

October 18, 1965.

Research Library

BANKING AND MONETARY DEVELOPMENTS IN SEPTEMBER 1965

Summary. Seasonally adjusted commercial bank credit showed little change in September following a sharp rise in August. Substantial growth continued in most major loan categories but these increases were about offset by reductions in holdings of U. S. Government securities and in security loans. Following a small increase in August, the money supply rose sharply in September. Time and savings deposits rose further but less rapidly than in July or August. Seasonally adjusted required reserves were somewhat higher in September while total reserves showed little further change. Both excess reserves and borrowings declined. Net borrowed reserves, however, were a little higher than in August but somewhat below the average of other recent months.

Changes in Commercial Bank Credit,
Money Supply, and Time Deposits
(Seasonally adjusted)

	Annual rate (per cent)						Year
	1965			1964			
	3rd Qtr.	2nd Qtr.	1st Qtr.	1st 9 mos.	4th Qtr.	1st 9 mos.	
	July Sept.	April June	Jan. March	Jan. Sept.	Oct. Dec.	Jan. Sept.	
Total loans and investments	5.5	9.7	12.4	9.4	8.4	8.2	8.4
U.S. Gov't. securities	-9.7	-13.4	-11.7	-11.3	1.3	-1.9	-1.1
Other securities	16.2	19.0	14.5	17.2	12.8	9.5	10.6
Total loans	7.9	15.5	20.8	15.2	10.1	12.1	11.8
Business loans	13.6	18.1	26.1	20.2	15.0	10.5	11.9
Money Supply	6.2	3.7	1.5	3.8	3.8	4.4	4.3
Time deposits at commercial banks	16.8	11.5	17.4	15.8	14.7	11.8	12.8

Bank credit. Seasonally adjusted loans and investments at all commercial banks rose only \$100 million in September following a record \$4.5 billion increase in August. Over the third quarter, bank credit growth was much slower than over the second quarter and considerably below the unusually large first quarter rate. The third quarter 1965 growth rate was also sharply below that of both the third and fourth quarters of 1964. So far this year, bank credit expansion has slowed in each quarter, and for the year to date has been at an annual rate of 9.4 per cent--only one percentage point above the growth rate for the entire year 1964.

Total loan expansion was small in September due mainly to large contraseasonal repayments of security loans. Other major loan categories continued to rise, some at rates equal to those of previous months in 1965. Indeed, exclusive of security loans, loan expansion over the third quarter was only a little slower than in the second quarter but a little faster than over the year 1964.

Business loans at all commercial banks increased in September at about the same 13 per cent annual rate as in August. This represented a little faster rate of expansion than over the year 1964, but considerably less than earlier in this year. Business borrowing over and immediately subsequent to the tax and dividend payment period was heavy, following some moderation in demand earlier in the month. At weekly reporting city banks, borrowing by public utilities, trade, and miscellaneous manufacturing and mining groups was larger than usual in September. Loans to metals concerns, which had declined in late August and early September, rose sharply over the tax date and then declined again later in the month.

Real estate and consumer loans in September rose at about the same rate as earlier in the year. Loans to nonbank financial businesses also increased; sales finance companies were heavy borrowers early in the month, as they had been in late August, to finance dealer inventories of autos at the end of the model season but large repayments later in September offset part of this increase. On the other hand, loans to security dealers and brokers declined sharply in September--\$1.3 billion--due mainly to heavy System purchases of Treasury issues from Government security dealers.

Holdings of U. S. Government securities by commercial banks seasonally adjusted, declined \$500 million further in September. So far this year, liquidation of Treasury issues has been at an annual rate of 11 per cent compared with only 1 per cent over the year 1964. Indeed, only in two months this year--February and August--have these holdings increased. Acquisitions of municipal and Federal agency issues were also sharply reduced in September. This presumably reflected both the reduced volume of new municipal offerings in August and demands on bank funds from other sources. Growth in these securities, however, through September, was at a rate almost twice as fast as over the year 1964.

Money supply and time deposits. Following a slowdown in August, the money supply increased sharply in September, \$1.6 billion, or at an annual rate of 12 per cent. The expansion was associated in part with an unusually large reduction in U. S. Government deposits at commercial banks. While money stock growth was rapid in the third quarter, so far this year, expansion has been at an annual rate of 3.8 per cent--a little below that of the whole year 1964.

Commercial bank time and savings deposits increased at an annual rate of about 13 per cent in September, a little above the second quarter rate, but considerably below the high July-August rates. Savings deposits continued to increase substantially but CD maturities were heavier than usual over the tax and dividend date and only about half the run-off had been replaced by the month end.

So far this year, time and savings deposits have increased at an annual rate of about 16 per cent compared with about 13 per cent over the year 1964.

Bank reserves. Net borrowed reserves averaged about \$150 million in September, a little above the August level but somewhat below the average of other recent months. Both excess reserves and borrowings declined in September; borrowings at \$530 million were about the same as in June and July but excess reserves at \$375 million were higher. Seasonally adjusted required reserves increased somewhat in September as growth in private demand and time deposits exceeded the reductions in U. S. Government deposits. Total reserves, however, showed little further change. The effective rate on Federal funds remained generally at 4-1/8 per cent, falling below on only five days in September.

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

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted;

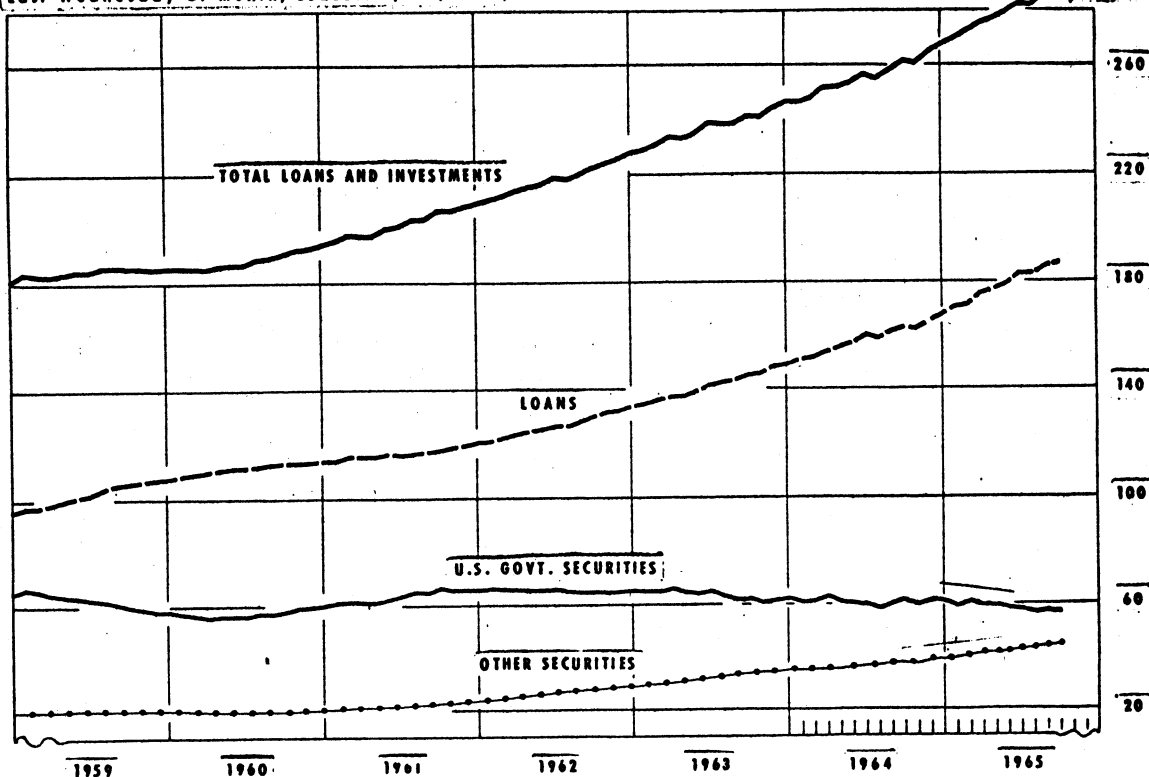
Billions of
dollars.

Exhibit A - Part II

Date	Total ^{1/}	Loans ^{1/}	U.S. Gov't. securities	Other securities
	(In billions of dollars)			
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 ^{2/}	228.3	133.9	65.2	29.2
1963--Dec. 31 ^{2/}	246.5	149.4	62.1	35.0
1964--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	261.7	163.0	61.2	37.5
Oct. 28	261.1	163.2	60.0	37.9
Nov. 25	265.5	165.4	61.6	38.5
Dec. 31	267.2	167.1	61.4	38.7
1965--Jan. 27	269.6	170.2	59.9	39.5
Feb. 24	272.1	171.9	60.2	40.0
Mar. 31 p	275.5	175.8	59.6	40.1
Apr. 28 p	277.3	177.1	59.1	41.1
May 26 p	279.1	179.3	58.5	41.3
June 30 p	282.2	182.6	57.6	42.0
July 28 p	281.5	182.8	56.1	42.6
Aug. 25 p	286.0	185.8	56.7	43.5
Sept. 29 p	286.1	186.2	56.2	43.7

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

p - Preliminary.

LOANS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted

Billions of dollars

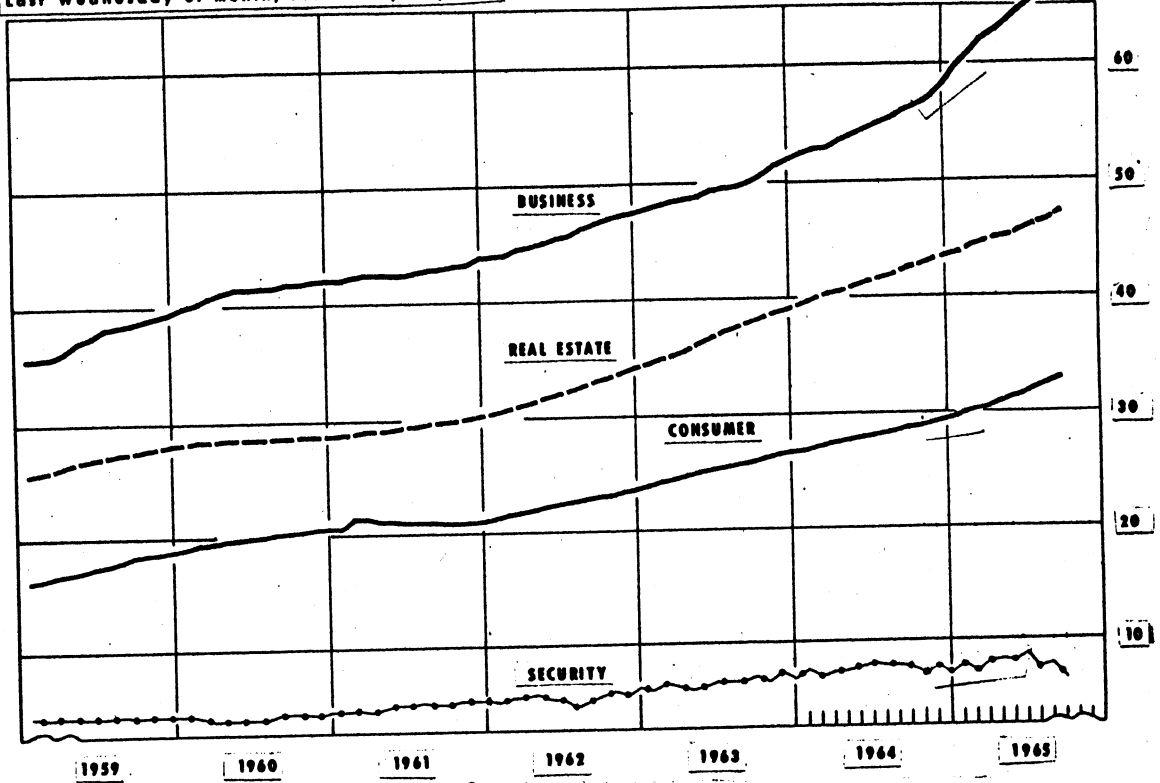


Exhibit B - Part II

Date	Business	Real estate	Consumer	Security
(In billion 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 ^{1/}	47.6	34.2	23.7	6.2
1963--Dec. 31 ^{1/}	52.0	39.1	26.7	6.7
1964--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	56.1	42.5	28.7	7.7
Oct. 28	56.4	42.8	28.9	7.1
Nov. 25	57.0	43.1	29.1	7.7
Dec. 31	58.2	43.5	29.4	7.1
1965--Jan. 27	59.7	43.8	29.7	7.8
Feb. 24	60.8	44.3	30.1	7.2
Mar. 31 p	62.0	44.7	30.4	8.1
Apr. 28 p	62.7	45.0	30.9	8.2
May 26 p	63.6	45.3	31.2	8.1
June 30 p	64.8	45.7	31.6	8.7
July 28 p	65.6	46.1	32.0	7.4
Aug. 25 p	66.3	46.6	32.4	7.9
Sept. 29 p	67.0	47.2	32.9	6.6

^{1/} Estimated as of December 31.

p - Preliminary.

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

Item	1964					1965								
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. p	Apr. p	May p	June p	July p	Aug. p	Sept. p
Loans and Investments 2/	<u>+4.2</u>	<u>+3.0</u>	<u>-0.6</u>	<u>+4.4</u>	<u>+1.7</u>	<u>+2.4</u>	<u>+2.5</u>	<u>+3.4</u>	<u>+1.8</u>	<u>+1.8</u>	<u>+3.1</u>	<u>-0.7</u>	<u>+4.5</u>	<u>+0.1</u>
U. S. Gov't. securities	+1.8	+1.0	-1.2	+1.6	-0.2	-1.5	+0.3	-0.6	-0.5	-0.6	-0.9	-1.5	+0.6	-0.5
Other securities	+0.6	+0.5	+0.4	+0.6	+0.2	+0.8	+0.5	+0.1	+1.0	+0.2	+0.7	+0.6	+0.9	+0.2
Loans 2/	<u>+1.8</u>	<u>+1.5</u>	<u>+0.2</u>	<u>+2.2</u>	<u>+1.7</u>	<u>+3.1</u>	<u>+1.7</u>	<u>+3.9</u>	<u>+1.3</u>	<u>+2.2</u>	<u>+3.3</u>	<u>+0.2</u>	<u>+3.0</u>	<u>+0.4</u>
Business	+0.4	+0.6	+0.3	+0.6	+1.2	+1.5	+1.1	+1.2	+0.7	+0.9	+1.2	+0.8	+0.7	+0.7
Real estate	+0.3	+0.5	+0.3	+0.3	+0.4	+0.3	+0.5	+0.4	+0.3	+0.3	+0.4	+0.4	r +0.5	+0.6
Consumer	+0.2	+0.3	+0.2	+0.2	+0.3	+0.3	+0.4	+0.3	+0.5	+0.3	+0.4	+0.4	r +0.4	+0.5
Security	<u>1/</u>	-0.1	-0.6	+0.6	-0.7	+0.7	-0.6	+0.9	+0.1	-0.1	+0.6	-1.3	+0.5	-1.3
Nonbank financial	+0.1	+0.2	<u>1/</u>	+0.1	-0.2	+0.3	+0.1	+0.5	<u>1/</u>	+0.3	+0.4	-0.1	+0.1	+0.3
Agriculture	+0.2	<u>1/</u>	-0.2	<u>1/</u>	-0.1	<u>1/</u>	<u>1/</u>	+0.1	+0.2	+0.1	-0.1	+0.3	+0.1	<u>1/</u>
All other	+0.1	+0.2	+0.3	+0.4	+0.8	<u>1/</u>	+0.3	+0.4	+0.1	<u>1/</u>	+0.1	+0.1	r +0.1	-0.1
Total loans excluding security 3/	<u>+1.3</u>	<u>+1.8</u>	<u>+0.9</u>	<u>+1.6</u>	<u>+2.4</u>	<u>+2.4</u>	<u>+2.4</u>	<u>+2.9</u>	<u>+1.8</u>	<u>+1.9</u>	<u>+2.4</u>	<u>+1.9</u>	<u>r +1.9</u>	<u>+2.0</u>
Total loans excluding security and non-bank financial 3/	<u>+1.2</u>	<u>+1.6</u>	<u>+0.9</u>	<u>+1.5</u>	<u>+2.6</u>	<u>+2.1</u>	<u>+2.3</u>	<u>+2.4</u>	<u>+1.8</u>	<u>+1.6</u>	<u>+2.0</u>	<u>+2.0</u>	<u>r +1.8</u>	<u>+1.7</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.

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 August to last Wednesday of September						
	1965	1964	1963	1962	1961	1960	1959
All commercial banks							
Total loans	+2.7	+3.5	+3.5	+3.3	+1.8	+1.0	+1.0
U. S. Gov't. securities	+0.4	+1.9	+1.0	+0.4	+1.9	+1.1	+1.1
Other securities	+0.4	+0.7	+0.5	+0.3	+0.8	+0.2	+0.2
Total	+3.5	+6.1	+4.8	+4.1	+4.5	+2.4	+0.2
Weekly reporting banks							
Total loans	+1.9	+2.7	+2.5	+2.3	+1.5	+0.8	+0.7
U. S. Gov't. securities	-0.1	+1.2	+0.4	-0.3	+1.0	+0.4	-1.1
Other securities	+0.1	+0.4	+0.2	+0.1	+0.4	+0.2	+0.1
Total	+1.9	+4.4	+3.1	+2.2	+2.8	+1.4	-0.4
Other banks							
Total loans	+0.8	+0.8	+1.0	+1.0	+0.3	+0.2	+0.3
U. S. Gov't. securities	+0.5	+0.7	+0.6	+0.7	+0.9	+0.7	1/
Other securities	+0.3	+0.3	+0.2	+0.4	+0.4	1/	+0.1
Total	+1.6	+1.7	+1.7	+1.9	+1.7	+1.0	+0.6
Item	End of December to last Wednesday of September						
	1965	1964 _{3/}	1963 _{3/}	1962	1961	1960	1959
All commercial banks							
Total loans	+14.9	+9.8	+8.1	+6.7	+1.4	+3.5	2/+8.8
U. S. Gov't. securities	-7.3	-2.7	-4.6	-2.3	+5.1	-1.2	2/-7.2
Other securities	+5.2	+2.7	+4.9	+4.3	+2.4	-0.3	2/+0.1
Total	+12.7	+9.8	+8.3	+8.7	+9.0	+1.9	2/+1.9
Weekly reporting banks							
Total loans	+8.7	+4.6	+3.6	+2.8	-0.8	+0.5	+4.8
U. S. Gov't. securities	-5.4	-1.8	-4.2	-3.4	+3.8	+0.1	-6.5
Other securities	+3.0	+1.5	+3.3	+3.0	+1.5	-0.1	-0.1
Total	+6.3	+4.3	+2.7	+2.4	+4.6	+0.5	-1.8
Other banks							
Total loans	+6.2	+5.2	+4.5	+3.9	+2.2	+3.0	2/+4.0
U. S. Gov't. securities	-1.9	-0.9	-0.4	+1.1	+1.3	-1.3	2/-0.7
Other securities	+2.2	+1.2	+1.6	+1.3	+0.9	-0.2	2/+0.2
Total	+6.4	+5.5	+5.6	+6.3	+4.4	+1.4	2/+3.7

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/ Estimated as of December 31, 1963 and 1962, for all commercial banks and for December 31, 1962, for weekly reporting banks.

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

Business of borrower	End of August to end of September 1/					Late December to end of September 2/				
	1965	1964	1963	1962	1961	1965	1964	1963	1962	1961
Food processors	+217	+193	+238	+230	+203	-261	-454	-445	-385	-343
Commodity dealers	+ 60	+102	+116	+ 59	- 5	-335	-375	- 29	-150	-223
Trade concerns	+199	+223	+ 74	+ 90	+ 99	+827	+229	- 22	+195	- 51
Total	+476	+518	+428	+379	+297	+231	-600	-496	-340	-617
Metals and products	+219	+138	+ 92	+ 27	- 66	+1,471	+386	- 3	+100	-401
Textiles, apparel, etc.	- 11	- 6	- 75	- 22	- 31	+ 593	+271	+359	+385	+220
Petroleum, coal, etc.	+102	+140	+ 24	- 56	+ 38	+ 648	+101	+ 60	-132	- 71
Other manufacturing and mining	+137	+ 62	+ 85	+ 50	- 11	+1,072	+533	+533	+602	+244
Public utilities	+356	+296	+226	+226	+202	+ 937	+ 21	-271	-201	-282
Construction	- 7	- 28	+ 35	- 14	+ 6	+ 281	+395	+200	+212	+ 96
All other types of business	<u>-105</u>	<u>- 65</u>	<u>+ 59</u>	<u>+ 13</u>	<u>- 13</u>	<u>+ 438</u>	<u>+453</u>	<u>+183</u>	<u>+211</u>	<u>+537</u>
Banker's acceptances	-102	- 54	n.a.	n.a.	n.a.	- 381	n.a.	n.a.	n.a.	n.a.
Other, mainly services	- 3	- 11	n.a.	n.a.	n.a.	+ 819	n.a.	n.a.	n.a.	n.a.
Classified	+1,167	+1,055	+875	+604	+422	+5,671	+1,560	+564	+836	-273
Unclassified	+ 53	- 4	+ 66	+ 36	- 55	+ 778	+535	+214	+307	+ 16
Total change	+1,220	+1,051	+941	+639	+367	+6,449	+2,095	+778	+1,143	-257

1/ Five 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--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	254.2	58.3	36.5	159.4	54.4	41.8	7.6	7.7	28.5	9.5	13.3
Aug. 26	256.1	58.8	37.1	160.2	54.9	42.2	7.2	7.5	28.7	9.7	13.4
Sept. 30	262.2	60.7	37.8	163.7	56.1	42.7	8.1	7.5	28.9	10.1	13.7
Oct. 28	262.4	61.4	38.0	163.0	56.3	43.0	7.1	7.5	29.0	9.5	14.0
Nov. 25	266.3	62.7	38.1	165.5	57.4	43.4	7.4	7.6	29.1	9.6	14.4
Dec. 31	273.9	63.0	38.8	172.1	60.2	43.7	8.4	7.5	29.4	10.9	15.5
1965--Jan. 27	269.1	61.5	39.1	168.5	58.9	43.8	7.4	7.7	29.5	9.8	15.0
Feb. 24	270.7	60.5	39.7	170.5	60.3	44.0	7.2	7.8	29.7	9.9	15.1
Mar. 31 p	273.9	59.0	40.3	174.5	62.2	44.3	7.9	7.9	30.0	10.5	15.3
Apr. 28 p	275.9	58.3	41.4	176.2	62.5	44.7	8.0	8.1	30.7	10.3	15.6
May 26 p	276.9	57.1	41.2	178.6	63.4	45.1	7.9	8.1	31.2	10.5	16.0
June 30 p	283.4	56.8	42.2	184.4	65.4	45.7	9.0	8.1	31.9	11.6	16.3
July 28 p	281.2	56.1	42.7	182.4	64.8	46.2	7.2	8.2	32.3	11.2	16.1
Aug. 25 p	283.1	55.3	43.6	184.3	65.6	r 46.8	7.3	7.9	r 32.7	r 11.5	r 16.2
Sept. 29 p	286.6	55.7	44.0	187.0	67.0	47.4	7.0	7.9	33.1	12.0	16.2

p - Preliminary.

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.

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	Member banks					Country	All commercial banks
		Total	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--Dec. 25	58.6	59.9	67.4	62.1	63.3	53.8	<u>3/</u>	7.5
1964--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	60.4	61.6	68.0	62.3	66.0	55.8		6.9
Oct. 28	60.4	61.6	67.8	62.0	65.5	55.8		7.2
Nov. 25	60.7	62.0	69.4	62.1	66.1	55.9		8.0
Dec. 31	60.5	61.9	69.3	64.4	65.0	56.0		8.0
1965--Jan. 27	60.9	62.2	69.9	63.4	65.4	56.3		7.1
Feb. 24	61.6	63.0	71.8	65.0	66.4	56.4		7.0
Mar. 31 p	61.9	63.3	71.9	67.6	66.1	56.9		6.4
Apr. 28 p	62.4	63.7	71.2	64.9	67.1	57.6		6.3
May 26 p	63.3	64.6	72.7	65.3	68.1	58.3		6.2
June 30 p	63.5	64.9	74.4	67.2	67.8	58.3		6.0
July 28 p	63.7	65.0	72.2	67.1	68.9	58.6		5.7
Aug. 25 p	64.1	65.5	74.8	67.7	69.0	58.7		6.1
Sept. 29 p	63.9	65.3	73.4	69.3	69.1	58.4		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, and by changes in the reserve classification of cities or individual banks.

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DEPOSITS AND CURRENCY AND TURNOVER OF DEMAND DEPOSITS

Seasonally adjusted; deposits, monthly averages of daily figures; turnover, monthly

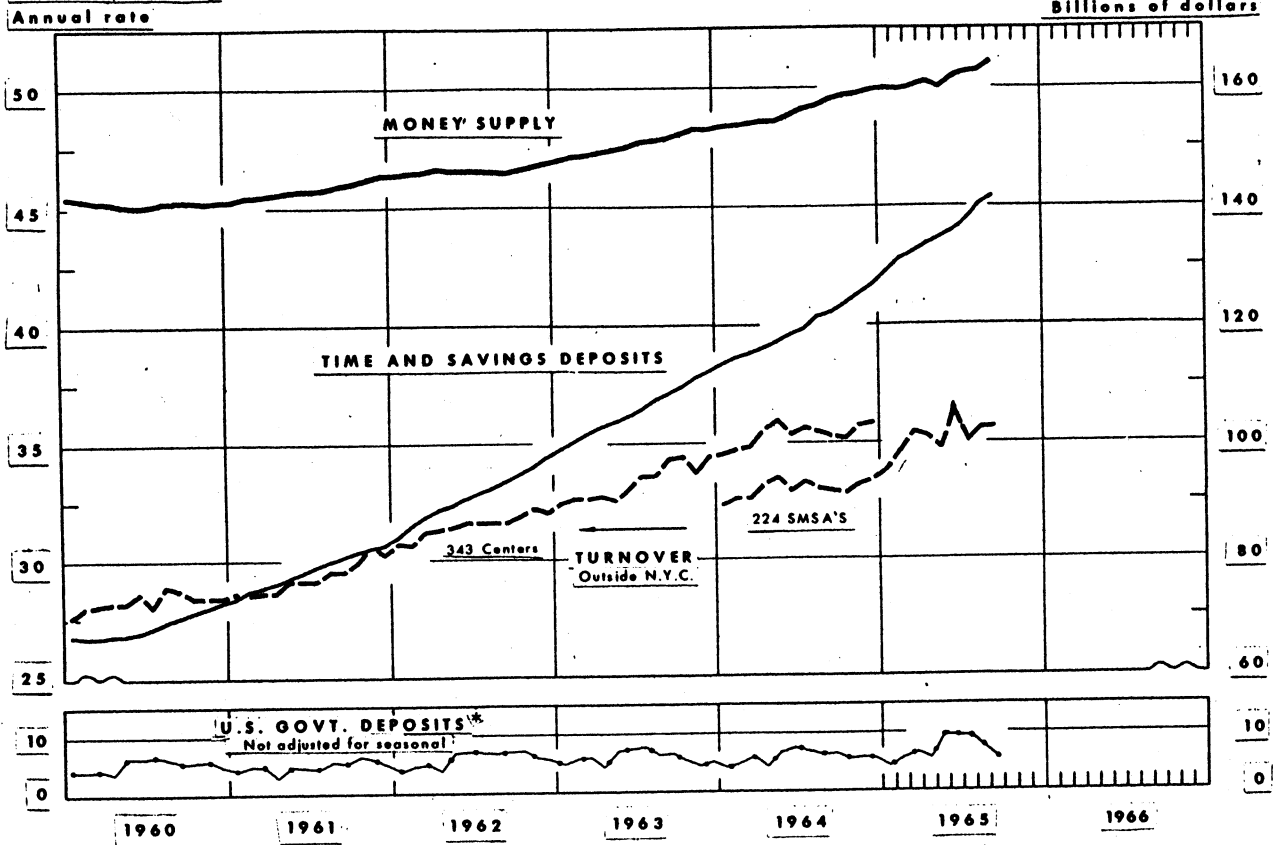


Exhibit H - Part II

*All commercial banks.

Period	Seasonally Adjusted Data					U.S. Gov't. deposits
	Money Supply			Time and savings deposits	Turnover outside N Y City*	
	Total	Demand deposits	Currency			
1962--December	147.5	116.9	30.6	97.8	31.3	5.6
1963--December	153.1	120.6	32.5	112.2	33.9	5.1
1964--December	159.7	125.4	34.2	126.6	* 33.4	5.5
1965--June	161.8	126.8	35.0	135.9	36.3	9.3
July	162.5	127.3	35.2	137.6	35.1	9.1
August	162.7	127.3	35.4	140.1	35.5	7.4
September p	164.3	128.7	35.6	141.6	n.a.	5.6
Week ending:						
Sept. 1	163.1	127.8	35.3	141.0	n.a.	6.9
8	163.2	127.8	35.4	141.0	n.a.	5.6
15	164.1	128.7	35.5	141.5	n.a.	3.0
22 p	165.2	129.5	35.7	141.6	n.a.	5.7
29 p	164.6	128.7	35.9	141.8	n.a.	7.6

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* Beginning January 1964, data are for 224 metropolitan centers outside New York City. Figure for December 1964 on old basis is 35.3.

TIME AND SAVINGS DEPOSITS AT MEMBER BANKS IN LEADING CITIES

Wednesday figures

Billions of dollars

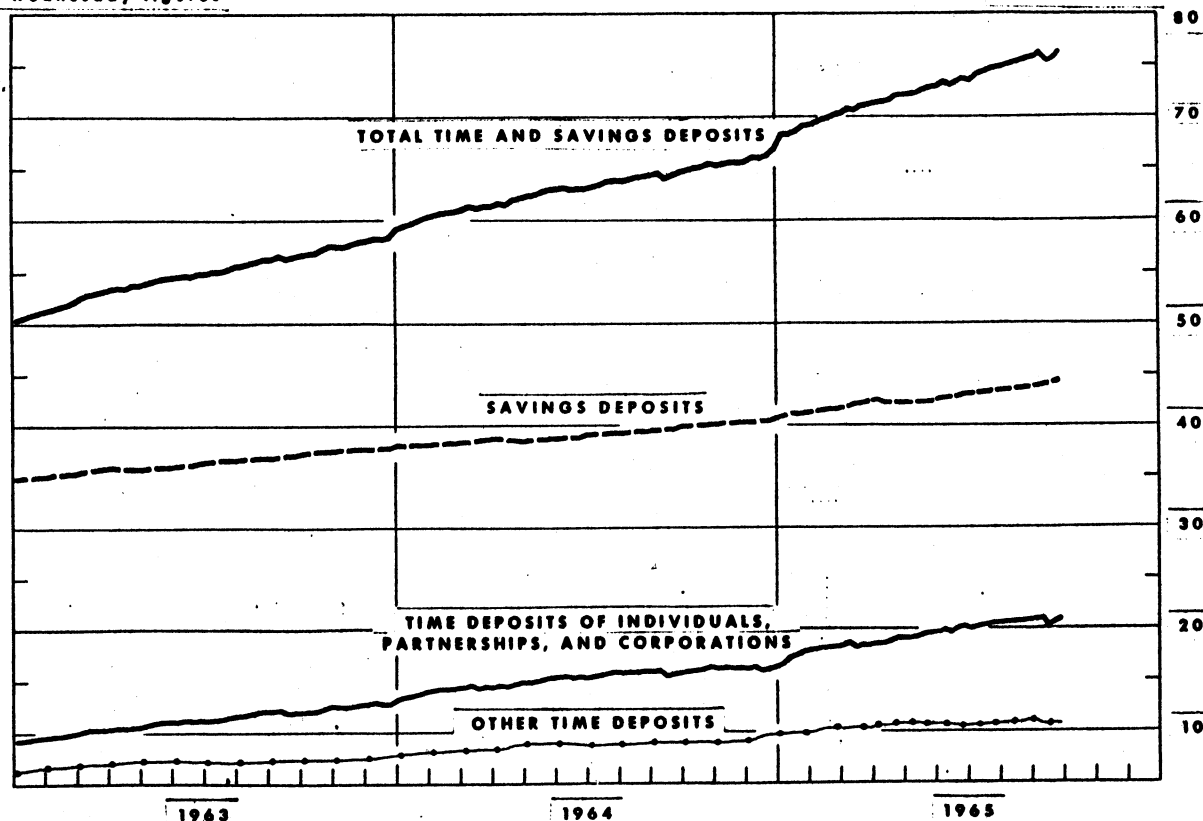


Exhibit I - Part II

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--Sept. 30	64,719	39,873	15,854	8,992
Dec. 30	66,881	40,698	16,407	9,776
1965--June 30	73,818	43,129	20,130	10,559
July 28	74,760	43,429	20,542	10,789
Aug. 25	75,703	43,779	20,923	11,001
Sept. 1	75,896	43,827	20,990	11,079
8	76,100	43,932	21,179	10,989
15	75,234	43,967	20,426	10,841
22	75,659	44,100	20,597	10,962
29	76,276	44,319	21,003	10,954

^{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)					Excess reserves	Borrowings	Total reserves held seasonally adjusted
	All member	Reserve City Banks			Country			
		New York City	City of Chicago	Other		All member	All member	All member
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--December	209	19	- 21	-122	334	536	327	20,240
1964--April	167	- 1	- 14	- 77	259	380	213	20,482
May	82	- 25	- 2	-112	221	337	255	20,404
June	120	--	- 13	-114	248	390	270	20,682
July	135	- 17	- 19	-102	273	400	265	20,665
August	83	- 21	- 7	-154	265	417	334	20,753
September	89	- 16	- 33	-140	278	420	331	21,012
October	106	- 34	- 26	-116	282	415	309	20,949
November	- 34	- 86	- 16	-178	246	396	430	21,033
December	168	- 14	- 31	-103	315	411	243	21,082
1965--January	103	- 70	- 17	- 82	270	402	299	21,174
February	32	- 90	- 37	-144	302	437	405	21,355
March	- 76	- 97	- 45	-148	215	340	416	21,506
April	-112	- 50	- 40	-238	216	359	471	21,722
May	-178	- 13	- 4	-333	173	327	505	21,671
June	-184	-114	- 15	-274	220	344	528	21,840
July	-176	-135	- 25	-214	199	349	524	21,865
Aug.	-137	- 32	- 36	-228	160	427	564	21,816
Sept. p	-153	- 47	- 43	-246	182	375	528	21,817

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	85.3	34.7	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	79.7	31.3	54.4
1957	356.0	133.5	57.5	31.6	1.3	41.7	51.6	38.8	80.5	30.4	53.6
1958	373.1	138.8	65.4	33.9	1.1	47.7	50.5	35.6	79.5	29.7	54.8
1959	393.9	139.7	67.4	34.9	0.9	54.3	47.9	48.8	80.2	28.6	52.6
1960	399.2	138.4	73.1	36.2	0.8	61.8	47.0	41.9	79.0	27.5	53.0
1961	424.6	142.6	82.5	38.3	0.6	70.5	47.4	42.6	78.4	26.4	53.0
1962	459.0	144.8	98.1	41.4	0.5	79.8	47.6	46.8	79.5	25.1	52.9
1963	495.4	149.6	112.9	44.5	0.5	90.9	49.0	48.1	81.3	24.7	53.0
1964											
Jan.	498.9	149.5	114.8	45.0	0.5	91.4	49.1	48.6			53.0
Feb.	499.6	148.4	115.5	45.4	0.4	92.4	49.0	48.4			52.8
Mar.	504.0	150.2	115.9	45.6	0.4	93.5	49.0	49.3	81.4	24.3	52.8
Apr.	506.1	149.9	117.0	46.0	0.4	94.1	49.1	49.5			52.7
May	507.7	149.7	117.9	46.3	0.4	94.9	49.1	49.4			52.7
June	511.4	151.2	118.6	46.8	0.4	95.8	49.2	49.4	81.3	24.1	52.7
July	511.8	151.8	119.8	47.1	0.4	96.6	49.3	46.7			53.1
Aug.	514.9	152.2	120.6	47.5	0.4	97.8	49.3	47.1			53.0
Sept.	521.0	155.0	121.9	47.9	0.4	99.1	49.4	47.4	81.1	24.0	53.2
Oct.	523.4	155.0	123.8	48.3	0.4	99.8	49.4	46.8			53.3
Nov.	526.9	155.0	125.9	48.6	0.4	100.8	49.5	46.7			53.3
Dec.	530.4	156.7	127.1	49.0	0.4	101.3	49.9	46.1	82.0	24.2	53.5
1965											
Jan.	534.9	156.1	130.6	49.4	0.4	101.7	50.0	46.8			53.6
Feb.	536.4	154.8	131.9	49.6	0.4	102.6	49.9	47.3			53.4
Mar. p	542.8	158.6	133.0	49.8	0.4	103.6	49.9	47.6	81.7	23.8	53.7
Apr. p	543.3	156.3	134.1	50.1	0.4	103.9	49.9	48.6			53.5
May p	542.8	155.4	134.7	50.4	0.4	104.4	49.9	47.6			53.5
June p	549.5	159.4	136.1	50.6	0.4	105.1	50.0	48.0	81.8	23.6	53.8
July p	550.7	157.7	138.1	51.1	0.4	105.5	50.1	47.9			53.8
Aug. p	555.5	157.9	139.6	51.3	0.3	106.5	50.1	49.8			53.5
Sept. p	561.6	160.7	141.4	51.6	0.3	107.7	50.1	49.7	81.9	23.5	53.8

For footnotes see next page
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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).