

SEP 20 1962

BANKING AND MONETARY DEVELOPMENTS IN AUGUST 1962

- ⁴³ *Research Library* -

Total commercial bank credit, seasonally adjusted, increased in August by more than it had declined in July. Loans rose at a much more rapid rate than in most other recent months but growth in holdings of non-Government securities was slower. Holdings of U. S. Government issues increased somewhat following a large reduction in July. The money supply declined. U. S. Government deposits at commercial banks increased substantially. Time deposits rose moderately further. Total reserves and required reserves declined; free reserves were unchanged.

Bank credit. Total credit at all commercial banks, seasonally adjusted, increased \$2.5 billion in August following a \$1.5 billion reduction in July. Credit growth appeared to be larger than usual at both weekly reporting banks in leading cities and at other banks. Total loans rose \$1.2 billion, a considerably more rapid rate of growth than had occurred over the spring and early summer months. Holdings of U. S. Government securities rose \$1 billion following a sharp \$2.5 billion reduction in July. Growth in holdings of non-Government securities, however, slowed considerably compared with rapid expansion in most other recent months; early in the year, banks had acquired substantial amounts of State and municipal issues and more recently had been heavy purchasers of Federal agency issues.

On August 15, all commercial banks acquired about \$2.5 billion of new securities for cash or in exchange for their holdings of maturing notes which totaled about \$2 billion. The new holdings comprised \$1.1 billion of one year certificates, \$1.3 billion of 1969 bonds and \$0.1 billion of 1987-92 bonds. The Treasury also increased the outstanding amount of Treasury bills over the five week reporting period ending August 29 by \$900 million, but city bank holdings of Treasury bills declined.

Over the January-August period, the total seasonally adjusted credit rise of over \$10 billion was at an annual rate of about 7-1/4 per cent, only slightly below the rate of growth in 1961 and considerably above rates in comparable months of the two previous recovery periods. Loan growth, however, has been moderate this year compared with that in the two earlier periods. Holdings of U. S. Government securities, on the other hand, have been about unchanged over the past eight months whereas they had declined substantially in the corresponding months of the 1958-59 and 1955-57 expansions. Holdings of non-Government securities have increased much more rapidly than usual, however.

Seasonally adjusted business loans at all commercial banks rose \$500 million in August, a larger rise than in any other month this year. So far this year, however, these loans have increased at an annual rate of only 6 per cent, considerably below growth in the comparable months of the two previous recoveries. At weekly reporting banks in leading cities, increases in loans to metals manufacturers and to public utilities in August were in contrast with the usual declines in this month. Loans to trade concerns and to textile manufacturers increased somewhat more than seasonally.

Not for publication

Net new borrowing by food processors and commodity dealers was somewhat smaller than usual, however.

Security loans increased \$200 million on a seasonally adjusted basis in August following steady reductions since March. The August rise reflected mainly a reversal of the spring and early summer decline in loans for purchasing and carrying non-Government securities. Loans to U. S. Government security dealers were about unchanged as increases in mid-August associated with the Treasury financing were offset by reductions at other times in the month.

Real estate loans continued to rise substantially in August. Over the first eight months of the year growth in these loans was at a higher rate than in the 1958-59 expansion and at about the same rate as in the 1955-57 recovery. Consumer loans rose moderately further in August. Growth in these loans has been slower than in earlier business upswings but growth in total consumer credit also has been slower.

Agricultural loans at all commercial banks declined on a seasonally adjusted basis in August reflecting an especially heavy volume of maturing cotton loans. These loans had increased more than usual in January and February, however, and consequently there has been little change over the year as a whole.

Money supply. The daily average money supply, seasonally adjusted, declined \$900 million between the second half of July and the second half of August. In late August, deposits and currency were about 1 per cent below the late-December level and 1-1/4 per cent above the year-ago level. The reduction in August, which occurred almost entirely in the second half of the month, was associated with an unusually sharp build-up in U. S. Government deposits.

Average time and savings deposits at all commercial banks, seasonally adjusted, increased \$700 million in August; growth in these deposits had begun to slow down in late July from the reduced rate of the second quarter. At weekly reporting banks in leading cities, savings deposits increased less rapidly in August than in June or July; other time deposits, however, which had declined in July, rose somewhat in August.

The seasonally adjusted annual rate of demand deposit turnover at banks in 343 centers outside New York declined to 31.7 (preliminary) in August from 32.1 in July. The August level, however, was about the same as April and somewhat above May and June. So far this year, turnover has averaged about 8-1/2 per cent above the January-August period last year.

Bank reserves. Total reserves and required reserves of member banks declined in August. Excess reserves increased slightly to \$565 million but borrowings from the Federal Reserve also rose to \$125 million. Free reserves at \$440 million were unchanged from July. At country banks, free reserves were higher in August than in July but at reserve city banks

Not for publication

they were lower. The effective rate on Federal funds was high in August averaging 2.95 per cent over the month.

During August, on a daily average basis, reserves were absorbed principally through a reduction in float and continued gold outflow. "Other F. R. accounts" also increased reflecting in part August 15 interest payments on System-held U. S. Government securities. Reserves were supplied principally through a \$505 million increase in Federal Reserve holdings of U. S. Government securities.

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

September 17, 1962.

Not for publication

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted

Billions of dollars

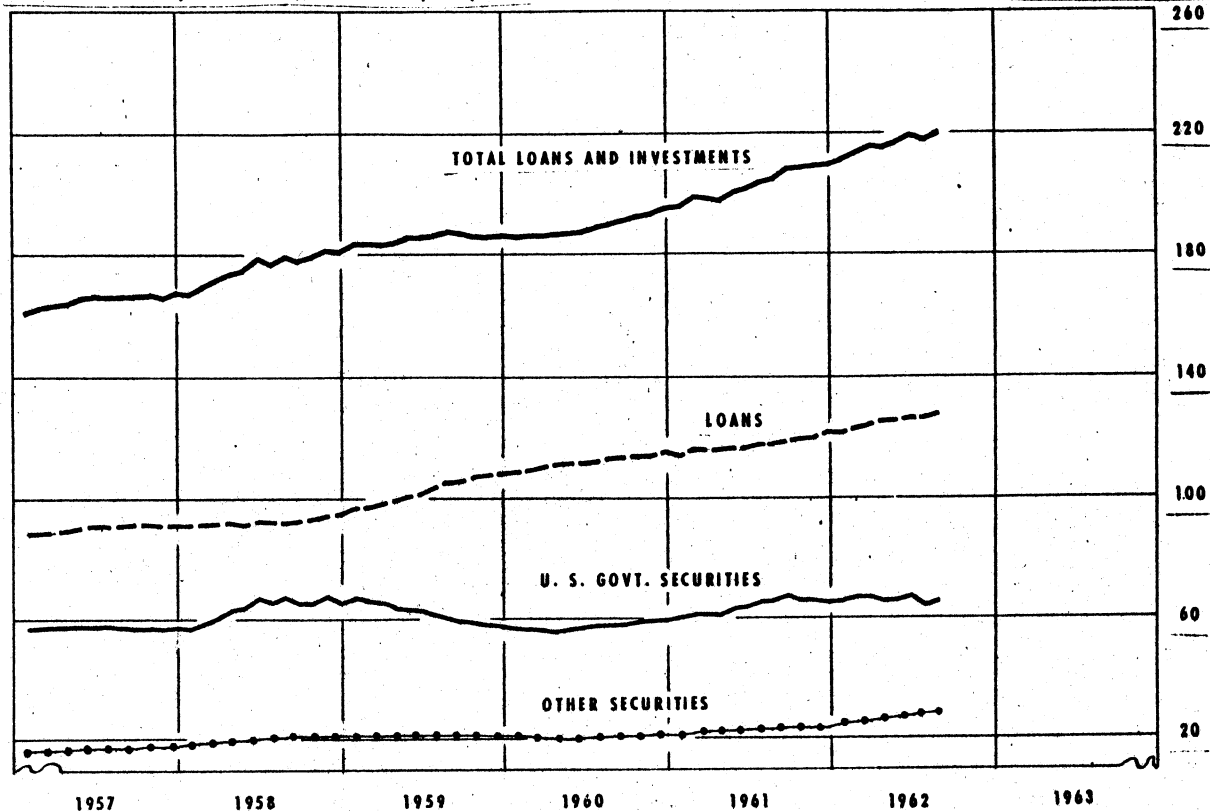


Exhibit A - Part II

Date	Total ^{1/}	Loans ^{1/}	U. S. Gov't. securities	Other securities
	(In billions of dollars)			
1957--Dec. 31	166.4	91.4	57.0	17.9
1958--Dec. 31	181.0	95.6	64.9	20.5
1959--Dec. 31	185.7	107.8	57.6	20.4
1960--Dec. 31	194.5	114.2	59.6	20.7
1961--Dec. 31	209.6	121.1	64.7	23.8
1962--Jan. 31	210.7	120.8	65.7	24.2
1962--Feb. 28	213.3	122.6	66.1	24.6
1962--March 28	215.2	123.8	66.1	25.3
1962--April 25	214.9	124.4	64.5	26.0
1962--May 30	216.1	124.5	65.4	26.2
1962--June 27	218.9	125.5	66.4	27.0
1962--July 25	217.4	125.7	63.9	27.8
1962--Aug. 29	r 219.9	r 126.9	64.9	28.1

^{1/} Adjusted to exclude interbank loans.

LOANS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted

Billions of dollars

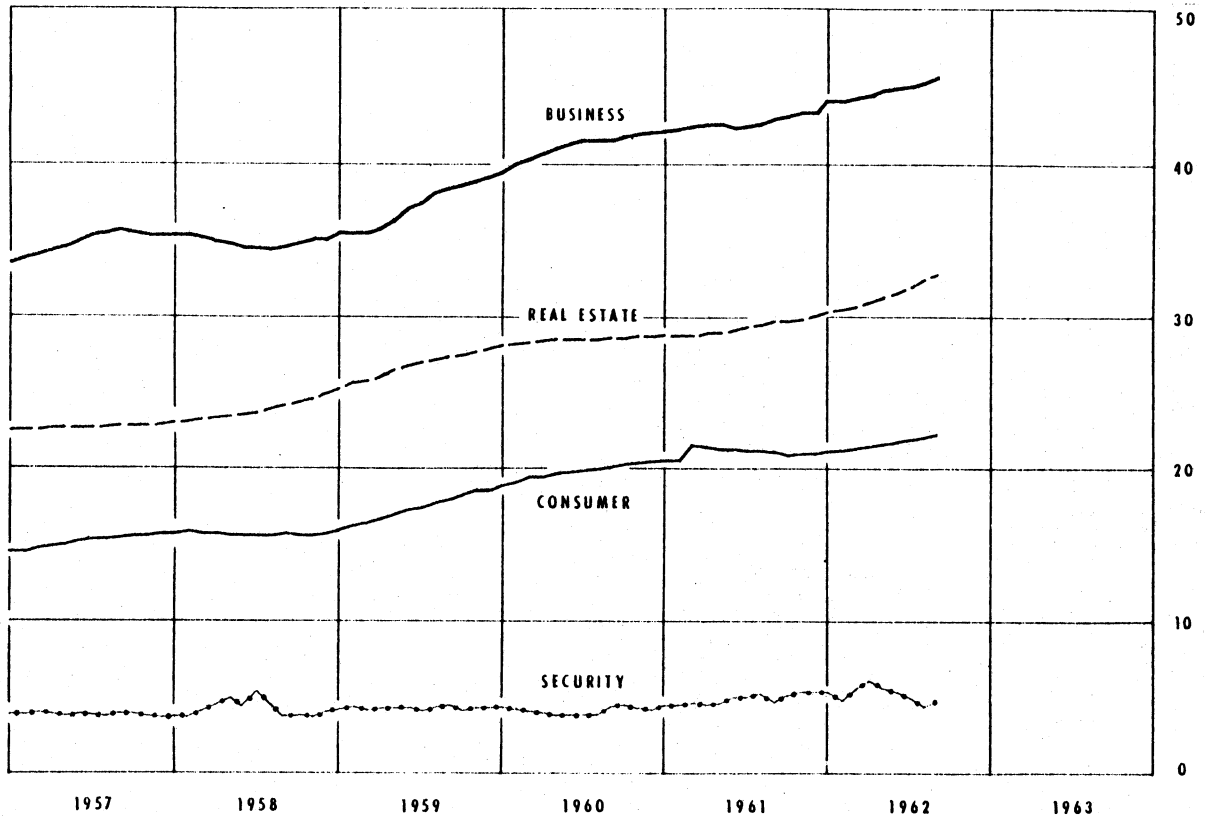


Exhibit B - Part II

Date	Business	Real Estate	Consumer	Security
	(In billions of dollars)			
1957--Dec. 31	35.3	23.0	15.7	3.8
1958--Dec. 31	35.4	25.2	15.9	4.1
1959--Dec. 31	39.5	28.0	18.8	4.2
1960--Dec. 31	42.1	28.7	20.5	4.3
1961--Dec. 31	44.1	30.3	21.0	5.2
1962--Jan. 31	44.1	30.4	21.1	4.8
Feb. 28	44.2	30.6	21.2	5.5
March 28	44.5	30.9	21.4	6.0
April 25	44.8	31.2	21.6	5.6
May 30	44.9	31.6	21.8	5.2
June 27	45.1	32.0	21.9	4.9
July 25	45.3	32.4	22.0	4.4
Aug. 29	45.8	32.8	22.2	4.6

Changes in Loans and Investments at all Commercial Banks, Seasonally Adjusted
(In billions of dollars)

Item	1961				1962							
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	Apr.	May	June	July	Aug.
<u>Loans and investments</u> ^{2/}	+2.7	+0.4	+1.2	+1.3	+1.1	+2.6	+1.9	-0.3	+1.2	+2.8	-1.5	r+2.5
U. S. Gov't securities	+1.0	-0.8	<u>1/</u>	-0.6	+1.0	+0.4	<u>1/</u>	-1.6	+0.9	+1.0	-2.5	+1.0
Other securities	+0.6	<u>1/</u>	+0.4	+0.2	+0.4	+0.4	+0.7	+0.7	+0.2	+0.8	+0.8	+0.3
<u>Loans</u> ^{2/}	+1.1	+1.2	+0.8	+1.7	-0.3	+1.8	+1.2	+0.6	+0.1	+1.0	+0.2	r+1.2
Business	+0.2	+0.3	<u>1/</u>	+0.8	<u>1/</u>	+0.1	+0.3	+0.3	+0.1	+0.2	+0.2	+0.5
Real estate	<u>1/</u>	+0.1	+0.2	+0.3	+0.1	+0.2	+0.3	+0.3	+0.5	+0.4	+0.4	+0.4
Consumer	-0.2	+0.1	+0.1	<u>1/</u>	+0.1	+0.1	+0.2	+0.2	+0.2	+0.1	+0.1	+0.2
Security	+0.3	+0.2	<u>1/</u>	<u>1/</u>	-0.4	+0.7	+0.5	-0.4	-0.4	-0.3	-0.5	+0.2
Nonbank financial	+0.3	+0.2	+0.2	<u>1/</u>	<u>1/</u>	-0.1	+0.2	-0.1	+0.1	+0.2	<u>1/</u>	+0.2
Agriculture	<u>1/</u>	+0.1	+0.2	+0.1	+0.3	+0.1	<u>1/</u>	+0.1	-0.1	<u>1/</u>	+0.2	-0.6
All other	+0.2	+0.2	+0.1	+0.1	+0.2	+0.3	+0.4	-0.1	<u>1/</u>	+0.1	+0.2	+0.1

NOTE: Individual loan items may not add to change in total loans because: (1) loan items are gross of valuation reserves while total loans are net; and (2) loan items and total loans are independently seasonally adjusted. Seasonally adjusted loans, by category, are experimental and are subject to revision.

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

^{2/} Adjusted to exclude interbank loans.

r - Revised.

Changes in Loans and Investments at All Commercial Banks, at Weekly Reporting Banks, and at Other Banks, Not Adjusted for Seasonal.
(In billions of dollars)

Item	Last Wednesday of July to last Wednesday of August						
	1962	1961	1960	1959	1958	1957	1956
<u>All commercial banks</u>							
Total loans	+1.2	1/	+0.6	3/ +1.4	-0.1	+0.5	+0.5
U.S. Gov't. securities	-0.3	-0.5	-0.1	3/ -0.8	+2.0	-0.1	+1.0
Other securities	+0.3	+0.2	1/	3/ -0.1	+0.3	+0.1	+0.1
Total	+1.2	-0.3	+0.4	3/ +0.4	+2.1	+0.5	+1.5
<u>Weekly reporting banks</u>							
Total loans	+0.9	-0.3	+0.1	+0.8	-0.2	+0.4	+0.4
U.S. Gov't securities	-0.7	-0.6	+0.1	-1.0	+0.9	-0.3	+0.5
Other securities	+0.1	+0.2	1/	-0.1	+0.2	+0.1	+0.1
Total	+0.4	-0.7	+0.2	-0.3	+0.8	+0.1	+1.0
<u>Other banks</u>							
Total loans	+0.3	+0.3	+0.5	3/ +0.6	+0.1	+0.1	+0.1
U.S. Gov't securities	+0.4	+0.1	-0.2	3/ +0.2	+1.1	+0.2	+0.5
Other securities	+0.2	1/	1/	3/ 1/	+0.1	1/	1/
Total	+0.8	+0.4	+0.2	3/ +0.7	+1.3	+0.4	+0.5
Item	End of December to last Wednesday of August						
	1962	1961	1960	1959	1958	1957	1956
<u>All commercial banks</u>							
Total loans	+3.0	-0.4	+2.5	2/ +7.8	-1.1	+1.9	+4.3
U.S. Gov't securities	-2.9	+3.2	-2.3	2/ -6.1	+7.9	-2.4	-4.4
Other securities	+4.1	+1.6	-0.5	2/ -0.1	+2.3	+0.6	-0.3
Total	+4.2	+4.5	-0.5	2/ +1.7	+9.0	+0.1	-0.5
<u>Weekly reporting banks</u>							
Total loans	+0.5	-2.3	-0.3	+4.1	-2.7	+0.2	+2.7
U.S. Gov't securities	-3.2	+2.9	-0.3	-5.4	+6.5	-1.7	-3.5
Other securities	+2.9	+1.1	-0.3	-0.2	+1.6	+0.1	-0.4
Total	+0.2	+1.7	-0.9	-1.4	+5.3	-1.5	-1.2
<u>Other banks</u>							
Total loans	+2.5	+1.9	+2.8	2/ +3.7	+1.6	+1.7	+1.6
U.S. Gov't. securities	+0.3	+0.3	-2.0	2/ -0.7	+1.4	-0.7	-0.9
Other securities	+1.2	+0.5	-0.2	2/ +0.1	+0.7	+0.5	+0.1
Total	+4.0	+2.8	+0.4	2/ +3.1	+3.7	+1.6	+0.7

NOTE--Data exclude all interbank loans; call report data for weekly reporting banks used when available.

1/ Less than \$50 million. 2/ As a result of bank structure changes, total credit increased about \$1 billion \$600 million in loans. \$300 million in U.S. Gov't securities and \$100 million in other securities. 3/ As a result of bank structure changes, credit increased about \$300 million with \$200 million in loans and \$100 million in U.S. Gov't securities.

Exhibit E
Changes in Commercial and Industrial Loans at Weekly Reporting Banks
(In millions of dollars)

Business of Borrower	End of July to end of August ^{3/}					End of December to end of August				
	1962	1961	1960	1959	1958	1962	1961	1960	1959	1958
Food processors	+ 42	+106	+102	+126	+105	-555	-500	-561	-464	-670
Commodity dealers	+ 37	+ 87	+ 83	+ 92	+125	-197	-187	-603	-234	-165
Trade concerns	+ 63	+ 61	- 32	+ 45	+ 11	+140	-142	+294	+325	-152
Total	+142	+254	+153	+263	+241	-612	-829	-870	-373	-987
Sales finance	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	+ 8	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>2/</u> +455	-920
Metals and products	+ 91	- 83	-112	- 7	-158	- 10	-424	+642	+878	-297
Textiles, apparel, etc.	+ 99	+ 76	+ 89	+ 83	+ 3	+396	+249	+388	+353	+ 76
Petroleum, coal, etc.	- 16	-143	- 11	+ 26	+ 23	- 90	-113	-142	-134	-201
Other manufacturing and mining	+ 27	+ 17	+ 24	+ 33	- 17	+552	+241	+385	+292	+141
Public utilities	+ 87	- 94	-105	- 19	- 12	-420	-475	-173	- 75	-310
Construction	+ 29	+ 9	+ 20	+ 9	+ 35	+221	+ 79	+121	+114	+ 94
All other types of business	- 37	+118	+ 55	- 12	+ 71	+190	+539	+215	+ 2	+153
Classified	+422	+155	+113	+376	+194	+227	-733	+566	+1,511	-2,250
Unclassified	+ 58	+ 2	-126	+ 17	+ 20	+287	+ 34	- 61	+200	-208
Total change	+480	+156	- 13	+393	+214	+514	-699	+505	+1,711	-2,458
Total change excluding sales finance	+480	+156	- 13	+393	+206	+514	-699	+505	+1,265	-1,538

^{1/} Not included in business loans on revised basis.

^{2/} Through July 1.

^{3/} Five weeks used throughout.

Exhibit F

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

Date	Loans and investments	U. S. Govt. securities	Other securities	Total loans	Business	Real estate	Security	Farm	Consumer	Nonbank financial institutions	All other
1956: Dec. 31	164.5	58.6	16.3	89.7	38.7	22.5	4.3	4.2	14.6	--	6.9
1957: Dec. 31	169.3	58.2	17.9	93.2	40.5	23.1	4.2	4.1	15.8	--	7.2
1958: Dec. 31	184.4	66.4	20.6	97.5	40.4	25.3	4.7	5.0	15.9	--	8.2
1959: June 24 (old)	184.2	60.9	20.6	102.8	42.5	26.9	4.1	5.0	17.5	--	8.8
June 24 (new)	184.2	60.9	20.6	102.8	37.8	26.9	4.1	5.0	17.5	5.9	7.6
Dec. 31 ^{1/}	189.5	58.9	20.5	110.0	40.2	28.1	4.9	5.0	18.8	7.1	8.1
1960: Dec. 31	198.5	61.0	20.9	116.7	43.1	28.7	5.1	5.7	20.6	7.1	8.7
1961: May 31	^{2/} 199.2	61.5	21.9	115.8	42.3	29.0	4.8	6.0	21.1	6.0	^{2/} 8.9
June 30	200.9	61.8	22.1	117.0	42.8	29.3	4.9	6.0	21.2	6.0	9.2
July 26	203.3	64.7	22.3	116.3	42.3	29.5	5.1	6.0	21.2	5.7	9.0
Aug. 30	203.0	64.2	22.5	116.3	42.5	29.7	4.6	5.8	21.2	5.9	9.1
Sept. 27	207.5	66.1	23.3	118.1	43.0	29.8	5.1	5.8	21.0	6.4	9.4
Oct. 25	208.3	66.6	23.2	118.5	43.2	29.9	5.2	5.9	21.0	6.1	9.6
Nov. 29	209.1	66.2	23.4	119.5	43.6	30.1	5.0	6.0	21.0	6.3	9.9
Dec. 30	214.4	66.6	23.9	123.9	45.2	30.3	6.2	6.2	21.1	7.3	10.2
1962: Jan. 31 p	210.9	67.2	24.1	119.6	43.4	30.4	4.7	6.4	21.0	6.4	10.0
Feb. 28 p	211.6	66.0	24.5	121.1	43.7	30.5	5.4	6.6	20.9	6.4	10.1
Mar. 28 p	212.4	64.4	25.4	122.6	44.8	30.7	5.4	6.6	21.1	6.5	10.2
Apr. 28 p	214.7	64.6	26.2	123.9	44.7	31.1	5.7	6.7	21.4	6.5	10.4
May 30 p	215.0	64.3	26.2	124.5	44.9	31.5	5.1	6.6	21.7	6.6	10.7
June 27 p	217.8	64.2	27.0	126.6	45.5	32.0	4.9	6.7	22.0	7.1	10.9
July 25 p	217.4	64.0	27.7	125.7	45.0	32.4	4.3 ^p	6.8 ^p	22.2	6.9	10.8
Aug. 29 p	^{2/} 218.6	63.7	28.0	^{2/} 126.9	45.5	32.8	4.5	6.2	22.4	7.2	10.9

p - Preliminary. ^{1/} Structure changes in 1959, on balance through August, added almost \$1 billion to total credit; \$600 million in loans; \$300 million in U. S. Government securities; and \$100 million in other securities. Real estate loans increased about \$300 million; business loans \$100 million; consumer loans, \$100 million; and other loans \$100 million. ^{2/} Increase of \$200 million due to reclassification of foreign interbank loans into other loans. Total loans are also affected by this same amount. NOTE: Data exclude interbank loans. Total loans are after and types of loans before deductions for valuation reserves. Consumer and "other loans" are partly estimated for all dates. Other data are partly estimated on all but June and December call dates. Beginning June 24, 1959, "business loans" and "all other loans" have been revised to exclude loans to nonbank financial institutions.

Ratios to Total Deposits 1/

Date	L O A N S						U. S. Govt. securi- ties maturing within one year
	All com- mercial banks	Member banks					All commercial banks
		Total	Reserve city banks			Country	
New York City	City of Chicago		Other				
1948: Dec. 31	31.2	31.3	35.9	30.4	33.4	27.1	2/ 14.2
1949: Dec. 31	31.1	30.9	34.9	25.6	32.4	28.5	2/ 19.2
1950: Dec. 31	35.8	36.1	42.5	32.3	38.1	31.5	2/ 15.2
1951: Dec. 31	37.2	37.6	46.3	36.2	39.4	32.1	9.8
1952: Dec. 31	39.3	39.9	50.6	38.9	41.1	33.9	11.7
1953: Dec. 31	40.5	41.1	50.6	39.1	42.2	36.1	16.9
1954: Dec. 31	40.3	40.7	46.8	38.3	41.9	37.1	10.0
1955: Dec. 31	45.8	46.7	56.7	46.3	48.5	40.7	5.1
1956: Dec. 31	48.8	50.1	61.7	52.7	52.7	42.6	7.5
1957: Dec. 31	49.7	51.0	61.9	55.2	53.3	44.1	8.4
1958: Dec. 31	48.4	49.4	57.7	49.4	51.3	44.4	8.3
1959: Dec. 31	54.0	55.6	67.3	58.2	58.2	48.2	6.7
1960: Dec. 31	55.1	56.5	65.9	60.8	59.0	50.3	8.1
1961: July 26	54.8	55.7	62.0	54.8	58.0	51.1	12.2
Aug. 31	55.1	56.1	62.8	57.1	58.6	51.1	11.4
Sept. 27	54.7	55.7	63.6	56.6	57.9	50.7	11.8
Oct. 25	54.3	55.3	62.9	57.9	57.7	50.2	11.4
Nov. 29	54.7	55.7	63.5	57.7	58.3	50.5	10.4
Dec. 30	54.5	55.7	65.0	58.0	57.7	50.2	10.6
1962: Jan. 31	54.1	55.3	63.0	56.8	57.7	50.1	10.9
Feb. 28	54.9	56.0	64.7	58.8	58.0	50.8	11.7
Mar. 28	55.4	56.5	65.8	59.2	58.3	51.2	10.6
Apr. 25p	55.4	56.5	65.4	58.3	58.4	51.3	10.9
May 30p	55.7	56.8	64.4	57.3	59.1	51.8	11.1
June 27p	55.8	56.8	63.8	57.7	58.8	52.3	10.8
July 25p	55.5	56.5	63.0	56.5	59.3	51.7	10.7
Aug. 29p	55.9	57.0	65.8	57.1	59.5	51.7	n.a.

1/ Total loans (adjusted to exclude loans to banks); U. S. Government securities maturing within one year estimated on basis of Treasury survey of ownership and total deposits (adjusted to exclude cash items in process of collection).

2/ Prior to 1951, data are on call basis and beginning in 1951, they are on maturity basis. On a call basis, data for 1951 and 1952 are 21.5 and 19.1 respectively.

NOTE: Comparability of figures affected by changes in Federal Reserve membership, mergers, etc.; by changes in the reserve classification of cities or individual banks, and by changes in items. Beginning August 1962, figures for both New York City and the City of Chicago include banks formerly classified as central reserve city and three banks whose classification as reserve city is continued

p - Preliminary.

Not for publication

DEPOSITS AND CURRENCY

Semi-monthly averages of daily figures, seasonally adjusted

Billions of dollars

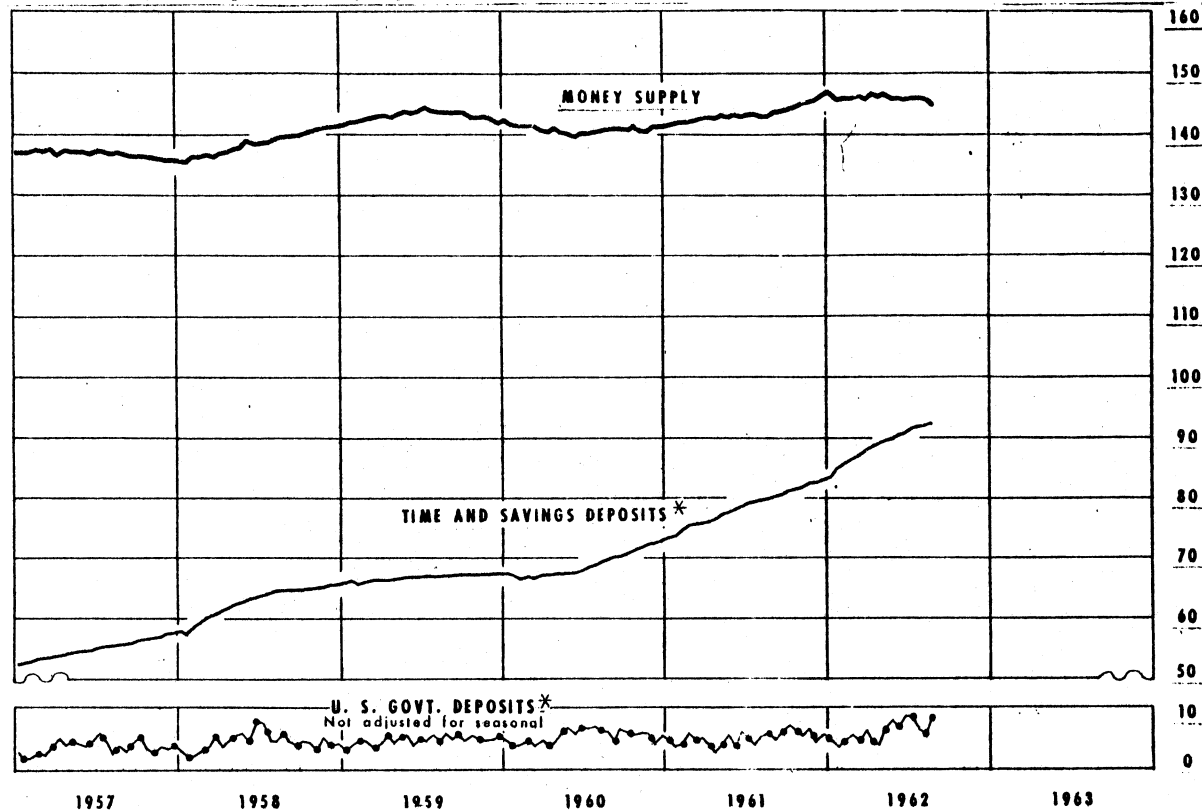


Exhibit H - Part II

	Seasonally adjusted data				U. S. Gov't. deposits
	Money supply			Time and savings deposits	
	Total	Demand deposits	Currency		
		(In billions of dollars)			
1959--Dec. (2)	141.8	113.0	28.8	67.4	5.2
1960--Dec. (2)	141.2	112.2	28.9	73.0	5.3
1961--Dec. (2)	146.0	116.4	29.6	82.7	5.5
1962--Apr. (1)	146.2	116.1	30.0	88.5	4.0
(2)	145.9	115.9	30.0	88.9	3.5
May (1)	146.2	116.2	30.0	89.3	6.3
(2)	145.3	115.3	30.0	89.8	7.7
June (1)	145.6	115.5	30.1	90.4	6.1
(2)	145.5	115.3	30.2	90.9	8.3
July (1)	145.7	115.5	30.2	91.6	8.2
(2)	145.7	115.5	30.2	91.9	6.0
Aug. (1)	145.6	115.4	30.2	92.2	5.4
(2)	144.8	114.6	30.3	92.7	8.2

TIME AND SAVINGS DEPOSITS AT MEMBER BANKS IN LEADING CITIES

Wednesday figures

Billions of dollars

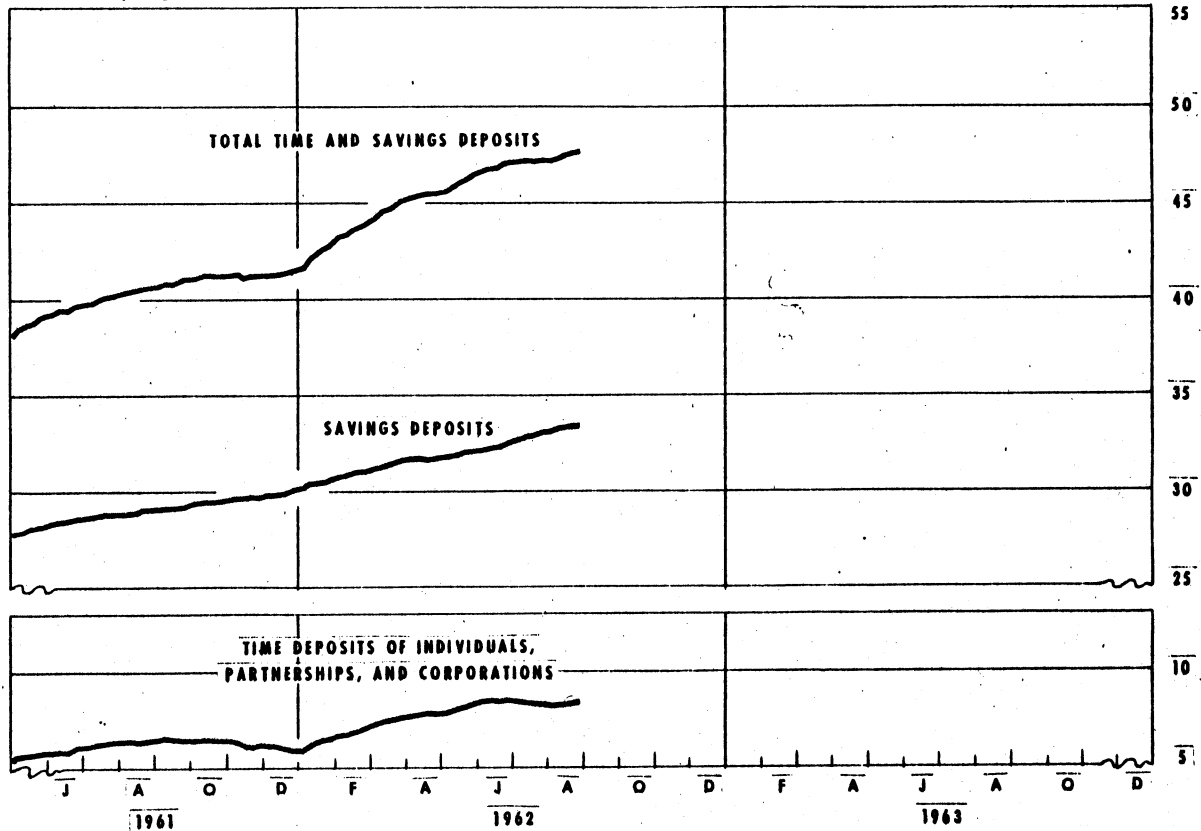


Exhibit I - Part II

Period	Time and Savings Deposits			
	Total	Savings	Individuals, partnerships, and corporations	Other time deposits ^{1/}
	(In millions of dollars)			
1961--April 26	38,175	27,819	5,480	4,876
Dec. 27	41,472	30,082	5,969	5,421
1962--March 28	45,055	31,634	7,614	5,807
April 25	45,513	31,740	7,804	5,969
May 30	46,484	32,116	8,322	6,046
June 27	47,077	32,539	8,511	6,027
July 25	47,257	33,044	8,296	5,917
Aug. 1	47,242	33,114	8,251	5,877
8	47,381	33,242	8,260	5,879
15	47,471	33,304	8,296	5,871
22	47,588	33,374	8,354	5,860
29	47,708	33,396	8,424	5,888

^{1/} Includes States and political subdivisions, U. S. Government, foreign governments and official institutions, and interbank.

Member Bank Reserves

(Based on averages of daily figures; in millions of dollars)

Date	Free reserves (excess reserves minus borrowings)					Excess reserves	Borrowings	Total reserves held seasonally adjusted			
	All member	Reserve City Banks			Country				All member	All member	All member
		New York City	City of Chicago	Other							
<u>Monthly averages:</u>											
1958: Dec.	- 41	- 80	- 32	-197	268	516	557	18,494			
1959: Dec.	-424	-109	-104	-449	237	481	906	18,540			
1960: Dec.	669	10	- 4	80	583	756	87	18,887			
1961: July	530	7	--	56	467	581	51	19,025			
Aug.	537	7	1	44	484	604	67	19,242			
Sept.	553	2	2	50	499	589	37	19,411			
Oct.	441	12	- 24	8	446	507	65	19,640			
Nov.	509	14	- 13	13	494	614	105	19,792			
Dec.	424	- 50	- 22	24	471	573	149	19,704			
1962: Jan.	546	41	2	20	483	616	70	19,812			
Feb.	434	11	- 3	22	404	502	68	19,789			
Mar.	379	- 24	- 6	15	394	470	91	19,764			
Apr.	440	50	- 20	9	401	509	69	19,822			
May	434	10	3	36	385	497	63	19,957			
June	370	- 12	- 3	- 4	389	470	100	19,984			
July	442	18	6	3	416	531	89	20,006			
August p	438	7	- 14	4	441	565	127	19,942			
<u>Weekly averages: p</u>											
1962: July 25	517	75	9	33	397	576	59	n.a.			
Aug. 1	364	15	5	3	341	434	70	n.a.			
8	334	- 15	- 16	- 36	401	490	156	n.a.			
15	467	29	- 25	21	442	597	130	n.a.			
22	385	- 28	- 22	- 19	454	541	156	n.a.			
29	462	7	- 5	13	447	535	73	n.a.			

NOTE: Beginning July 26, 1962, figures for both New York City and the City of Chicago include banks formerly classified as central reserve city and three banks whose classification as reserve city is continued.

p - Preliminary.

Liquid Assets Held by the Public -- Seasonally Adjusted Series
(Amounts in billions of dollars; ratios expressed as percentages)

End of year of month	Total liquid assets	Demand deposits adjusted and currency outside banks ^{1/}	Time deposits adjusted ^{1/}		Savings and loan shares ^{3/}	U. S. Govt. savings bonds ^{4/}	U. S. Govt. securities maturing within one year ^{5/}	Gross national product ^{6/}	R a t i o :		
			Commer- cial banks	Mutual savings banks ^{2/}					Commercial bank deposits + currency to total liquid assets ((2+3)÷1)	Total liquid assets to GNP	Money supply to GNP
	1	2	3	4	5	6	7	8	9	10	11
1956	339.9	134.5	50.7	31.6	37.0	54.8	31.3	430.0	54.5	78.8	31.2
1957	351.7	133.6	56.4	33.0	41.7	51.7	35.3	442.3	54.0	79.3	30.3
1958	368.9	138.8	63.4	35.1	47.7	50.5	33.4	460.6	54.8	79.4	30.0
1959	388.7	140.2	66.2	35.9	54.3	48.0	44.1	488.5	53.1	79.4	28.7
1960	396.0	139.2	71.7	37.1	61.8	47.1	39.1	503.3	53.3	78.3	27.6
1961:											
May	408.1	<u>7/</u> 140.8	<u>7/</u> 77.4	37.7	65.2	47.2	39.8		53.5		
June	413.2	140.9	78.4	38.1	65.9	47.2	42.7	513.1	53.1	79.5	27.5
July	414.4	141.5	79.0	38.3	66.5	47.3	41.8		53.2		
Aug.	414.4	141.3	79.8	38.3	67.3	47.3	40.4		53.4		
Sept.	417.2	141.9	80.6	38.6	68.0	47.4	40.7	522.3	53.3	79.4	27.1
Oct.	420.9	143.8	81.4	38.7	68.9	47.3	40.8		53.5		
Nov.	420.6	143.4	82.5	38.9	69.7	47.3	38.8		53.7		
Dec.	424.6	144.8	82.4	39.1	70.5	47.6	40.2	538.6	53.5	78.1	26.6
1962:											
Jan.	425.7	143.7	84.8	39.2	71.2	47.6	39.2		53.7		
Feb.	430.6	144.4	86.2	39.4	71.8	47.5	41.3		53.6		
Mar.	435.3	144.0	87.6	39.6	72.7	47.5	43.9	545.0	53.2	78.7	26.5
Apr.	438.8	145.7	88.3	39.8	73.3	47.4	44.3		53.3		
May	437.4	143.4	89.5	39.9	74.0	47.4	43.2		53.2		
June	442.3	143.4	e 90.7	40.2	74.7	47.4	45.9	552.0	52.9	79.4	26.1
July	443.5	144.3	91.4	r 40.6	75.2	47.5	44.5		53.1		
Aug.	n.a.	143.0	92.4	40.6	n.a.	n.a.	n.a.		n.a.		

Exhibit K (Continued)

p - Preliminary. e - Estimated.

- 1/ Data for demand and time deposits adjusted and currency outside banks are as of last Wednesday of month, except that time deposits are as of June 30 and December 31 when call data for these dates were available. Demand deposits adjusted are total demand deposits less interbank and U. S. Government demand deposits and cash items reported as in process of collection. Time deposits adjusted are total time deposits less interbank and U. S. Government time deposits.
- 2/ Includes savings deposits in the Postal Savings System.
- 3/ Prior to 1955 data are Board estimates based on monthly figures of inflow of new savings and withdrawals of savings capital compiled by the Federal Home Loan Bank Board.
- 4/ Includes all types of savings bonds held by investors other than banks and U. S. Government agencies and trust funds.
- 5/ Beginning May 1953 includes all marketable securities maturing within one year (adjusted to include partially tax exempt securities 12 months prior to first call date) and, prior to 1956, nonmarketable Treasury savings notes with maturities up to 36 months; figures include holdings of insurance companies, brokers and dealers, State and local governments, nonbank corporations, corporate pension funds, non-profit institutions, foreign accounts, and individuals; prior to May 1953 includes securities callable within one year.
- 6/ Gross national product estimates are available quarterly and annually only. For 1950-60 ratios are for last quarter of year; for 1961 and 1962, for each quarter of year. Data for total liquid assets and for money supply used in computing these ratios are quarterly averages for four dates: each month of the current quarter and the last month of the preceding quarter.
- 7/ Demand deposits adjusted (before seasonal adjustment) was increased by \$400 million and time deposits adjusted (before seasonal adjustment) was increased by \$1.5 billion due to the re-classification of deposits of foreign official institutions which formerly were grouped with interbank deposits and excluded from demand and time deposits adjusted.