

BANKING AND MONETARY DEVELOPMENTS IN FEBRUARY 1965

Seasonally adjusted commercial bank credit continued to increase substantially in February. The February expansion was slightly less than in January but considerably more than the average monthly rise in 1964. Both loans and holdings of municipal and Federal agency issues continued to expand rapidly. The seasonally adjusted money supply declined but time and savings deposits at commercial banks increased at near-record volume. Seasonally adjusted total and required reserves continued to expand, while average free reserves declined to a level well below that of most other recent months as member bank borrowings increased substantially while excess reserves rose moderately.

Bank credit. Seasonally adjusted loans and investments at all commercial banks increased \$2.4 billion in February compared with \$2.7 billion in January and an average \$1.6 billion in the year 1964. Over January and February, bank credit increased at an annual rate of over 11 per cent compared with 8 per cent in the year 1964. In contrast to January, when the sharp expansion in bank credit had been concentrated at city banks, the February increase was larger than usual at both banks in and outside of leading cities.

Total loans, after allowance for seasonal factors, increased \$1.7 billion in February reflecting continued substantial growth in most major categories--offset in part by a sharp reduction in security loans. The 18 per cent annual rate of growth in total loans so far this year has been well above last year's 12 per cent rate of increase.

Holdings of municipal and Federal agency securities increased \$600 million in February, less rapidly than in January, but substantially above the average of other recent months. The 23 per cent annual rate of growth so far this year is about the same as that of the sharp expansion of 1962 and early 1963.

Holdings of U. S. Government securities, seasonally adjusted, increased \$100 million in February following a sharp \$1.4 billion reduction in January. At city banks, liquidation of Treasury bills continued large over the early part of February but subsequently moderated somewhat. At banks outside leading cities, holdings of U. S. Treasury issues declined less than usual in February.

Seasonally adjusted business loans at all commercial banks increased \$1.1 billion in February, more than in any previous month except for the unusually sharp \$1.7 billion rise in January. The average rate of growth so far in 1965 has been almost three times the monthly average rate in 1964.

The less rapid business loan expansion in February compared with January presumably reflected in part some tapering-off in the pace of foreign lending compared with the sharp rise in late 1964 and early 1965. Moreover, heavier demands for bank credit associated with the dock strike terminated in February resulting in a retardation of loans to commodity dealers, a category of loan demand that had risen contra-seasonally at a rapid rate in January.

Offsetting in part the less rapid expansion of loan demand from foreigners and those affected by the dock strike was continued moderate expansion of inventory borrowing by metal concerns in anticipation of a possible steel strike. In addition, general loan demand remained strong, as domestic economic expansion accelerated in the early months of the year, in trade, chemicals, petroleum, public utilities and the miscellaneous manufacturing and mining groups.

Substantial growth in real estate and consumer loans continued in February. The annual rate of expansion so far this year in real estate loans has been similar to that of the year 1964 but growth in consumer loans has been at a somewhat faster pace. Loans to nonbank financial institutions increased in February after showing only seasonal changes in other recent months. Security loans declined, presumably associated in part with smaller Treasury financing operations in February of this year than in most earlier years.

Money supply and time deposits. The seasonally adjusted money supply declined \$700 million in February, the first monthly reduction in this series since late 1963 although the decline began in the second half of January. A larger-than-usual build-up in U. S. Government deposits at commercial banks contributed to the reduction in private deposits in February. However, recent declines in the money supply were also undoubtedly associated with transfers of funds into savings and time deposits at commercial banks following interest rate increases on such deposits. From October through February, a period when time deposits increased rapidly, the money supply rose at an annual rate of less than 1 per cent.

Seasonally adjusted time and savings deposits at all commercial banks increased \$2.2 billion in February following the record volume rise of \$2.4 billion in January. Over the two months, growth was at an annual rate of almost 22 per cent, close to the highs of early 1962.

At city banks, both savings and time deposits continued to show more rapid expansion than usual in February. Growth in savings deposits was about the same as that in February 1962 following an earlier increase in interest rates. While substantial growth in other time deposits was associated in part with sales of negotiable CD's, these sales were much smaller than in January and were concentrated during February at banks in New York City in contrast with heavy sales of CD's by outside banks during the previous month.

Bank reserves. Seasonally adjusted total and required reserves continued to expand in February. Free reserves declined to an average of \$35 million considerably below the levels of most other recent months. Member bank borrowings increased to over \$400 million but excess reserves also rose somewhat. Reserves were supplied by Federal Reserve purchases of U. S. Government securities and by further currency inflow and were absorbed principally by decreases in gold stock and in float.

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

March 18, 1965.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted

Billions of dollars

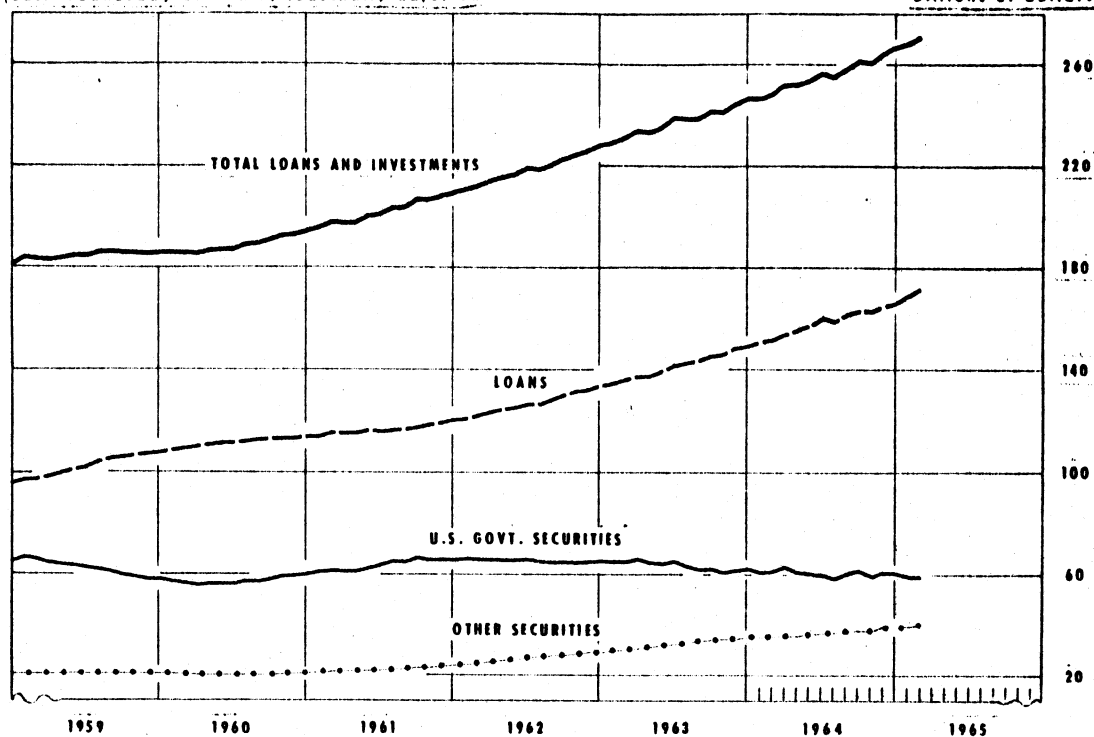


Exhibit A - Part II

| Date | Total <u>1/</u> | Loans <u>1/</u> | U. S. Gov't. securities | Other securities |
|-------------------------|--------------------------|-----------------|----------------------------|---------------------|
| | (In billions of dollars) | | | |
| 1960--Dec. 31 | 194.5 | 113.8 | 59.9 | 20.8 |
| 1961--Dec. 31 | 209.8 | 120.5 | 65.4 | 23.9 |
| 1962--Dec. 31 <u>2/</u> | 228.3 | 133.9 | 65.2 | 29.2 |
| 1963--Nov. 27 | 244.2 | 148.4 | 61.4 | 34.4 |
| Dec. 31 <u>2/</u> | 246.5 | 149.4 | 62.1 | 35.0 |
| 1964--Jan. 29 | 246.7 | 151.0 | 60.8 | 34.9 |
| Feb. 26 | 248.4 | 151.8 | 61.2 | 35.4 |
| Mar. 25 | 251.4 | 153.9 | 62.1 | 35.4 |
| Apr. 29 | 251.8 | 155.4 | 60.8 | 35.6 |
| May 27 | 253.5 | 157.3 | 60.3 | 35.9 |
| June 30 | 256.3 | 160.0 | 60.0 | 36.3 |
| July 29 | 254.5 | 159.7 | 58.4 | 36.4 |
| Aug. 26 | 258.7 | 161.5 | 60.2 | 37.0 |
| Sept. 30 p | 261.7 | 163.0 | 61.2 | 37.5 |
| Oct. 28 p | 260.8 | 163.1 | 59.9 | 37.8 |
| Nov. 25 p | 264.9 | 165.2 | 61.3 | 38.4 |
| Dec. 31 p <u>2/</u> | 266.0 | 166.7 | 60.9 | 38.4 |
| 1965--Jan. 27 p | 268.7 | 169.9 | 59.5 | 39.3 |
| Feb. 24 p | 271.1 | 171.6 | 59.6 | 39.9 |

1/ Adjusted to exclude interbank loans.2/ Estimated as of December 31.

LOANS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted

Billions of dollars

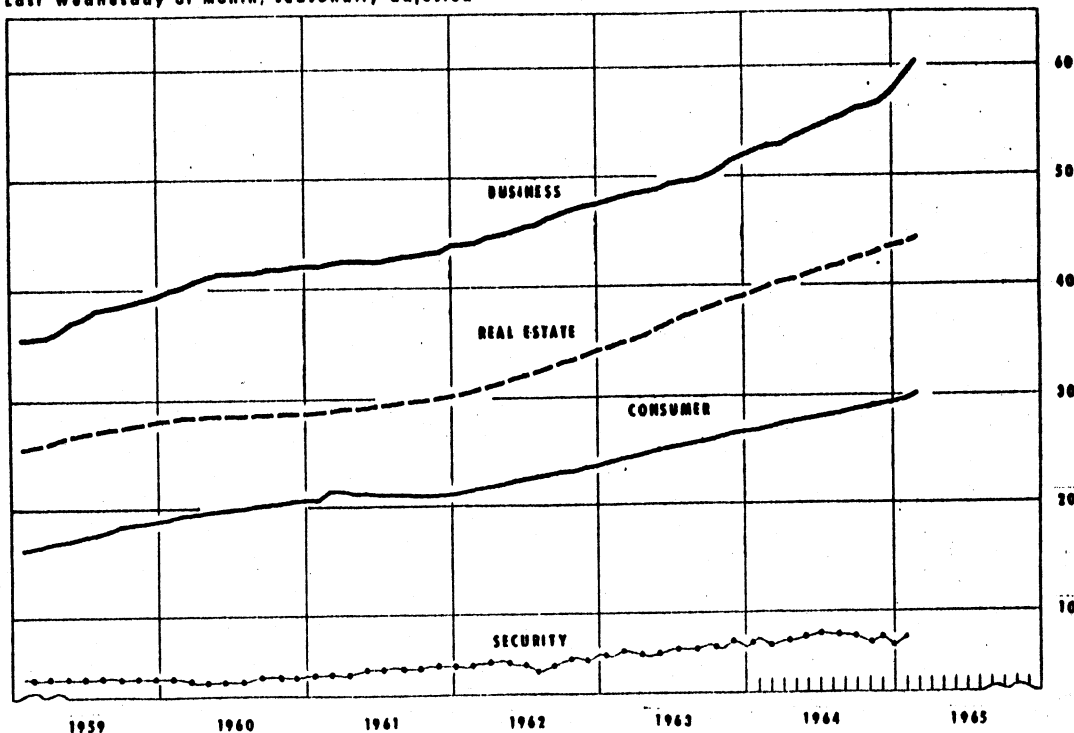


Exhibit B - Part II

| Date | Business | Real estate | Consumer | Security |
|--------------------------|----------|-------------|----------|----------|
| (In billions of dollars) | | | | |
| 1960--Dec. 31 | 42.1 | 28.6 | 20.6 | 4.4 |
| 1961--Dec. 31 | 43.9 | 30.2 | 21.1 | 5.2 |
| 1962--Dec. 31 <u>1/</u> | 47.6 | 34.2 | 23.7 | 6.2 |
| 1963--Nov. 27 | 51.5 | 38.8 | 26.5 | 7.3 |
| Dec. 31 <u>1/</u> | 52.0 | 39.1 | 26.7 | 6.7 |
| 1964--Jan. 29 | 52.5 | 39.5 | 26.8 | 7.5 |
| Feb. 26 | 52.9 | 40.0 | 27.1 | 6.9 |
| Mar. 25 | 53.0 | 40.4 | 27.4 | 7.3 |
| Apr. 29 | 53.6 | 40.6 | 27.6 | 7.4 |
| May 27 | 54.1 | 41.0 | 27.8 | 7.7 |
| June 30 | 54.6 | 41.4 | 28.0 | 8.0 |
| July 29 | 55.1 | 41.7 | 28.2 | 7.8 |
| Aug. 26 | 55.5 | 42.0 | 28.4 | 7.8 |
| Sept. 30 p | 56.1 | 42.5 | 28.7 | 7.6 |
| Oct. 28 p | 56.3 | 42.8 | 28.9 | 7.1 |
| Nov. 25 p | 56.8 | 43.1 | 29.1 | 7.7 |
| Dec. 30 p <u>1/</u> | 57.6 | 43.5 | 29.4 | 6.9 |
| 1965--Jan. 27 p | 59.3 | 43.8 | r29.7 | 7.6 |
| Feb. 24 p | 60.4 | 44.3 | 30.1 | 7.0 |

1/ Estimated as of December 31.

r - Revised.

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

| Item | 1 9 6 4 | | | | | | | | | | | | 1 9 6 5 | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|--------------|-------------|
| | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. p | Oct. p | Nov. p | Dec. p | Jan. p 5/ | Feb. p |
| Loans and Investments 2/ | <u>+0.2</u> | <u>+1.7</u> | <u>+3.0</u> | <u>+0.4</u> | <u>+1.7</u> | <u>+2.8</u> | <u>-1.8</u> | <u>+4.2</u> | <u>+3.0</u> | <u>-0.9</u> | <u>+4.1</u> | <u>+1.1</u> | <u>+2.7</u> | <u>+2.4</u> |
| U. S. Gov't. securities | -1.3 | +0.4 | +0.9 | -1.3 | -0.5 | -0.3 | -1.6 | +1.8 | +1.0 | -1.3 | +1.4 | -0.4 | -1.4 | +0.1 |
| Other securities | -0.1 | +0.5 | <u>1/</u> | +0.2 | +0.3 | +0.4 | +0.1 | +0.6 | +0.5 | +0.3 | +0.6 | <u>1/</u> | +0.9 | +0.6 |
| Loans 2/ | <u>+1.6</u> | <u>+0.8</u> | <u>+2.1</u> | <u>+1.5</u> | <u>+1.9</u> | <u>+2.7</u> | <u>-0.3</u> | <u>+1.8</u> | <u>+1.5</u> | <u>+0.1</u> | <u>+2.1</u> | <u>+1.5</u> | <u>+3.2</u> | <u>+1.7</u> |
| Business | +0.5 | +0.4 | +0.1 | +0.6 | +0.5 | +0.5 | +0.5 | +0.4 | +0.6 | +0.2 | +0.5 | +0.8 | +1.7 | +1.1 |
| Real estate | +0.4 | +0.5 | +0.4 | +0.2 | +0.4 | +0.4 | +0.3 | +0.3 | +0.5 | +0.3 | +0.3 | +0.4 | +0.3 | +0.5 |
| Consumer | +0.1 | +0.3 | +0.3 | +0.2 | +0.2 | +0.2 | +0.2 | +0.2 | +0.3 | +0.2 | +0.2 | +0.3 | r+0.3 | +0.4 |
| Security | +0.8 | -0.6 | +0.4 | +0.1 | +0.3 | +0.3 | -0.2 | <u>1/</u> | -0.2 | -0.5 | +0.6 | -0.8 | +0.7 | -0.6 |
| Nonbank financial | -0.3 | +0.2 | +0.4 | +0.1 | +0.2 | +0.5 | -0.7 | +0.1 | +0.3 | <u>1/</u> | +0.2 | <u>1/</u> | <u>1/</u> | +0.2 |
| Agriculture | <u>1/</u> | -0.2 | +0.1 | +0.1 | +0.2 | -0.1 | +0.1 | +0.2 | +0.1 | -0.1 | +0.1 | -0.1 | +0.1 | -0.2 |
| All other | +0.2 | +0.3 | +0.3 | +0.5 | +0.2 | +0.6 | -0.2 | +0.1 | +0.1 | +0.2 | +0.2 | <u>4/</u> +0.7 | +0.3 | +0.5 |
| Total loans excluding security 3/ | <u>+0.9</u> | <u>+1.5</u> | <u>+1.6</u> | <u>+1.7</u> | <u>+1.7</u> | <u>+2.1</u> | <u>+0.2</u> | <u>+1.3</u> | <u>+1.9</u> | <u>+0.8</u> | <u>+1.5</u> | <u>+2.1</u> | <u>r+2.7</u> | <u>+2.5</u> |
| Total loans excluding security and non-bank financial 3/ | <u>+1.2</u> | <u>+1.3</u> | <u>+1.2</u> | <u>+1.6</u> | <u>+1.5</u> | <u>+1.6</u> | <u>+0.9</u> | <u>+1.2</u> | <u>+1.6</u> | <u>+0.8</u> | <u>+1.3</u> | <u>+2.1</u> | <u>r+2.7</u> | <u>+2.3</u> |

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.

3/ Derived by addition of items and not by subtraction from total loans.

4/ Increase in "all other" reflects bank purchases of \$450 million of Export-Import Bank certificates.

5/ Credit increase overstated by \$200 million, about equally divided between loans and investments, as a result of a correction for reporting errors in one district.

Exhibit D
Changes in Loans and Investments at All Commercial Banks, at Weekly Reporting Banks, and at Other Banks, Not Seasonally Adjusted
(In billions of dollars)

| Item | Last Wednesday of January to last Wednesday of February | | | | | | |
|-------------------------------|---|----------------|----------------|------|------|------|--------|
| | 1965 | 1964 | 1963 | 1962 | 1961 | 1960 | 1959 |
| All commercial banks | | | | | | | |
| Total loans | +2.1 | +1.1 | +1.8 | +1.5 | +1.6 | +0.7 | +0.1 |
| U. S. Gov't. securities | -1.0 | -0.6 | -0.9 | -1.2 | -0.6 | -1.8 | -2.0 |
| Other securities | +0.6 | +0.5 | +0.4 | +0.4 | +0.4 | -0.2 | 1/ |
| Total | +1.7 | +1.0 | +1.3 | +0.7 | +1.4 | -1.3 | -1.9 |
| Weekly reporting banks | | | | | | | |
| Total loans | +1.5 | +0.7 | +1.2 | +1.0 | +1.4 | +0.3 | -0.1 |
| U. S. Gov't. securities | -0.8 | -0.2 | -0.5 | -1.0 | -0.4 | -1.2 | -1.3 |
| Other securities | +0.5 | +0.4 | +0.3 | +0.4 | +0.3 | 1/ | 1/ |
| Total | +1.1 | +1.0 | +1.0 | +0.4 | +1.3 | -0.9 | -1.3 |
| Other banks | | | | | | | |
| Total loans | +0.6 | +0.3 | +0.6 | +0.5 | +0.2 | +0.4 | +0.2 |
| U. S. Gov't. securities | -0.2 | -0.4 | -0.4 | -0.2 | -0.2 | -0.6 | -0.7 |
| Other securities | +0.1 | +0.1 | +0.1 | 1/ | +0.1 | -0.2 | 1/ |
| Total | +0.6 | 1/ | +0.3 | +0.3 | +0.1 | -0.4 | -0.6 |
| Item | End of December to end of February | | | | | | |
| | 1965 <u>3/</u> | 1964 <u>3/</u> | 1963 <u>3/</u> | 1962 | 1961 | 1960 | 1959 |
| All commercial banks | | | | | | | |
| Total loans | -1.4 | -3.3 | -2.7 | -2.8 | -2.3 | -1.9 | 2/-1.5 |
| U. S. Gov't. securities | -2.4 | -1.9 | -1.1 | -0.6 | +0.3 | -2.7 | 2/-0.9 |
| Other securities | +1.0 | 1/ | +0.6 | +0.6 | +0.4 | -0.4 | 2/-0.2 |
| Total | 4/-2.8 | -5.2 | -3.2 | -2.8 | -1.5 | -5.2 | 2/-2.5 |
| Weekly reporting banks | | | | | | | |
| Total loans | -1.6 | -3.0 | -2.7 | -2.5 | -1.9 | -2.1 | -1.7 |
| U. S. Gov't. securities | -2.1 | -1.4 | -0.9 | -0.7 | 1/ | -2.2 | -1.2 |
| Other securities | +0.7 | 1/ | +0.4 | +0.4 | +0.4 | -0.2 | -0.2 |
| Total | -3.1 | -4.5 | -3.1 | -2.8 | -1.5 | -4.4 | -3.1 |
| Other banks | | | | | | | |
| Total loans | +0.2 | -0.3 | 1/ | -0.3 | -0.4 | +0.2 | 2/+0.2 |
| U. S. Gov't. securities | -0.3 | -0.5 | -0.2 | +0.1 | +0.3 | -0.5 | 2/+0.3 |
| Other securities | +0.3 | 1/ | +0.2 | +0.2 | 1/ | -0.2 | 2/ 1/ |
| Total | 5/+0.3 | -0.7 | -0.1 | 1/ | 1/ | -0.8 | 2/+0.6 |

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

1/ Less than \$50 million. 2/ In January 1959, total credit increased over \$400 million as a result of bank structure changes; loans, \$300 million; U. S. Gov't. securities, \$100 million; and other securities \$100 million. 3/ Estimated as of December 31, 1962, and December 31, 1964, for all commercial banks and weekly reporting banks and for all commercial banks, December 31, 1963. 4/ Credit decline understated by \$200 million, about equally divided between loans and investments, as a result of a correction for reporting errors in one district. 5/ Credit increase overstated by \$200 million; see footnote 4/.

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

| Business of borrower | End of January to end of February 1/ | | | | | Late-December to end of February 2/ | | | | |
|--------------------------------|--------------------------------------|-------------|-------------|-------------|-------------|-------------------------------------|-------------|-------------|-------------|-------------|
| | 1965 | 1964 | 1963 | 1962 | 1961 | 1965 | 1964 | 1963 | 1962 | 1961 |
| Food processors | - 76 | -126 | - 99 | - 75 | - 12 | -190 | -426 | -304 | -279 | -235 |
| Commodity dealers | + 54 | -104 | - 5 | - 30 | + 42 | +128 | -136 | + 14 | - 28 | + 17 |
| Trade concerns | <u>+100</u> | <u>+109</u> | <u>+ 91</u> | <u>+ 32</u> | <u>- 16</u> | <u>+ 53</u> | <u>-286</u> | <u>-197</u> | <u>-153</u> | <u>-260</u> |
| Total | + 78 | -121 | - 13 | - 73 | + 14 | - 9 | -848 | -487 | -460 | -478 |
| Metals and products | +239 | +185 | +140 | +172 | +126 | +311 | +266 | + 11 | - 32 | - 54 |
| Textiles, apparel, etc. | +115 | +191 | +121 | +133 | +116 | + 97 | + 88 | + 83 | +144 | + 87 |
| Petroleum, coal, etc. | +280 | - 22 | - 9 | - 40 | - 36 | +264 | + 96 | - 60 | -102 | + 51 |
| Other manufacturing and mining | +202 | + 8 | + 49 | + 8 | + 42 | +367 | + 34 | +217 | +161 | - 32 |
| Public utilities | + 19 | -135 | - 67 | -140 | -119 | + 32 | -241 | -250 | -374 | -151 |
| Construction | + 47 | + 26 | + 2 | - 2 | - 12 | + 9 | + 21 | - 65 | - 19 | - 30 |
| All other types of business | <u>+ 54</u> | <u>+161</u> | <u>+ 18</u> | <u>+ 64</u> | <u>+ 5</u> | <u>+174</u> | <u>+250</u> | <u>- 27</u> | <u>+ 12</u> | <u>+ 52</u> |
| Banker's acceptances | - 67 | + 43 | n.a. | n.a. | n.a. | -254 | n.a. | n.a. | n.a. | n.a. |
| Other, mainly services | +121 | +118 | n.a. | n.a. | n.a. | +428 | n.a. | n.a. | n.a. | n.a. |
| Classified | +1,034 | +293 | +244 | +123 | +134 | +1,245 | -334 | -577 | -669 | -555 |
| Unclassified | +158 | +102 | + 25 | + 72 | - 36 | +128 | + 66 | - 25 | - 47 | -124 |
| Total change | +1,192 | +395 | +269 | +195 | + 98 | +1,373 | -268 | -602 | -716 | -679 |

1/ Four most comparable weeks used throughout.

2/ Changes are compiled from December 23, 1964; December 25, 1963; December 26, 1962; December 27, 1961; and December 28, 1960. Dates other than last Wednesdays of 1963 and 1964 were selected in order to avoid turn-of-the-year dating differences. These data cannot be linked with all commercial bank data which are always for December 31.

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

| Date | Loans and investments | U. S. Gov't. | Other securities | Total loans | Business | Real estate | Security | Farm | Consumer | Nonbank financial institutions | All other |
|----------------------|-----------------------|--------------|------------------|-------------|----------|-------------|----------|------|----------|--------------------------------|-----------|
| 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--Dec. 30 | 214.4 | 66.6 | 23.9 | 123.9 | 45.2 | 30.3 | 6.2 | 6.2 | 21.4 | 7.3 | 9.8 |
| 1962--Dec. 31 (est.) | 233.6 | 66.4 | 29.3 | 137.9 | 49.1 | 34.3 | 7.3 | 7.1 | 23.7 | 8.5 | 10.7 |
| 1963--June 29 | 239.1 | 63.5 | 32.4 | 143.1 | 49.9 | 36.7 | 6.9 | 7.5 | 25.5 | 8.6 | 11.0 |
| July 31 | 237.8 | 62.5 | 32.9 | 142.4 | 49.0 | 37.3 | 6.4 | 7.2 | 25.7 | 8.9 | 10.8 |
| Aug. 28 | 237.1 | 60.9 | 33.7 | 142.5 | 49.2 | 37.8 | 6.1 | 6.8 | 26.0 | 8.7 | 10.8 |
| Sept. 25 | 241.9 | 61.8 | 34.2 | 146.0 | 50.1 | 38.2 | 7.4 | 7.0 | 26.1 | 9.1 | 11.0 |
| Oct. 30 | 242.4 | 62.0 | 34.5 | 146.0 | 50.6 | 38.6 | 6.5 | 7.3 | 26.3 | 8.6 | 11.1 |
| Nov. 27 | 245.0 | 62.3 | 34.1 | 148.6 | 51.9 | 39.0 | 7.0 | 7.4 | 26.5 | 8.6 | 11.3 |
| Dec. 31 (est.) | 252.4 | 63.4 | 35.1 | 153.9 | 53.7 | 39.2 | 7.9 | 7.4 | 26.7 | 10.2 | 11.8 |
| 1964--Jan. 29 | 246.2 | 62.1 | 34.6 | 149.5 | 51.8 | 39.5 | 7.1 | 7.5 | 26.6 | 8.6 | 11.5 |
| Feb. 26 | 247.2 | 61.5 | 35.1 | 150.6 | 52.4 | 39.8 | 6.9 | 7.4 | 26.8 | 8.8 | 11.7 |
| Mar. 25 | 249.9 | 61.5 | 35.6 | 152.8 | 53.2 | 40.0 | 7.1 | 7.5 | 27.0 | 9.3 | 11.8 |
| Apr. 29 | 250.6 | 60.1 | 35.8 | 154.7 | 53.4 | 40.4 | 7.2 | 7.6 | 27.4 | 9.3 | 12.4 |
| May 27 | 251.5 | 59.1 | 35.8 | 156.7 | 53.9 | 40.8 | 7.5 | 7.7 | 27.8 | 9.3 | 13.0 |
| June 30 | 257.3 | 59.3 | 36.4 | 161.6 | 55.1 | 41.4 | 8.2 | 7.7 | 28.2 | 10.5 | 13.8 |
| July 29 | 254.3 | 58.3 | 36.5 | 159.4 | 54.4 | 41.8 | 7.6 | 7.6 | 28.5 | 9.5 | 13.3 |
| Aug. 26 | 256.1 | 58.8 | 37.1 | 160.2 | 54.9 | 42.2 | 7.2 | 7.4 | 28.7 | 9.7 | 13.4 |
| Sept. 30 p | 262.2 | 60.6 | 37.8 | 163.7 | 56.1 | 42.7 | 8.0 | 7.5 | 28.9 | 10.2 | 13.6 |
| Oct. 28 p | 262.1 | 61.1 | 38.0 | 163.0 | 56.2 | 43.0 | 7.1 | 7.6 | 29.0 | 9.6 | 13.8 |
| Nov. 25 p | 265.7 | 62.3 | 38.0 | 165.4 | 57.2 | 43.4 | 7.4 | 7.8 | 29.1 | 9.7 | 14.0 |
| Dec. 31 p (est.) | 272.6 | 62.4 | 38.5 | 171.7 | 59.6 | 43.6 | 8.1 | 7.8 | 29.4 | 11.4 | 2/ 15.1 |
| 1965--Jan. 27 p | 268.1 | 61.0 | 38.9 | 168.2 | 58.5 | 43.8 | 7.2 | 8.0 | r 29.5 | 9.9 | 14.8 |
| Feb. 24 p | 269.8 | 60.0 | 39.5 | 170.3 | 59.9 | 44.0 | 7.0 | 7.9 | 29.7 | 10.1 | 15.1 |

p - Preliminary. r - Revised.

1/ Structure changes in 1959, on balance through August, added almost \$1 billion 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 in "all other" reflects bank purchases of \$450 million of Export-Import Bank certificates.

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.

Exhibit G

Ratios to Total Deposits 1/

| Date | L O A N S | | | | | | U. S. Government securities maturing within one year | | |
|-----------------|----------------------|-------|--------------------|-----------------|-------|------|--|----------------------|--|
| | All commercial banks | Total | Member banks | | | | Country | All commercial banks | |
| | | | Reserve city banks | | | | | | |
| | | | New York City | City of Chicago | Other | | | | |
| 1948--Dec. 31 | 31.2 | 31.3 | 35.9 | 30.4 | 33.4 | 27.1 | <u>2/</u> | 14.2 | |
| 1949--Dec. 31 | 31.1 | 30.9 | 34.9 | 25.6 | 32.4 | 28.5 | <u>2/</u> | 19.2 | |
| 1950--Dec. 31 | 35.8 | 36.1 | 42.5 | 32.3 | 38.1 | 31.5 | <u>2/</u> | 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 | | 7.4 | |
| 1960--Dec. 31 | 55.1 | 56.5 | 65.9 | 60.8 | 59.0 | 50.3 | | 8.7 | |
| 1961--Dec. 31 | 54.5 | 55.7 | 65.0 | 58.0 | 57.7 | 50.2 | | 11.2 | |
| 1962--Dec. 28 | 56.5 | 57.7 | 67.9 | 61.4 | 60.1 | 51.7 | | 9.5 | |
| 1963--Nov. 27 | 59.0 | 60.2 | 69.3 | 61.2 | 63.5 | 54.0 | | 7.3 | |
| Dec. 25 | 58.6 | 59.9 | 67.4 | 62.1 | 63.3 | 53.8 | <u>3/</u> | 7.5 | |
| 1964--Jan. 29 | 58.8 | 60.0 | 67.3 | 62.1 | 63.9 | 53.9 | | 7.2 | |
| Feb. 26 | 59.3 | 60.5 | 67.6 | 62.3 | 64.2 | 54.5 | | 6.8 | |
| Mar. 25 | 59.3 | 60.5 | 67.5 | 62.5 | 64.1 | 54.7 | | 6.5 | |
| Apr. 29 | 60.2 | 61.4 | 68.4 | 61.9 | 65.1 | 55.6 | | 6.3 | |
| May 27 | 60.8 | 61.9 | 69.3 | 61.4 | 65.4 | 56.1 | | 6.4 | |
| June 30 | 60.7 | 61.9 | 69.1 | 62.6 | 64.9 | 56.2 | | 6.6 | |
| July 29 | 61.1 | 62.2 | 68.7 | 61.3 | 66.0 | 56.4 | | 5.7 | |
| Aug. 26 | 61.1 | 62.2 | 69.0 | 62.7 | 66.1 | 56.2 | | 6.3 | |
| Sept. 30 p | 60.5 | 61.6 | 68.0 | 62.3 | 66.0 | 55.8 | | 6.9 | |
| Oct. 28 p | 60.5 | 61.6 | 67.8 | 62.0 | 65.5 | 55.8 | | 7.2 | |
| Nov. 25 p | 60.8 | 62.0 | 69.4 | 62.1 | 66.1 | 55.9 | | 8.0 | |
| Dec. 30 p | 61.1 | 62.2 | 70.1 | 65.1 | 65.3 | 56.2 | | 8.0 | |
| 1965--Jan. 27 p | 61.0 | 62.2 | 69.9 | 63.4 | 65.4 | 56.3 | | 7.1 | |
| Feb. 24 p | 61.7 | 63.0 | 71.8 | 65.0 | 66.4 | 56.4 | | 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.

3/ Estimated for December 31.

NOTE--Comparability of figures affected by changes in Federal Reserve membership, mergers, etc.; by changed in the reserve classification of cities or individual banks, and by changes in items.

Corrected.

DEPOSITS AND CURRENCY AND TURNOVER OF DEMAND DEPOSITS

Seasonally adjusted; deposits, semi-monthly averages of daily figures; turnover, monthly Annual rate

Billions of dollars

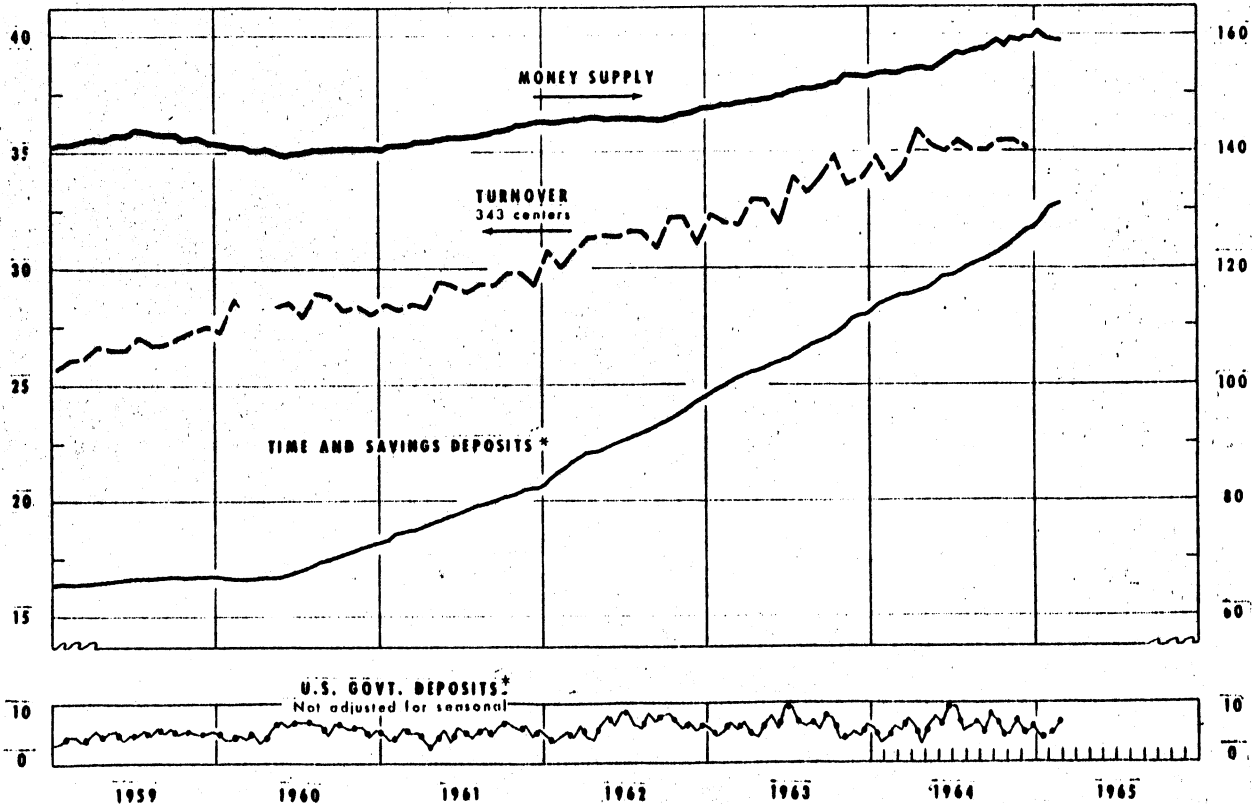


Exhibit H - Part II

*All commercial banks.

| Period | Seasonally Adjusted Data | | | | | U. S. Gov't. deposits |
|----------------|--------------------------|-----------------|----------|---------------------------|---------------------------------|-----------------------|
| | Money Supply | | | Time and savings deposits | Turnover 343 centers outside NY | |
| | Total | Demand deposits | Currency | | | |
| 1962--December | 147.6 | 117.1 | 30.6 | 97.9 | 31.3 | 5.6 |
| 1963--December | 153.2 | 120.7 | 32.4 | 112.3 | 33.9 | 5.2 |
| 1964--October | 158.6 | 124.7 | 33.9 | 123.1 | r35.6 | 5.6 |
| November | 159.1 | 124.9 | 34.2 | 125.1 | r35.6 | 5.8 |
| December | 159.4 | 125.2 | 34.2 | 126.5 | r35.3 | 5.5 |
| 1965--January | 159.8 | 125.3 | 34.5 | 128.9 | n.a. | 4.2 |
| February p | 159.1 | 124.5 | 34.6 | 131.1 | n.a. | 5.8 |
| 1964--Dec. (1) | 159.4 | 125.2 | 34.2 | 126.3 | n.a. | 4.9 |
| (2) | 159.4 | 125.2 | 34.2 | 126.7 | n.a. | 6.1 |
| 1965--Jan. (1) | 160.1 | 125.8 | 34.4 | 128.0 | n.a. | 4.7 |
| (2) | 159.5 | 124.9 | 34.5 | 129.7 | n.a. | 3.7 |
| Feb. (1) | 159.3 | 124.7 | 34.6 | 130.8 | n.a. | 4.8 |
| (2) p | 158.8 | 124.3 | 34.5 | 131.6 | n.a. | 6.9 |

TIME AND SAVINGS DEPOSITS AT MEMBER BANKS IN LEADING CITIES

Wednesday figures

Billions of dollars

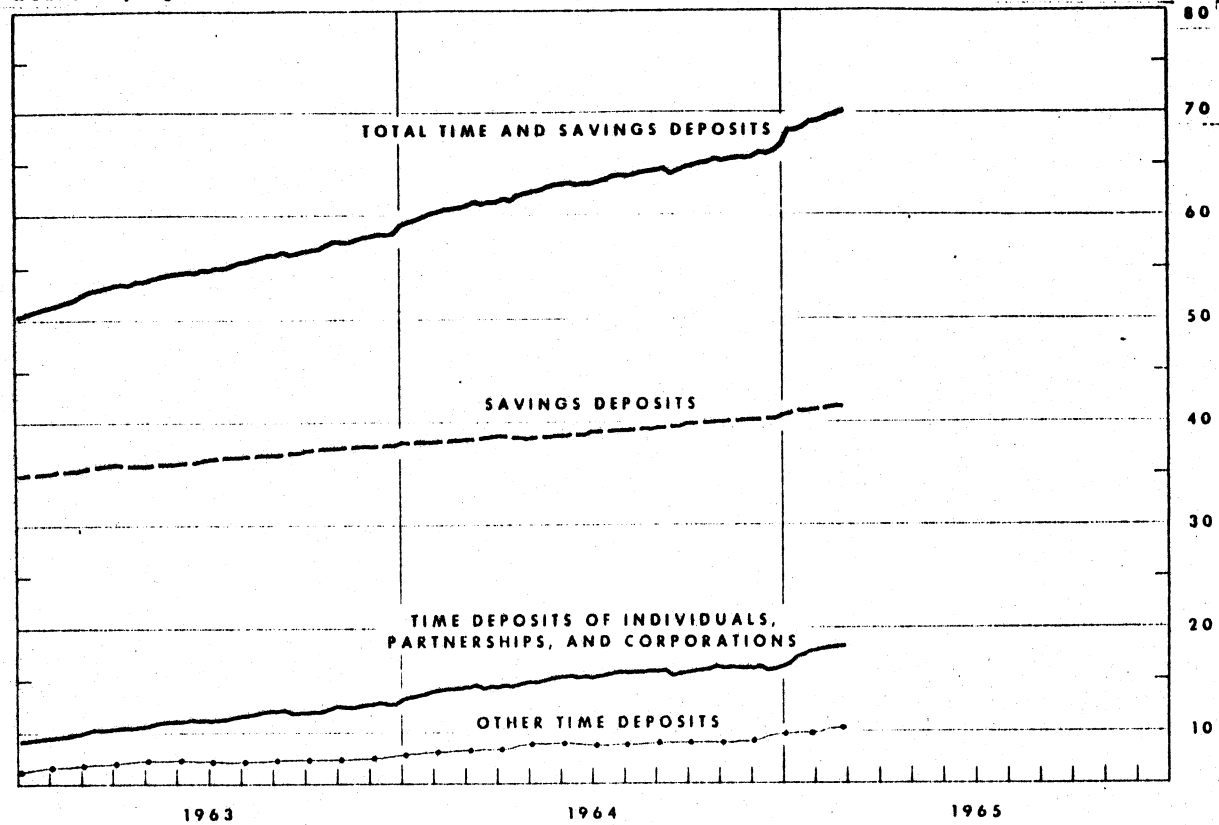


Exhibit I - Part II

| Period | Time and Savings Deposits | | | |
|--------------------------|---------------------------|---------|---|-----------------------------------|
| | Total | Savings | Individuals, partnerships, and corporations | Other time deposits ^{1/} |
| (In millions of dollars) | | | | |
| 1961--Apr. 26 | 38,175 | 27,819 | 5,480 | 4,876 |
| Dec. 27 | 41,472 | 30,082 | 5,969 | 5,421 |
| 1962--Dec. 26 | 50,011 | 34,712 | 9,080 | 6,219 |
| 1963--Dec. 31 | 59,227 | 38,083 | 13,310 | 7,834 |
| 1964--Nov. 25 | 65,612 | 40,255 | 16,288 | 9,069 |
| Dec. 30 | 66,881 | 40,698 | 16,407 | 9,776 |
| 1965--Jan. 27 | 69,085 | 41,220 | 17,959 | 9,906 |
| Feb. 3 | 69,242 | 41,341 | 17,962 | 9,939 |
| 10 | 69,651 | 41,485 | 18,049 | 10,117 |
| 17 | 69,957 | 41,567 | 18,178 | 10,212 |
| 24 | 70,152 | 41,630 | 18,267 | 10,255 |

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

Exhibit J

Member Bank Reserves

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

| Date | Free reserves (excess reserves minus borrowings) | | | | Country | Excess reserves | Borrowings | Total reserves held seasonally adjusted 1/ All member |
|--------------------------|---|--------------------|--------------------|-------|---------|--------------------|------------|--|
| | All member | Reserve City Banks | | | | | | |
| | | New York City | City of Chicago | Other | | | | |
| Monthly averages: | | | | | | | | |
| 1956--December | - 36 | - 91 | - 86 | -203 | 344 | 652 | 688 | 17,185 |
| 1957--December | -133 | -105 | - 77 | -228 | 277 | 577 | 710 | 17,077 |
| 1958--December | - 41 | - 80 | - 32 | -197 | 268 | 516 | 557 | 17,942 |
| 1959--December | -424 | -109 | -104 | -449 | 237 | 482 | 906 | 17,978 |
| 1960--December | 669 | 10 | - 4 | 80 | 583 | 756 | 87 | 18,283 |
| 1961--December | 419 | - 50 | - 22 | 20 | 471 | 568 | 149 | 18,977 |
| 1962--December | 268 | - 62 | - 11 | - 52 | 394 | 572 | 304 | 19,548 |
| 1963--October | 94 | - 99 | - 11 | - 93 | 298 | 407 | 313 | 19,923 |
| November | 33 | - 74 | - 36 | -138 | 281 | 409 | 376 | 19,994 |
| December | 209 | 19 | - 21 | -122 | 334 | 536 | 327 | 20,240 |
| 1964--January | 171 | - 23 | - 22 | -116 | 334 | 427 | 256 | 20,250 |
| February | 91 | - 7 | - 89 | - 87 | 275 | 395 | 304 | 20,270 |
| March | 98 | - 17 | - 86 | - 54 | 255 | 357 | 259 | 20,459 |
| April | 162 | - 2 | - 14 | - 78 | 255 | 375 | 213 | 20,478 |
| May | 78 | - 26 | - 3 | -112 | 218 | 333 | 255 | 20,403 |
| June | 118 | - 1 | - 14 | -115 | 247 | 388 | 270 | 20,682 |
| July | 132 | - 18 | - 19 | -103 | 272 | 397 | 265 | 20,663 |
| August | 79 | - 22 | - 8 | -155 | 264 | 413 | 334 | 20,751 |
| September | 90 | - 16 | - 34 | -139 | 279 | 421 | 331 | 21,011 |
| October | 103 | - 34 | - 26 | -118 | 281 | 412 | 309 | 20,948 |
| November | - 33 | - 86 | - 17 | -177 | 246 | 397 | 430 | 21,034 |
| December | 168 | - 13 | - 32 | -104 | 317 | 411 | 243 | 21,087 |
| 1965--January | 102 | - 70 | - 17 | - 82 | 270 | 402 | 299 | 21,174 |
| February p | 35 | - 90 | - 36 | -141 | 302 | 440 | 405 | 21,354 |

NOTE--Beginning July 26, 1962, figures for both New York 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.

Exhibit K
Liquid Assets Held by the Public - Seasonally Adjusted Series 1/
(Amounts in billions of dollars; ratios expressed as percentages)

| End of year or month | Total | Demand deposits and currency 2/ | Time deposits | | Postal Savings System | Savings and loan shares 4/ | U. S. Gov't. savings bonds 5/ | U. S. Gov't. securities maturing within one year 6/ | Ratios: | | |
|----------------------|-------|---------------------------------|---------------------|----------------------|-----------------------|----------------------------|-------------------------------|---|--|---|--|
| | | | Commercial banks 3/ | Mutual savings banks | | | | | Liquid assets to gross national product 7/ | Demand deposits and currency to gross national product 7/ | Commercial bank deposits and currency to liquid assets (2 + 3 ÷ 1) |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1954 | 320.2 | 130.2 | 48.2 | 26.3 | 2.1 | 27.2 | 55.6 | 30.6 | 85.9 | 35.0 | 55.7 |
| 1955 | 332.5 | 133.3 | 49.7 | 28.1 | 1.9 | 32.0 | 55.9 | 31.6 | 81.3 | 32.6 | 55.0 |
| 1956 | 343.2 | 134.6 | 52.0 | 30.0 | 1.6 | 37.0 | 54.8 | 33.2 | 79.6 | 31.2 | 54.4 |
| 1957 | 356.0 | 133.5 | 57.5 | 31.6 | 1.3 | 41.7 | 51.6 | 38.8 | 80.3 | 30.3 | 53.6 |
| 1958 | 373.1 | 138.8 | 65.4 | 33.9 | 1.1 | 47.7 | 50.5 | 35.6 | 80.2 | 29.9 | 54.8 |
| 1959 | 393.9 | 139.7 | 67.4 | 34.9 | 0.9 | 54.3 | 47.9 | 48.8 | 80.5 | 28.7 | 52.6 |
| 1960 | 399.2 | 138.4 | 73.1 | 36.2 | 0.8 | 61.8 | 47.0 | 41.9 | 79.2 | 27.6 | 53.0 |
| 1961 | 424.6 | 142.6 | 82.5 | 38.3 | 0.6 | 70.5 | 47.4 | 42.6 | 78.5 | 26.4 | 53.0 |
| 1962 | 459.0 | 144.8 | 98.1 | 41.4 | 0.5 | 79.8 | 47.6 | 46.8 | 80.4 | 25.4 | 52.9 |
| 1963 | | | | | | | | | | | |
| Nov. | 493.2 | 149.6 | 111.9 | 44.6 | 0.4 | 90.0 | 48.6 | 48.1 | | | 53.0 |
| Dec. | 495.3 | 149.6 | 112.9 | 44.5 | 0.5 | 90.8 | 49.0 | 48.1 | 81.9 | 24.8 | 53.0 |
| 1964 | | | | | | | | | | | |
| Jan. | 498.8 | 149.5 | 114.8 | 45.0 | 0.5 | 91.3 | 49.1 | 48.6 | | | 53.0 |
| Feb. | 499.5 | 148.4 | 115.5 | 45.4 | 0.4 | 92.3 | 49.0 | 48.4 | | | 52.8 |
| Mar. | 503.9 | 150.2 | 115.9 | 45.6 | 0.4 | 93.4 | 49.0 | 49.3 | 82.0 | 24.5 | 52.8 |
| Apr. | 505.9 | 149.9 | 117.0 | 46.0 | 0.4 | 94.0 | 49.1 | 49.5 | | | 52.8 |
| May | 507.5 | 149.6 | 117.9 | 46.3 | 0.4 | 94.8 | 49.1 | 49.4 | | | 52.7 |
| June | 511.3 | 151.1 | 118.6 | 46.8 | 0.4 | 95.7 | 49.2 | 49.4 | 82.0 | 24.3 | 52.7 |
| July | 511.7 | 151.8 | 119.8 | 47.1 | 0.4 | 96.5 | 49.3 | 46.7 | | | 53.1 |
| Aug. | 514.7 | 152.1 | 120.6 | 47.5 | 0.4 | 97.7 | 49.3 | 47.1 | | | 53.0 |
| Sept. p | 520.7 | 154.8 | 121.9 | 47.9 | 0.4 | 99.0 | 49.4 | 47.4 | 81.9 | 24.3 | 53.2 |
| Oct. p | 522.9 | 154.6 | 123.7 | 48.3 | 0.4 | 99.7 | 49.4 | 46.8 | | | 53.2 |
| Nov. p | 526.2 | 154.6 | 125.7 | 48.6 | 0.4 | 100.7 | 49.5 | 46.7 | | | 53.3 |
| Dec. p | 529.6 | 156.2 | 126.9 | 48.9 | 0.4 | 101.2 | 49.9 | 46.1 | 82.7 | 24.4 | 53.5 |
| 1965 | | | | | | | | | | | |
| Jan. p | 533.7 | 155.4 | 130.3 | 49.4 | 0.4 | 101.5 | 50.0 | 46.8 | | | 53.5 |
| Feb. p | 535.3 | 154.1 | 131.6 | 49.6 | 0.4 | 102.4 | 49.9 | 47.3 | | | 53.4 |

For footnotes see next page.

Exhibit K (Continued)

1. Excludes holdings of the United States Government, Government agencies and trust funds, domestic commercial banks, and Federal Reserve Banks. Adjusted to avoid double counting whenever possible. All series adjusted for seasonal variation by the X-9 variant of Method II developed by the Bureau of the Census.
2. Data are for demand deposits adjusted and currency outside banks and are as of the last Wednesday of the month. In concept the figures agree with the daily average money supply described in detail in the Federal Reserve Bulletin for August 1962, p. 941, except that demand deposits held by mutual savings banks and by savings and loan associations have been deducted to avoid double counting. Demand deposits of commercial banks in Alaska and Hawaii are included beginning January 1959 and August 1959, respectively, except that one national bank in Alaska and one national bank in Hawaii were included in April 1954 and April 1959, respectively. Demand deposits due to banks in United States possessions are included throughout.
3. Total time deposits at commercial banks except interbank, U.S. Treasurer's open account, and postal savings redeposited in commercial banks. Data are as of the last Wednesday of month except June 30 and December 31 when call data for these dates were used when available. Time deposits of commercial banks in Alaska and Hawaii and time deposits due to banks in U. S. possessions are included as indicated for demand deposits in footnote 2 above.
4. Figures compiled by the Federal Savings and Loan Insurance Corporation except that prior to 1955 data are Board estimates based on monthly figures of inflow of new savings and withdrawal of savings capital compiled by the Federal Home Loan Bank Board.
5. Includes all types of savings bonds held by investors other than commercial and mutual savings banks and U.S. Government agencies and trust funds. Holdings of savings and loan associations are also excluded beginning in February 1960, the earliest date for which separate figures for these institutions are available. Figures are from data compiled by the U. S. Treasury Department.
6. Beginning December 1950 figures include Treasury marketable securities and Federal agency securities maturing within one year, except holdings of domestic commercial, mutual savings, and Federal Reserve Banks, Government agencies and trust funds, and beginning February 1960, savings and loan associations. Figures have been 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. Prior to December 1950 figures for marketable issues include securities callable within one year. Figures represent par value and are from the U. S. Treasury Department's Survey of Ownership of U. S. Government Securities.
7. Gross national product figures are available quarterly and annually only. Data for total liquid assets used in computing these ratios are quarterly averages calculated for four dates (each month of the current quarter and the last month of the preceding quarter).