. 1914-60, quarterly averages of monthly figures (Table 1, cols. 2, 3).

4. 1867-96, Table 21, col. 2; 1896-1907, estimates of bank balances due to mutual savings banks (from *All-Bank Statistics*, p. 47) were interpolated quarterly along a straight line to middle of Feb., May, Aug., and Nov., and added to quarterly estimates of deposits (Table 21, col. 2); 1907-60, quarterly averages of monthly figures (Table 1, col. 4).

5. Sum of cols. 1 and 4.

## Part II

1-5b. Quarterly averages of monthly figures (Table 1, cols. 1-4, 9a, and 9b).

and international institutions at Federal Reserve Banks. At the end of 1968, items 1 and 2 combined approximated \$10.5 billion exclusive of negotiable certificates of deposit. This is an overestimate of foreign-held U.S. deposits because it includes deposit liabilities to foreigners of institutions not counted as commercial banks in the money stock estimates (principally deposit liabilities to head offices of agencies or branches of foreign banks located in the United States; deposit liabilities to their foreign branches of U.S. domestic banks; and American Express Company deposit liabilities to foreigners). We exclude (3) dollar deposits held by the U.S. public at banks located in U.S. territories and possessions;<sup>8</sup> and (4) dollar deposits held by the U.S. public at foreign banks

<sup>8</sup> Again, the treatment of foreign branches of U.S. banks varies. Before 1920 all their deposits are included, whether held by U.S. residents or foreigners; since 1920, all their deposits are excluded.

not located in the continental United States.<sup>9</sup> We include as deposits (5) some items that should be classified as currency, notably bank-issued travelers' checks.

The same reason for which we were driven to depart from our ideal—the character of the data—makes it impossible for us to assess accurately the quantitative importance of the departures. Some raise, others lower, the level of the estimates, so that we cannot even judge whether their net effect is to make our estimates too high or too low. We can only record our impression, based on occasional scraps of information and on our general knowledge of the financial structure, that, while several are appreciable, none is of major moment and that all together they do not seriously distort our estimates. Hence we shall for the most part disregard the departures and treat our estimates as if they were the magnitudes we wanted.

<sup>9</sup> Foreign banks include the American Express Company which has a banking affiliate abroad at which U.S. corporations hold deposits (see the company's balance sheet).

"Euro-dollars" are only the most recent and perhaps the most publicized example of the class of U.S. dollar deposits that we exclude from our estimates of deposits held by the U.S. public. On estimates of the size of the market in Euro-dollars, see Roy Reiersen, *The Euro-Dollar Market*, New York, Bankers Trust Company, 1964, p. 13. At the end of 1968, the Bank for International Settlements estimated there were some \$25 billion in Euro-dollars of which U.S. and Canadian residents owned \$4.5 billion (*Thirty-ninth Annual Report*, p. 149).

To an unknown extent, the omission of Euro-dollars and similar dollar deposits is offset by the inclusion of U.S. currency held by foreign banks and, since 1947, of their demand deposits at U.S. commercial banks and Federal Reserve Banks. The extent of the offset depends on two factors. The first is the fractional reserves in these forms held by foreign banks in connection with their U.S. dollar deposit liabilities. Though much published commentary presumes that 100 per cent reserves are held for Euro-dollars, this is not the case. Of course, the total of U.S. dollar assets is roughly equal to the total of U.S. dollar liabilities, as for any bank, but only a fraction of the assets are in the form of U.S. dollar currency or demand deposits at U.S. banks. Euro-dollar deposits are "created" in precisely the same way as the U.S. dollar deposits at U.S. banks. The only difference is in the nation having jurisdiction over the bank. Some unpublished estimates by Aryeh Blumberg indicate that the reserve ratio in the early 1960's varied from about 20 to about 30 per cent. The second factor on which the extent of the offset depends is the fraction of the Euro-dollars held by the U.S. public. This appears to be between one-tenth and two-tenths.

If the above two fractions were equal, the two deficiencies of our estimates would precisely offset each other. If the first fraction is larger than the second, our estimates are, on this score alone, in excess of the total we wish to estimate. If the second fraction is larger than the first, the converse is true.

For further discussions of Euro-dollar deposits, see Fred H. Klopstock, "The Euro-Dollar Market: Some Unresolved Issues," *Essays in International Finance*, No. 65, Mar. 1968, International Finance Section, Princeton University, Princeton, N.J.; Joseph G. Kvasnicka, "Eurodollars—An Important Source of Funds for American Banks," *Business Conditions*, Federal Reserve Bank of Chicago, June 1969, pp. 9–20; Jane Sneddon Little, "The Euro-dollar Market: Its Nature and Impact," *New England Economic Review*, Federal Reserve Bank of Boston, May/June 1969; Milton Friedman, "The Euro-Dollar Market, Some First Principles," *Morgan Guaranty Survey*, Oct. 1969.

We consider a financial institution to be a bank if it provides deposit facilities for the public, or if it conducts principally a fiduciary business—in accordance with the definition of banks agreed upon by federal bank supervisory agencies. Of these two classes, fiduciaries are negligible in importance. Banks are classified as either commercial or mutual savings banks. Commercial banks include national banks, incorporated state banks, loan and trust companies, stock savings banks, industrial and Morris Plan banks if they provide deposit facilities, special types of banks of deposit—such as cash depositories and cooperative exchanges in certain states—and unincorporated or private banks. Mutual savings banks include all banks operating under state banking codes applying to mutual savings banks.<sup>10</sup>

By this definition savings and loan associations are not banks. Holders of funds in these institutions are technically shareholders, not depositors, though they may regard such funds as close substitutes for deposits, as we define them. Savings and loan associations are home financing institutions, most of which are mutual in form rather than stock corporations, operating under state or federal charters. The associations invest the funds they accept from shareholders principally in monthly-payment amortized loans for the construction, purchase, or repair and modernization of homes.

The figures in Table 1 are seasonally adjusted throughout. Before 1947 no comparable unadjusted figures are available for currency and deposits. The reason is that some components of these figures were interpolated from corresponding figures for other dates. Such interpolation is generally more accurate if done with seasonally adjusted data.<sup>11</sup> We therefore seasonally adjusted all data before interpolation; hence we have no unadjusted estimates for the interpolated components. "Seasonal" is an incomplete designation of the adjustments made to the data. Some data used in the estimates, vault cash in particular (which had to be subtracted from the stock of currency outside the Treasury and Federal Reserve Banks in order to derive currency held by the public), have a consistent intraweekly movement; that is, the stock on Monday tends to differ systematically from the stock on Tuesday and so on through the week. The data were adjusted for intraweekly movements that

<sup>10</sup> See Federal Deposit Insurance Corporation (FDIC), *Annual Report*, 1956, pp. 88–89.

<sup>11</sup> Milton Friedman, *The Interpolation of Time Series by Related Series*, Technical Paper 16, NBER, 1962, pp. 11, 16, 23.

seemed significant. The adjustment was made in such a way that the figures from 1907 through 1942 can be regarded as being on a Wednesday basis.

For savings and loan shares seasonally unadjusted data are available from the original sources. The quarterly and monthly data were adjusted by us.

For the period 1867 through 1913, Table 1 gives only total deposits at commercial banks, not demand and time deposits separately. The reason is that, until 1914, there is no statistically satisfactory basis for subdividing total commercial bank deposits into demand and time deposits. Before the Federal Reserve System, the reserve requirements of national banks, and of most state banks as well, did not distinguish between demand and time deposits, but applied to their total.<sup>12</sup> The regulatory agencies had no reason to collect separate data on each type of deposits and most did not do so. Hence, only scattered and unsatisfactory data on the division of total deposits are available. The large fraction of total deposits reported as unclassified by all categories of banks in the decade before 1914 and by nonnational or nonmember banks in the two decades after 1914 is one indication of the data problem. As we point out in the appendix to Chapter 8, these data have been used imaginatively by the Federal Reserve to construct separate estimates of demand and time deposits for 1896–1913.<sup>13</sup> However, the Federal Reserve estimates rest on such unsatisfactory basic data and involve so much interpolation and extrapolation of an essentially arbitrary character that, in our view, they are subject to much larger errors than the total deposit series in Table 1.

<sup>12</sup> R. G. Rodkey states that before 1900 only four states imposed differential reserve requirements against demand and time deposits, and that by 1914 only seven additional states had introduced such requirements (*Legal Reserves in American Banking, Michigan Business Studies*, Vol. VI, No. 5, University of Michigan, 1934, pp. 43–44). The eleven states he enumerates and the dates of their statutes are: Maine (1869, 1893); N.H. (1874); Neb. (1889); Iowa (1897); N.C. (1903); Ore. (1907); Penna. (1907); Conn. (1909); Vt. (1910); Utah (1911); Colo. (1913). Rodkey omits from his list: Ohio, which in 1908 imposed the same total requirement against demand and time deposits, but required a smaller percentage in vault for time deposits, and four other states—N.J. (1899); Ariz. (1901); Tex. (1905); Wash. (1907)—which required reserves against demand deposits but made no reference to time deposits. Rodkey apparently considered deposits in those states to be no more differentiated than in states that required reserves simply against deposits.

<sup>13</sup> *All-Bank Statistics, 1896–1955*, Board of Governors of the Federal Reserve System, Washington, D.C., 1959, pp. 31–32, 35–36, 47–48. These estimates supersede earlier ones constructed by the Federal Reserve for 1892–1913 (*Banking and Monetary Statistics*, Board of Governors of the Federal Reserve System, Washington, D.C., 1943, pp. 34–35).

In addition, there is much evidence that the concept of time deposits underlying the pre-1914 data is not comparable with the concept underlying the data for subsequent years. Because the reserve requirements for time and demand deposits were the same, banks had no incentive to distinguish sharply between the two classes, and common concepts that were widely accepted by the banking system failed to develop. Some banks might designate as time deposits what others designated as demand deposits, and the same banks might change the classification from one report date to another. What were called time deposits were frequently transferable by check, and what were called demand deposits frequently paid interest. The importance of this problem of classification is illustrated by the change from 1913 to 1914 in the Federal Reserve estimates of time deposits at national banks. These deposits fell 12 per cent, whereas estimated demand deposits rose by 11 per cent, so that time deposits as a percentage of total deposits fell from 23 to 19 per cent. According to the Federal Reserve, the drop of 12 per cent was "probably because of the . . . changes in classification," resulting from the establishment of the Federal Reserve System.<sup>14</sup> When, after 1914, the distinction between demand and time deposits became important to banks for reserve purposes, the result was not only that better data became available but also that the distinction changed its meaning (see Chapter 4, section 2).

These difficulties in constructing and interpreting estimates of the separate classes of deposits for years before 1914 led us to begin our estimates with that year.

### 3. Derivation of Our Estimates

As with any compilation of data for a long period, the one summarized in Table 1 is made up of many bits and pieces. This is abundantly evident from the detailed description of the construction of the estimates in Chapters 10–17.<sup>15</sup> Some of these bits and pieces have been around for a long time; others have been fashioned especially for this purpose. For the period from 1867 to 1896, the major new piece is a set of esti-

<sup>14</sup> *All-Bank Statistics*, p. 18.

<sup>15</sup> And from the source notes to Tables A-1, A-2, and A-3 in *A Monetary History*, pp. 722–734, 744–748, 765–768.

mates of deposits and vault cash in nonnational banks made by James K. Kindahl for 1867 to 1875 and by David Fand for 1875 to 1896.<sup>16</sup> Kindahl and Fand exploited a wide variety of evidence, in particular, data on revenue from taxes on bank deposits that were levied during much of the period. We have combined their estimates with the generally available data on deposits and vault cash in national banks and on currency outstanding.

For the period from 1896 to date, our estimates are keyed to the recently revised annual estimates of the Board of Governors of the Federal Reserve System. Though we have modified their annual figures in some instances, the main addition we have made is an estimate of intrayearly movements for deposits from 1907 through 1946; and for currency from 1907 through 1942, when we shift to Federal Reserve monthly estimates.

The chief new piece of evidence we have used on intrayear movements is a compilation we made for a sample of states from the reports of agencies charged with regulating the state banks. This compilation underlies our vault cash and deposit estimates for nonnational or nonmember banks, the segment of the total that has heretofore been most inadequately covered by the readily available data.

Though our fundamental aim was to produce a deseasonalized monthly total, much of our basic data were for national or member bank call dates. These are the irregularly spaced dates, numbering three to five a year, as of which the Comptroller of the Currency and the Federal Reserve System "called" for reports of condition from national or member banks. Hence, we first constructed deseasonalized call-date totals for each of our basic series: currency outside the Treasury and Federal Reserve Banks, vault cash (subtracted from the preceding series to get currency held by the public), commercial bank deposits to 1914, and commercial bank demand and time deposits thereafter, and mutual savings bank deposits. The vault cash and commercial bank deposit series are sums of the corresponding items for national and nonnational banks (up to 1923), or for member and nonmember banks (beginning in 1919). (For 1919-23 both sets of data were compiled to take advan-

<sup>16</sup> See James K. Kindahl, "The Economics of Resumption: the United States," unpublished Ph.D. dissertation, University of Chicago, 1958; and David Fand, "Estimates of Deposits and Vault Cash in the Nonnational Banks in the Post-Civil War Period in the United States," unpublished Ph.D. dissertation, University of Chicago, 1954.



tage of two additional call dates in both 1921 and 1922, when national banks, but not state member banks, reported.)

Except for some fringe details, national and member bank figures required no estimation. The figures for nonnational and nonmember banks are in turn a sum of corresponding items for component groups of banks, the particular groups varying from series to series according to the basic data that happened to be available.

Our call date series, which are given in Tables 32 and 33, and their subdivisions, are of interest in their own right and not simply as a way station to monthly estimates.

The monthly estimates depend only in part on the call date estimates. Some are the sum of published monthly data for member banks (corrected for seasonal movements and conceptual discrepancies between the original series and the series we desired) and estimates for nonmember banks derived from the call date series and various monthly interpolators. Others are the sum of monthly data for a sample of banks that did not coincide with the national or member banks (e.g., clearinghouse city banks; weekly reporting member banks) and estimates for the remaining banks. In all cases, our aim was to use directly whatever monthly data were available, and then fill in the rest by interpolation from our call date series.

The estimates in Table 1 are a highly synthetic product and, as such, cannot be guaranteed accurate in full detail. In particular, great significance should not be attached to isolated month-to-month movements. At the same time, the figures in Table 1 are for the most part based on reasonably direct evidence; the errors and inaccuracies in this part are in the raw data. In addition, such tests as we have been able to make of the estimates, mostly unsystematic comparisons with known qualitative phenomena, have persuaded us that in all but their minor movements, and even in many of these, the data reproduce faithfully the behavior of the quantity of money in the United States for the periods covered.

#### 4. Alternative Monetary Totals

In addition to the figures for currency, different types of deposits, and savings and loan shares, Table 1 gives four totals through January 1961 ( $M_1$ ,  $M_2$ ,  $M_3$ ,  $M_4$ ), and five totals thereafter, each of which has some

claim to be designated *the* money stock. In Part I we discuss the considerations that led us to assign that designation to one of those totals rather than the others. This section discusses some statistical aspects of the construction of these totals.

The narrowest total ( $M_1$ ) is the sum of currency and demand deposits (column 8), the two items that are commonly described as media of circulation in the sense that they are transferred directly from person to person to discharge debts. However, this total is not available for the period before 1914, for reasons already stated.

The second total ( $M_2$ ), currency plus all deposits of the public at commercial banks except, after January 1961, large negotiable certificates of deposit (column 9 through January 1961, column 9a, thereafter), is available throughout the period. It is the total that we have designated "money" in our earlier volume and in this one, and that we shall so designate in our subsequent volumes. The component added to the narrower total to get this total is termed "time deposits" through January 1961, and "time deposits other than large negotiable certificates of deposit" thereafter. These terms are something of a misnomer. In practice, these deposits have almost always been available on demand. The only important exceptions are periods during and after banking panics when there have been restrictions on convertibility of deposits into currency. However, such restrictions applied equally to all deposits at commercial banks, whether termed demand or time deposits. The distinction between demand and time deposits at commercial banks, at least since 1933, has typically been that demand deposits were, and time deposits were not, transferable by check.

The large negotiable certificates of deposit (shown separately in column 3b) that are excluded after 1961 are a recent development that have no counterpart earlier. We are inclined to regard them as more nearly comparable to market instruments such as commercial paper than to the items earlier classified as "time deposits." Hence, we regard column 9a as economically more continuous with column 9 for earlier years than column 9b. The economic discontinuity of column 9b is not apparent in the statistical data regularly reported by the Federal Reserve System. The label used for the total added to column 8 to get column 9b, "time deposits at commercial banks," has been kept unchanged despite the inclusion after February 1961 of large negotiable

certificates of deposit which hardly existed before (see also Chapter 4, footnote 1).

The total in Table 1 designated  $M_3$  includes not only adjusted time deposits at commercial banks but also adjusted deposits at mutual savings banks and the Postal Savings System (column 11). These deposits too have in fact almost always been available on demand. Their chief difference from time deposits at commercial banks is that they are obligations of institutions that do not also offer checking facilities. They have been included with commercial bank time deposits in some monetary totals, as in *Banking and Monetary Statistics*.<sup>17</sup>

The broadest total in Table 1 ( $M_4$ ) includes savings and loan shares in addition to the other components (column 13). Savings and loan shares are closely similar to deposits at mutual savings banks and the Postal Savings System and to commercial bank time deposits.

With two exceptions the totals in Table 1 are, in accounting terminology, consolidated totals, rather than simply sums of independently determined components. This does not appear on the surface of the table for the total in columns 9 and 9a, the total we call money, or for the total in column 8, currency plus demand deposits adjusted—the total designated money by the Federal Reserve System and many other economists—or for the total in column 9b: these totals are simply sums of other items—or for 9a, of components of other items—in the table. The reason that their consolidated nature is not evident for columns 9 and 9b is that the components were constructed in such a way as to be correct for those columns and only those columns. The reason it is not evident for columns 8 and 9a is that these totals are the exceptions. They are the only totals that are not fully consolidated.

<sup>17</sup> The rationale for including time deposits was described as follows in *Banking and Monetary Statistics*:

Time deposits are also sometimes included in measures of money supply, although in general they probably represent savings and not funds intended to be used for current expenditures. The principal reasons for their inclusion in measures of money supply are the following: (1) the distinction between time and demand deposits has been a varying one—during the 1920's time deposits at banks could be and were more freely used for current payments than at other times, while in recent years demand deposits have included for various reasons an increasing amount of savings: (2) time deposits and demand deposits both represent similar bank liabilities and have similar roles in the process of bank credit expansion or contraction (p. 11).

See also *Banking Studies*, Board of Governors of the Federal Reserve System, Washington, D.C., 1941, p. 447.

The reason for consolidation rather than combination can be illustrated with currency. The total given in column 1 is not all currency but only "currency held by the public," where the only institutions regarded as not part of the public are commercial banks and the monetary authorities (the Federal Reserve System and the U.S. Treasury). This total has been computed by subtracting from total currency outstanding the amount held by the monetary authorities to get currency in circulation and by subtracting from currency in circulation the amount of cash in the vaults of commercial banks to get currency held by the public. This subtraction is correct if the currency figure is to be used as a component of money as we define it through January 1961 (the total in column 9), because that total treats the deposit liabilities of commercial banks as monetary assets held by the public. The currency figure should therefore omit the currency that these institutions hold, to avoid double counting—the deposit liabilities that are the counterpart of this currency are already counted once in the monetary total; to count this currency also would include the same item twice.

But for any other definition of money, the currency figures in column 1 are not correct. For "money" defined to exclude all bank deposits, as money was generally defined before the twentieth century and as it is most useful today to define it for some countries, the currency figures in column 1 are too small. Commercial bank vault cash should be added back in. It is held for the public indirectly by the banks. On this view, the excess of deposit liabilities over vault cash is a nonmoney asset of the public, but the vault cash is clearly a monetary asset.

Similarly, the currency figures are too small for money defined to include currency and demand deposits adjusted only. If commercial bank time deposits are not included in the monetary total, then there is no double counting between such time deposits and that part of currency held by the commercial banks that can be regarded as held on account of time deposits; that part of currency should be included in currency held by the public. This monetary total (column 8) in effect treats a commercial bank as a mixed entity, part "bank" and part "public." It is a "bank" with respect to its demand deposit business, part of the "public" with respect to its time deposit business. Hence correct treatment requires in principle separating its accounts into two corresponding parts. We have not done this because any separation seems arbitrary (see footnote 20, below).

On the other hand, the currency figures in column 1 are too large as a component of monetary totals broader than column 9, such as the totals in columns 11 and 13. For the total in column 11, the vault cash in mutual savings banks and the Postal Savings System, as well as in commercial banks, should be subtracted out; so should vault cash of savings and loan associations for the total in column 13. We have achieved this result in constructing the final totals by including the relevant vault cash items in columns 10 and 12, but we have not given alternative currency estimates separately.

Similar considerations apply to interbank deposits. For the total we designate money through January 1961 all deposits of one commercial bank at another commercial bank should be excluded from total commercial bank deposits. Accordingly, they are excluded from the totals in column 4 of the table, interbank demand deposits from column 2 and interbank time deposits from column 3. Such deposits are liabilities of commercial banks to commercial banks and hence cancel out when the books of all commercial banks are consolidated. On the other hand, commercial bank deposits at the Federal Reserve Banks should not be (and are not) subtracted, just as cash in vault is not subtracted: these are assets of banks that are the counterpart of deposit liabilities to the public and involve no double counting. If these items were excluded from columns 2, 3, and 4, they would have to be included in an expanded column 1, which might then be designated: "High-powered money held, directly or indirectly, by the public." The revised columns 2 to 4 would then be designated: "Net fiduciary liabilities of banks held by the public."<sup>18</sup> Similarly, deposits of mutual savings banks and the Postal Savings System at commercial banks should not be (and are not) excluded. These institutions are regarded for this definition of money as part of the public, hence their holdings of currency and commercial bank deposits are part of the public's holdings.<sup>19</sup>

For the narrower monetary total, currency plus demand deposits adjusted alone, this treatment is incorrect. That part of interbank *demand*

<sup>18</sup> The expanded column 1 would be perhaps the closest modern counterpart to nineteenth century definitions of "money." See Chapter 3, section 1.

<sup>19</sup> In principle, any deposits of mutual savings banks, the Postal Savings System, and savings and loan associations at Federal Reserve Banks should be included in the total money stock on a par with either their deposits at commercial banks or their vault cash. We have neglected this refinement because the amount involved is trivial for mutual savings banks and nonexistent for the Postal Savings System and savings and loan associations, since they have held no deposits at Federal Reserve Banks.

deposits held on account of *time* deposits should be included as part of the public's demand deposits, since it does not duplicate any other part of what is regarded as the public's monetary holdings, just as the corresponding part of vault cash should be included as part of the public's currency holdings. Similarly, that part of commercial bank deposits at Federal Reserve Banks regarded as held on account of time deposits should be included as part either of the public's demand deposits or the public's currency. Unfortunately, there is no unambiguous way to construct a correct estimate for currency plus demand deposits adjusted. Any division of commercial bank holdings of currency, deposits at the Federal Reserve Banks, and deposits at other commercial banks into the part held on account of demand deposits and the part held on account of time deposits would necessarily be arbitrary, involving as it does matching specific assets with specific liabilities. Hence, we have accepted the error in the total in preference to an arbitrary allocation.<sup>20</sup> It may be worth noting explicitly that this error is present in the figures regularly published by the Federal Reserve System labeled "money supply."<sup>21</sup> These considerations explain also why we have not tried to

<sup>20</sup> To get some idea of the amounts involved, assume that the same fraction of bank vault cash, deposits at Federal Reserve Banks, and deposits at other commercial banks can be regarded as held on account of time deposits and that this common fraction is equal to the fraction of total required reserves that is required for time deposits. Then the amounts for 1963 (annual averages in billions of dollars) are:

Currency held by the public (Table 1)	31.6
Held by banks on account of time deposits:	
Currency	0.7
Corrected currency held by the public	32.3
Demand deposits adjusted (Table 1)	119.1
Held by banks on account of time deposits:	
Deposits at F.R. Banks	2.8
Interbank demand deposits	2.7
Corrected demand deposits adjusted	124.6
Corrected total of currency and demand deposits	156.9
Currency plus demand deposits (Table 1)	150.6

The error introduced by combining rather than consolidating the accounts is thus over \$6 billion or more than 4 per cent.

<sup>21</sup> In the estimates of member bank "reserves available against private demand deposits" that it publishes regularly, the Federal Reserve Bank of St. Louis is faced with the same problem of allocating reserves held by banks to various classes of deposits. (See the bank's releases, "Monetary Trends," monthly, and "U.S. Financial Data," weekly.) The bank proceeds on a different basis than we did in deriving our estimates in the preceding footnote. It assumes that all reserves other than those required by law to be held against time deposits, interbank deposits, and Treasury deposits are "available" for private demand deposits. This is in one sense literally correct. But it would be equally correct to say that all reserves not required by law to be held against private demand deposits, interbank deposits, and Treasury deposits are "available against time deposits" and so on for the other classes of deposits. Consistently

adjust column 9a for the inappropriate exclusion of bank vault cash and deposits at Federal Reserve Banks held on account of large negotiable certificates of deposit.

For the broader totals in columns 11 and 13, "banks" include more than commercial banks and hence the category of interbank deposits must be broadened to include deposits of mutual savings banks and the Postal Savings System at commercial banks and at one another for column 11 and of these and savings and loan associations for column 13 and, in principle, also commercial bank deposits at these institutions. (In fact, commercial banks hold no deposits at these institutions.)

We have not produced alternative estimates of the components for these broader monetary totals. Instead, we give in columns 10 and 12 the total of the additional duplications—both cash and deposits—that must be subtracted from the sum of the stated components in order to get properly consolidated totals. The adjustments required to correct for duplication are mostly minor in amount, but for some dates they are far from trivial. For example, in June 1933, postal savings redeposited in commercial banks and included in total time deposits in column 3, amounted to 9 per cent of those time deposits. This accounts for the large size of the duplications in column 10 for that date.<sup>22</sup>

followed, therefore, this assumption leads to estimates of the reserves available for each class of deposits that sum to more than the total amount of reserves held by member banks.

Such estimates may be useful for some purposes, but not, we believe, for obtaining properly consolidated monetary totals. For that purpose, there is no reason to isolate one class of deposits rather than any other as the residual claimant of reserves in excess of legal requirements. All classes of deposits are jointly determined in the money supply process.

<sup>22</sup> When our estimates were first constructed, we did not fully recognize the problem of consolidation. As it happens, our estimates were constructed in such a way as to be correct for column 11 rather than column 9; i.e., we subtracted vault cash in mutual savings banks along with commercial bank vault cash in computing currency held by the public, and treated the deposits of these institutions at commercial banks as interbank deposits in computing demand and time deposits at commercial banks. We have not thought it worthwhile to redo all the tables in Chapters 11–16 to make them correspond with Table 1. Hence they are still on the original basis.

