

AUG 27 1968

Week ending July 17, 1968

MONEY STOCK (Page 5)

The nation's money stock consisting of private demand deposits plus currency in the hands of the public has increased \$600 million in the four weeks ending July 10. This increase contributed to the already rapidly growing money supply. Since early April, money has grown at an annual rate of 9.6 per cent, which is significantly faster than the 6.8 per cent growth of money in the preceding year. By comparison, the money supply rose at an average annual rate of 2.6 per cent from 1957 to 1967.

Some analysts have discounted the rapid rise in money as being simply a reflection of a drawing down of Treasury balances. From month to month, part of the rise can be often accounted for this way, but at other times the movements reverse, and over longer periods money and money plus Treasury deposits have grown at similar rates. Over the past year, for example, money has risen 6.3 per cent and money plus Government deposits 6.9 per cent, and the increase in money has generally been steadier. Also, such transfers should not be considered insignificant, for when money is transferred from public to private demand deposits spending may be stimulated.

BANK CREDIT (Page 4)

Despite increased difficulty in attracting time deposits because of Regulation Q, total bank credit at large commercial banks has advanced at a 6.7 per cent annual rate in the last three months. This rate of growth

BANK CREDIT (Continued)

is somewhat lower than the 7.5 per cent increase in bank credit over the preceding year, and the average annual growth rate of 8.0 per cent during the 1960-1967 period.

BUSINESS LOANS (Page 9)

Although the growth of bank credit at large commercial banks has not altered much over the last year, business loans have become an increasingly important component of this growth. Since early April, business loans have grown at a 12.6 per cent rate compared with an 8.5 per cent rate in the previous year, and an average annual rate of 9.6 per cent from 1960 to 1967. Historically, it is characteristic for business loans to grow at a faster rate than bank credit during the expansive phase of an economic cycle.

FEDERAL RECEIPTS AND EXPENDITURES

Recently the U.S. Government enacted a 10 per cent surtax and agreed to a \$6 billion reduction in planned expenditures. According to the Daily Treasury Statement, spending by the Federal Government amounted to \$8.8 billion in the first 10 days of July, up \$2.9 billion from the corresponding period a year earlier. Although collections of the new tax had not yet begun, receipts of the Government totaled \$4.7 billion, a rise of \$700 million from the like period a year earlier.

Rates of change reported in this release are intended to serve as summaries which may be useful in analyzing recent developments.

Prepared by Federal Reserve Bank of St. Louis

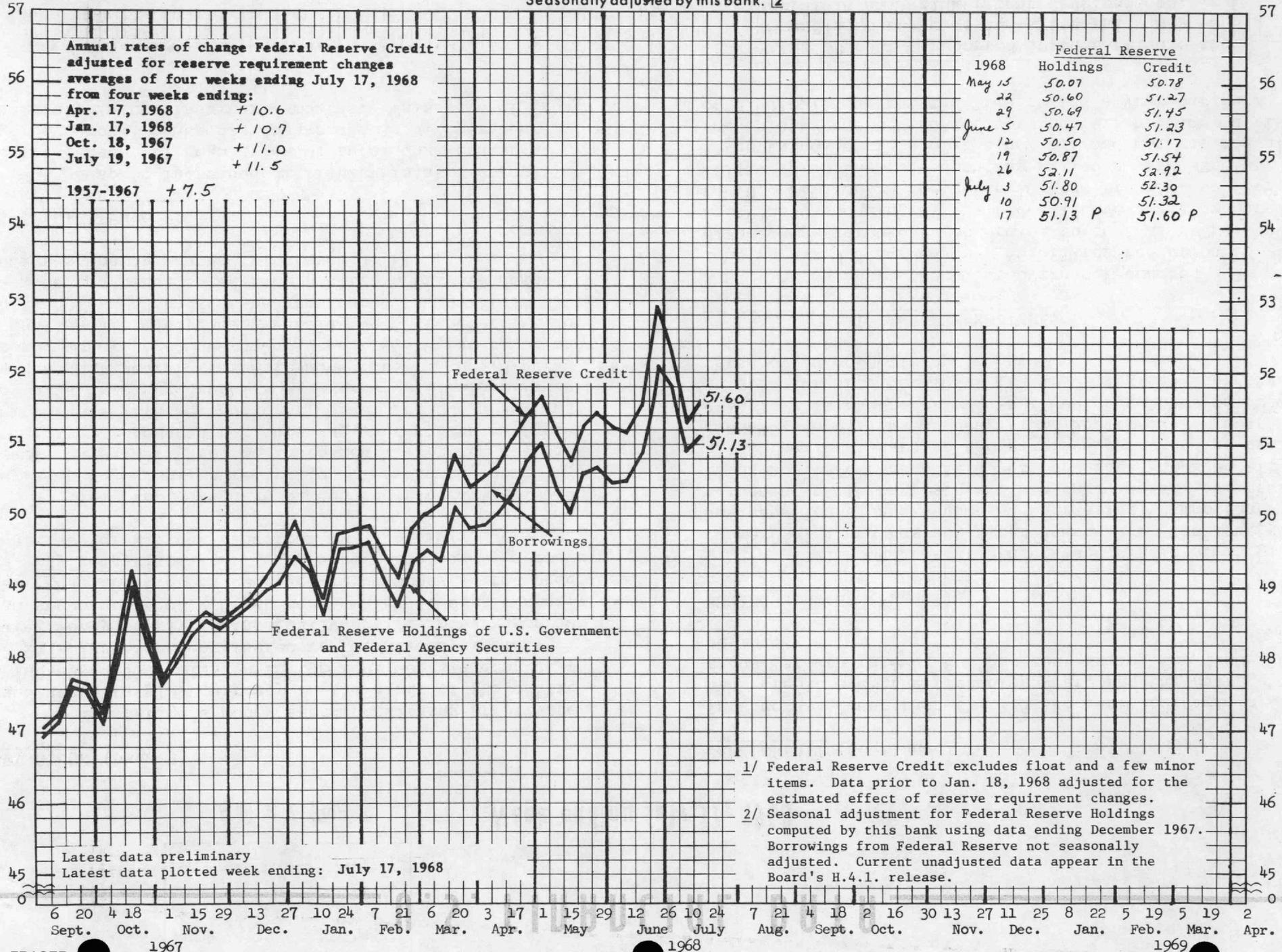
Released: July 19, 1968

# FEDERAL RESERVE CREDIT <sup>1</sup> Averages of Daily Figures

Billions of Dollars

Billions of Dollars

Seasonally adjusted by this bank. <sup>2</sup>



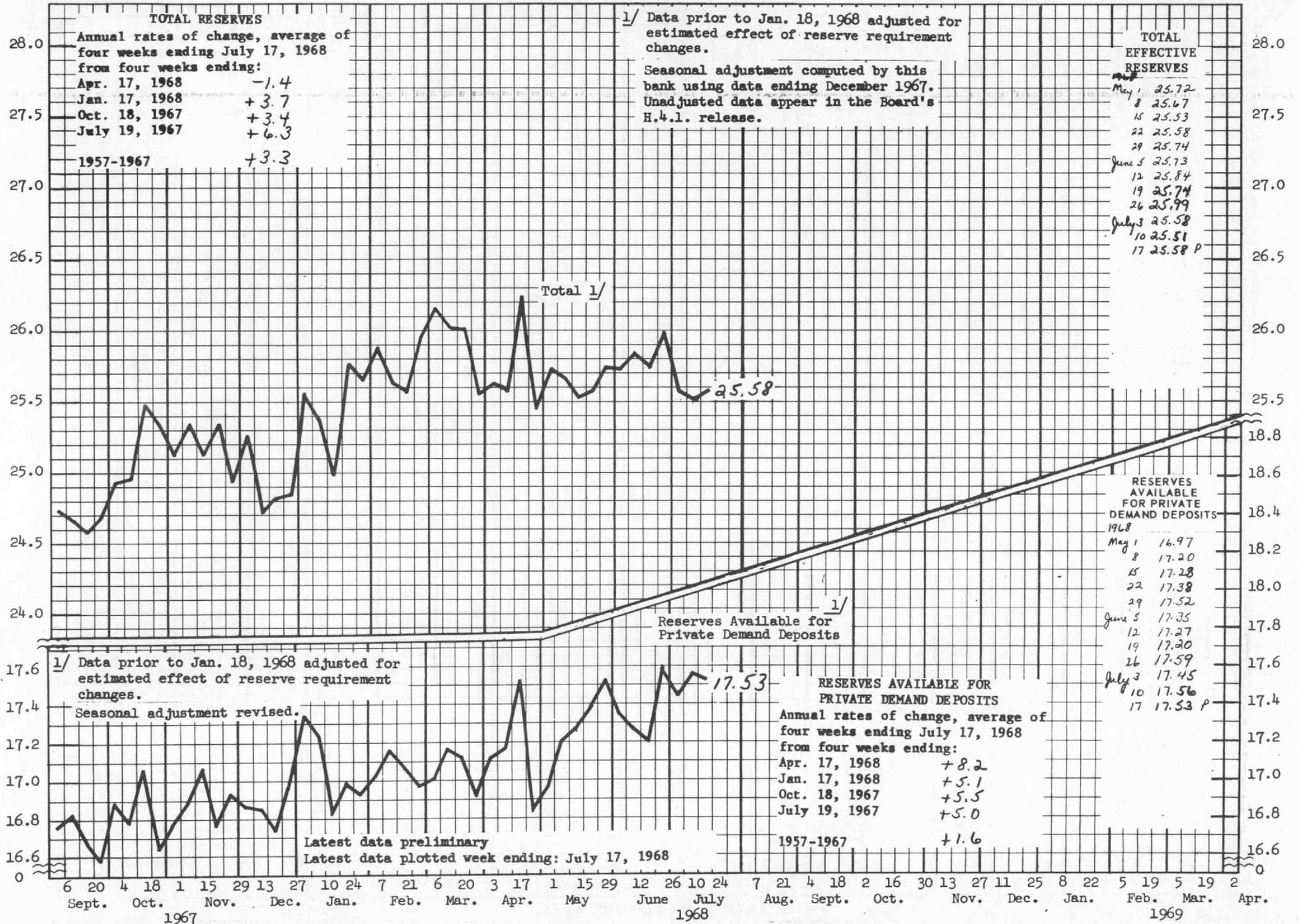
# RESERVES

## All Member Banks in the Nation

### Averages of Daily Figures

Billions of Dollars

Billions of Dollars

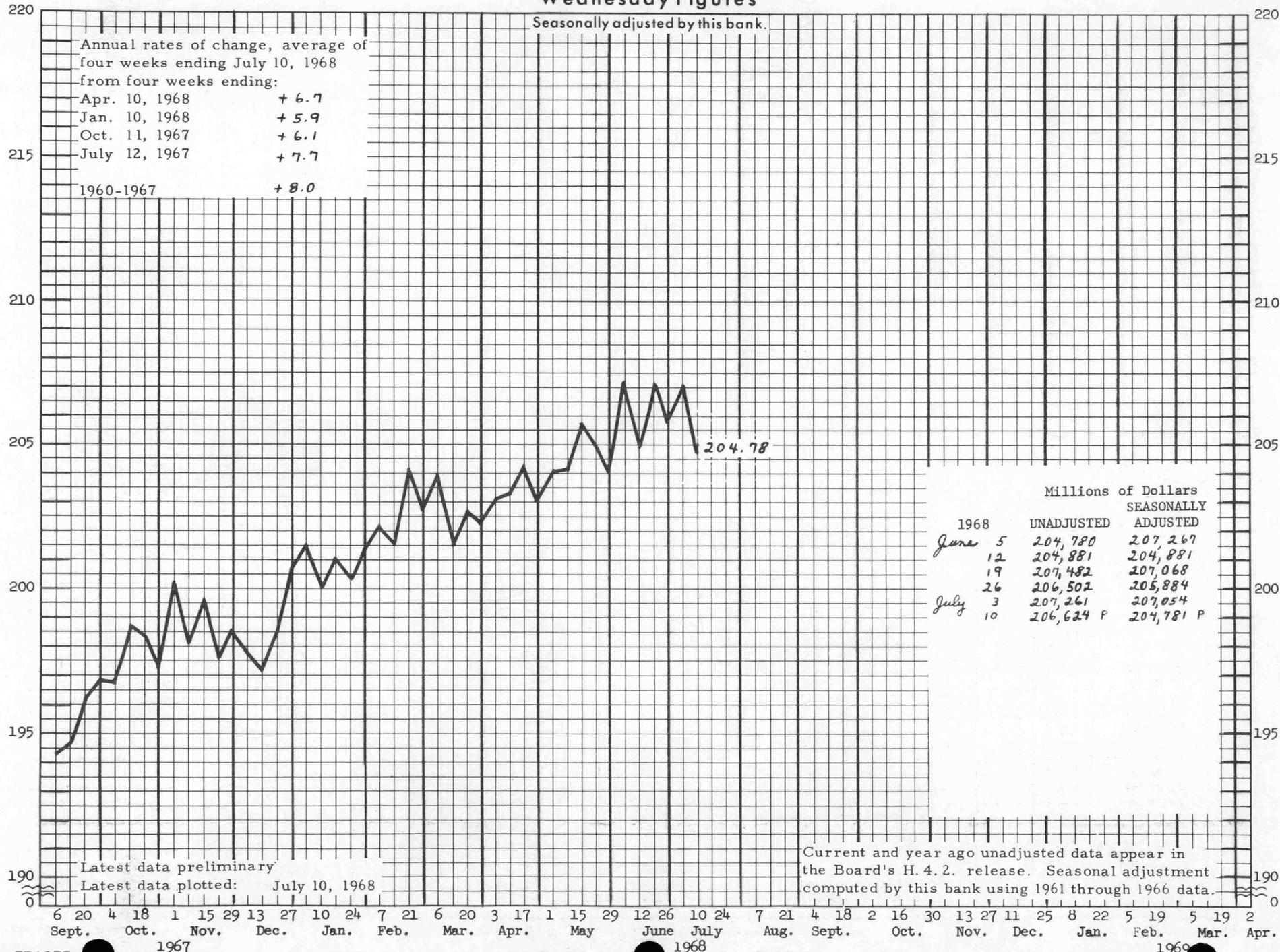


# TOTAL BANK CREDIT Large Commercial Banks Wednesday Figures

Billions of Dollars

Billions of Dollars

Seasonally adjusted by this bank.



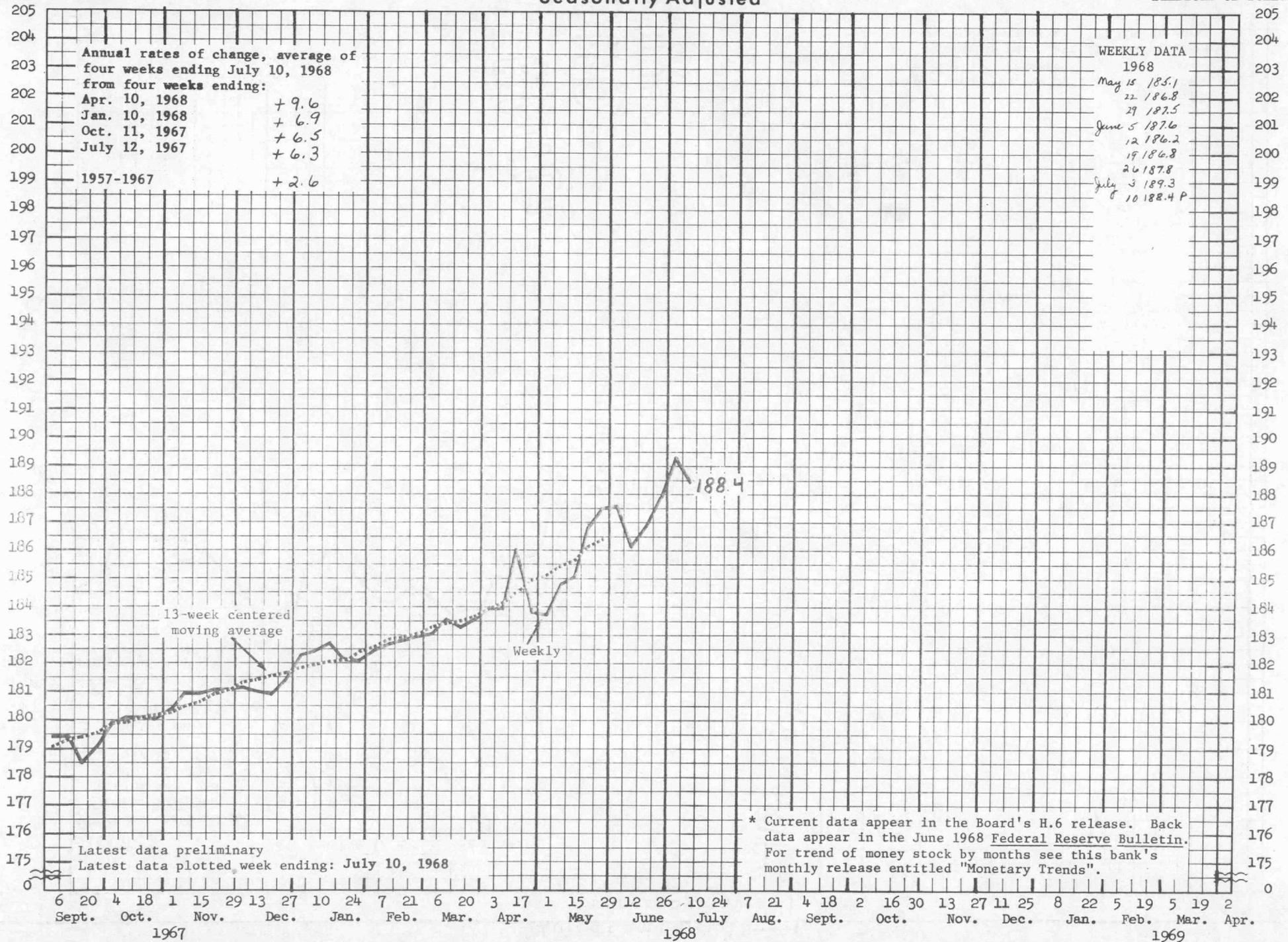
# MONEY STOCK\*

## Averages of Daily Figures

### Seasonally Adjusted

Billions of Dollars

Billions of Dollars



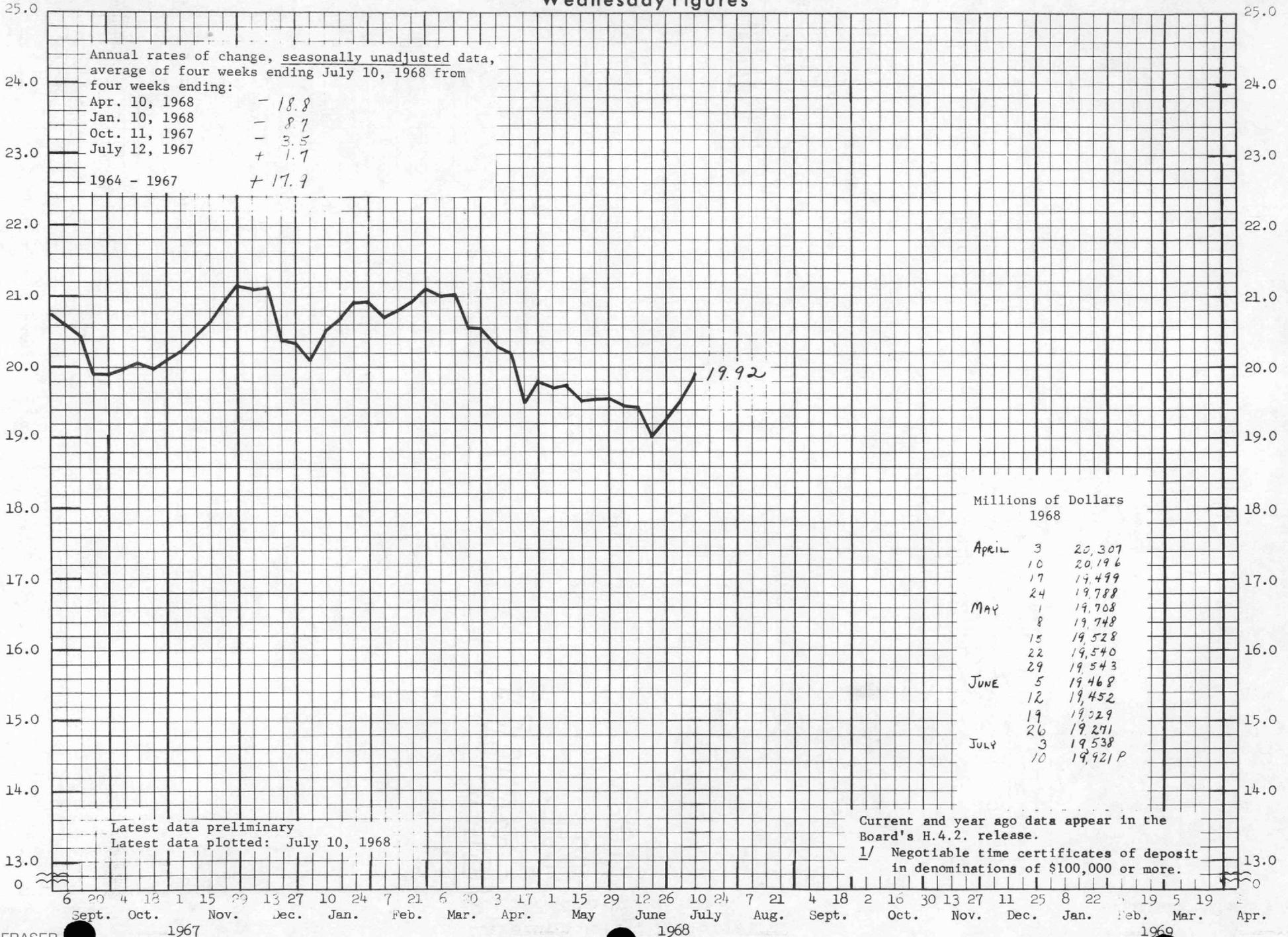
# CERTIFICATES OF DEPOSIT <sup>1</sup>

## Large Commercial Banks

### Wednesday Figures

Billions of Dollars

Billions of Dollars



Latest data preliminary  
 Latest data plotted: July 10, 1968

Current and year ago data appear in the Board's H.4.2. release.

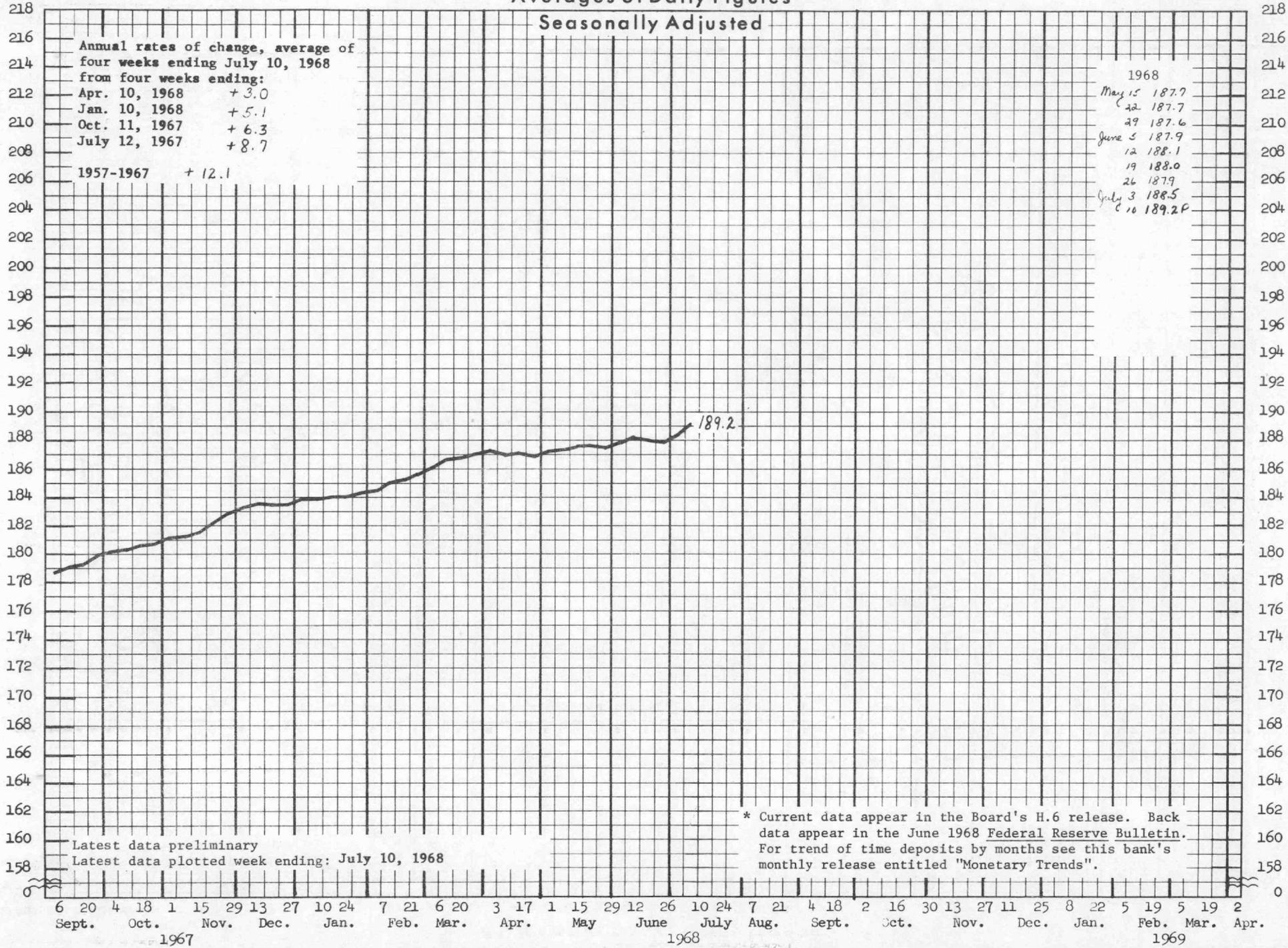
<sup>1/</sup> Negotiable time certificates of deposit in denominations of \$100,000 or more.

**TIME DEPOSITS\***  
**All Commercial Banks**  
**Averages of Daily Figures**

Billions of Dollars

Billions of Dollars

Seasonally Adjusted



\* Current data appear in the Board's H.6 release. Back data appear in the June 1968 Federal Reserve Bulletin. For trend of time deposits by months see this bank's monthly release entitled "Monetary Trends".

Latest data preliminary  
 Latest data plotted week ending: July 10, 1968

# BORROWINGS AND EXCESS RESERVES

## All Member Banks in the Nation

### Averages of Daily Figures

Millions of Dollars

Millions of Dollars

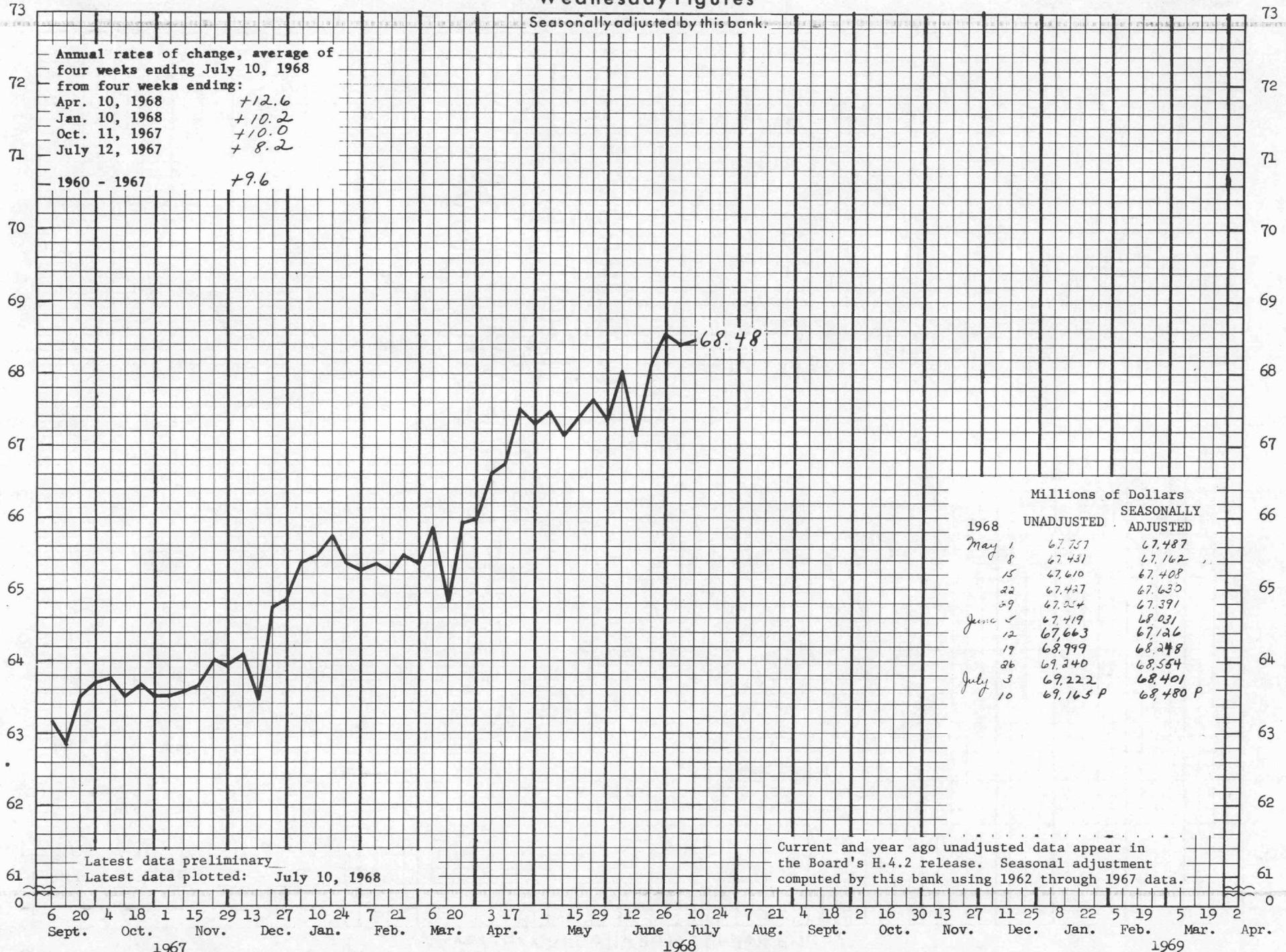


Latest data preliminary  
 Latest data plotted: two weeks ending July 17, 1968

**BUSINESS LOANS**  
**Large Commercial Banks**  
**Wednesday Figures**

Billions of Dollars

Billions of Dollars



# YIELDS ON SELECTED SECURITIES

## Averages of Daily Rates Ended Friday

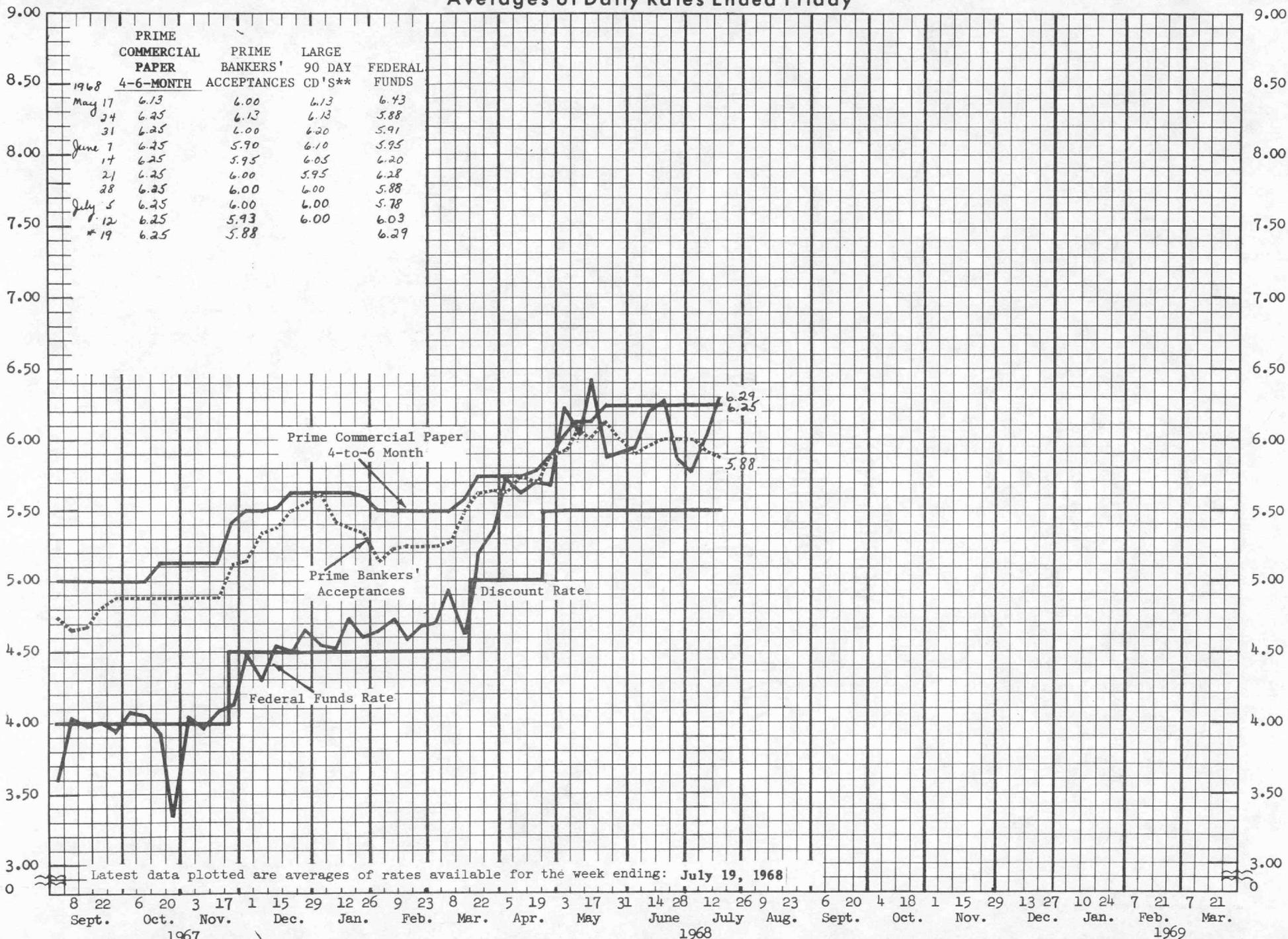
Per Cent



Latest data plotted are averages of rates available for the week ending: July 19, 1968

# SELECTED SHORT TERM INTEREST RATES

## Averages of Daily Rates Ended Friday



Latest data plotted are averages of rates available for the week ending: July 19, 1968