

BANKING AND MONETARY DEVELOPMENTS IN DECEMBER 1965

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Seasonally adjusted bank credit, exhibiting continued strength, increased almost as much in December as in the two previous months. There was a further substantial rise in total loans, due largely to heavy borrowing by businesses around the tax and dividend period. Holdings of municipal and Federal agency issues rose somewhat, following little change in November. Meanwhile, holdings of U. S. Government securities remained unchanged. The seasonally adjusted money supply rose sharply in December. Time deposits at commercial banks rose at a slower rate than in previous months. Seasonally adjusted total and required reserves increased substantially. Excess reserves increased to about the level of borrowed reserves, which remained unchanged.

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

	Annual rate (per cent)							
	1965						1964	
	Dec.	4th Qtr.	3rd. Qtr.	2nd. Qtr.	1st. Qtr.	Year	4th Qtr.	Year
Total loans and investments	10.3	10.9	4.8	10.6	12.4	10.0	8.4	8.4
U.S. Gov't. securities	--	7.8	-8.3	-12.8	-11.7	-6.2	1.3	-1.1
Other securities	13.6	10.1	13.3	20.0	14.5	15.2	12.8	10.6
Total loans	12.6	12.0	7.0	16.4	20.8	14.8	10.1	11.8
Business loans	24.7	15.5	11.7	19.4	26.1	19.4	15.0	11.9
Money supply	12.3	7.5	6.2	3.7	1.5	4.8	3.8	4.3
Time deposits at all commercial banks	11.5	15.0	16.8	11.5	17.4	16.0	14.7	12.8

Bank Credit. Seasonally adjusted loans and investments at all commercial banks increased \$2.5 billion in December, slightly less than in October and November. (Credit items have been estimated for December 31, the date to which the seasonal factors apply, rather than for the last Wednesday, December 29.) Despite strong bank loan demand and restricted availability of funds, holdings of U. S. Government securities remained largely unchanged after allowance for seasonal factors. This followed increases in the two previous months associated with Treasury financing operations. Holdings of municipals and other securities increased at a slightly faster rate than in any other recent month.

Over the year 1965, bank credit rose 10 per cent, a record for the postwar period. The 14.8 per cent rise in total loans, while greater than in 1964, fell considerably short of the record postwar increases of 22 per cent in 1947 and 1950. Holdings of U. S. Government securities declined at a faster rate in 1965 than in 1964, but acquisitions of municipals and other securities accelerated somewhat, following a slowdown the previous year. Total investments rose less than in any other recent year.

Business loans at all commercial banks rose by \$1.4 billion in December, over twice the moderate growth rate of the two previous months. Borrowing rose sharply in the week of the 16th, reflecting corporate needs for funds associated with tax and dividend payments and continued heavy the following week. Over the year 1965, business loans rose 19.4 per cent--substantially more than the 11.9 per cent increase in the preceding year but about comparable with the large increases in 1955 and 1956.

At member banks in leading cities December borrowing by metals manufacturers, public utilities, and food processors was greater than in comparable weeks of most other recent years. Borrowing by the services group was smaller than usual, while loan repayments by textiles manufacturers were relatively large.

Seasonally adjusted real estate loans and consumer loans rose further in December at rates similar to those of most other recent months. Over the year, the growth rate in consumer loans was substantially larger than in 1964, while that in real estate loans was only slightly larger.

Seasonally adjusted security loans and loans to nonbank financial institutions declined slightly in December. Over the year, however, growth in loans to nonbank financial institutions was close to the 20 per cent rate of 1963, after having slowed to about 7 per cent in 1964. Most of this expansion occurred early in the year. On the other hand, security loans were little changed in 1965.

Money supply and time deposits. The seasonally adjusted money supply rose \$1.7 billion in December, comparable to the large increases of June and September. Major factors contributing to this increase were the December surge in business borrowing and large CD runoff. While there was little change in the money supply in November, the 7.5 per cent annual rate of increase in the fourth quarter still exceeded slightly the high third quarter rate and was substantially above the moderate expansion of the first half. Over the year, the 4.8 per cent increase in the money supply was only slightly higher than in 1964.

Seasonally adjusted time and savings deposits at all commercial banks rose a substantial \$1.4 billion in December, though less than in previous months. The major factor in the slowdown appears to have been the large runoffs of CD's during the tax period. Time and savings deposits increased \$20.3 billion over the year, or 16 per cent, compared with 12.8 per cent in 1964.

Bank reserves. Seasonally adjusted total and required reserves increased substantially in December, the first significant net change since June. Member bank borrowing remained almost unchanged from the November average of \$452 million. At the same time, excess reserves rose nearly \$100 million, resulting in a decline in net borrowed reserves from \$84 million in November to \$4 million in December. Reserves were supplied principally through System purchases of U. S. Government securities, an increase in float, and a decline in Treasury deposits at the Reserve Banks. Reserves were absorbed mainly by an outflow of currency.

Increase in discount rate and rates paid on time and savings deposits. Effective December 6, the Board of Governors approved actions by the Reserve Banks of New York and Chicago increasing the discount rate from 4 to 4-1/2 per cent. By December 13, the rate increase had been approved at all Reserve Banks.

Simultaneously, the Board increased the maximum rates on time deposits and certificates of deposits having a maturity of 30 days or more to 5-1/2 per cent, also effective December 6.

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

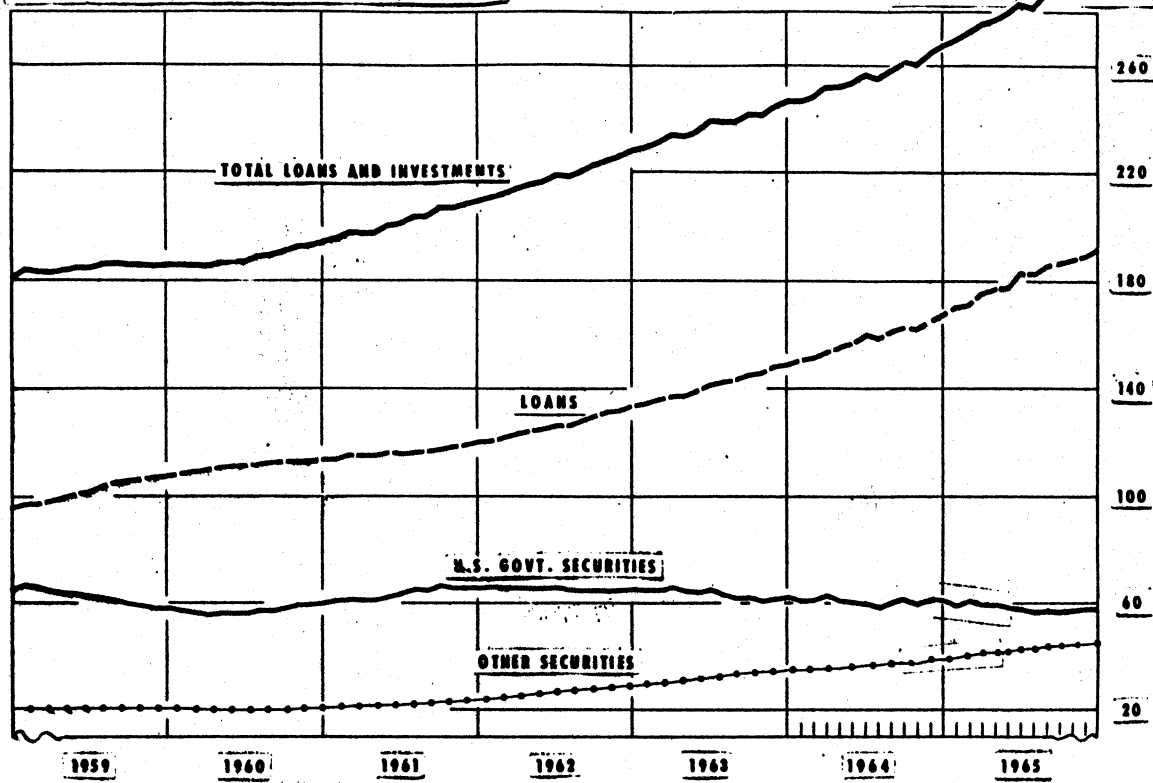


Exhibit A - Part II

Date	Total <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--Dec. 31 <u>2/</u>	246.5	149.4	62.1	35.0
1964--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	275.5	175.8	59.6	40.1
Apr. 28	277.3	177.1	59.1	41.1
May 26	279.4	179.5	58.6	41.3
June 30	282.8	183.0	57.7	42.1
July 28	281.5	182.7	56.4	42.4
Aug. 25	286.1	185.8	57.0	43.3
Sept. 29	286.2	186.2	56.5	43.5
Oct. 27 p	288.9	188.0	57.0	43.9
Nov. 24 p	291.5	189.8	57.6	44.1
Dec. 31 p <u>2/</u>	294.0	191.8	57.6	44.6

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

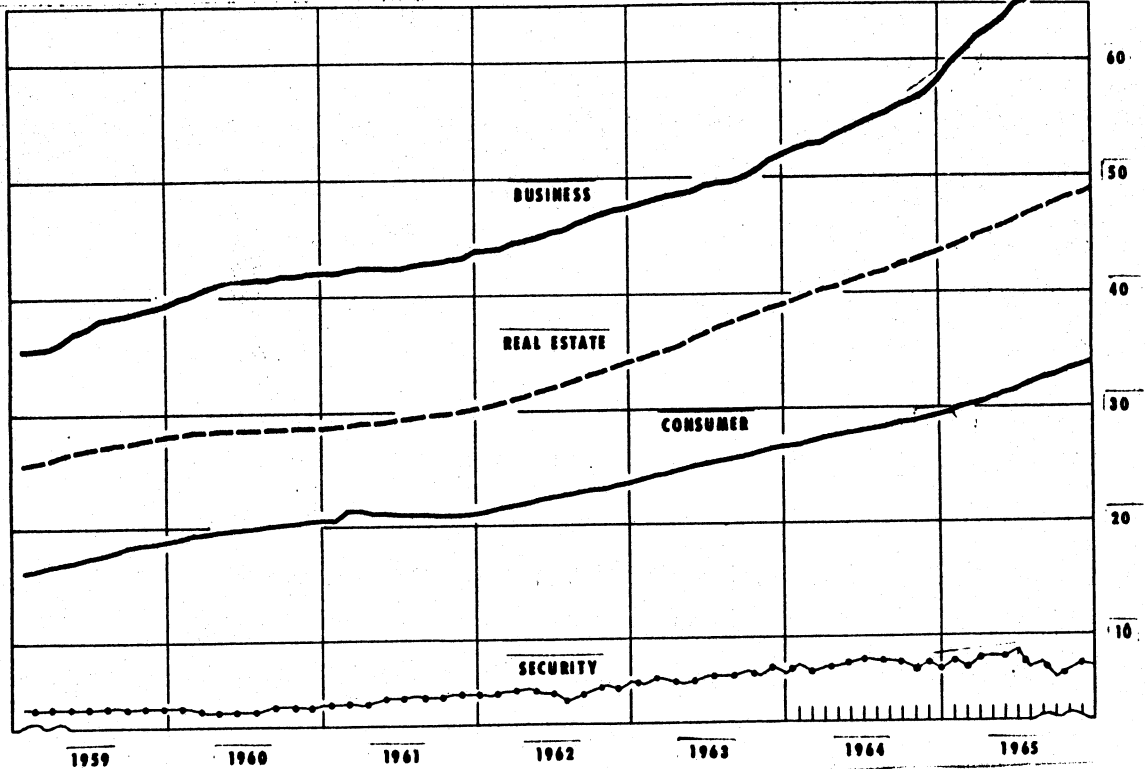


Exhibit B - Part II

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 <sup>1/</sup>	47.6	34.2	23.7	6.2
1963--Dec. 31 <sup>1/</sup>	52.0	39.1	26.7	6.7
1964--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	43.9	29.7	7.8
Feb. 24	60.8	44.4	30.1	7.1
Mar. 31	62.0	44.9	30.4	8.0
Apr. 28	62.7	45.3	30.9	8.1
May 26	63.6	45.7	31.2	8.1
June 30	65.0	46.2	31.6	8.7
July 28	65.6	46.6	32.0	7.2
Aug. 25	66.2	47.1	32.4	7.6
Sept. 29	66.9	47.6	32.8	6.3
Oct. 27 p	67.4	48.0	33.2	6.9
Nov. 24 p	68.1	48.3	33.5	7.5
Dec. 31 p <sup>1/</sup>	69.5	48.8	33.9	7.3

<sup>1/</sup> 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											
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. p	Nov. p	Dec. p <sup>4/</sup>
<u>Loans and Investments</u> <sup>2/</sup>	+4.4	+1.7	+2.4	+2.5	+3.4	+1.8	+2.1	+3.4	-1.3	+4.6	+0.1	+2.7	+2.6	+2.5
U. S. Gov't. securities	+1.6	-0.2	-1.5	+0.3	-0.6	-0.5	-0.5	-0.9	-1.3	+0.6	-0.5	+0.5	+0.6	<u>1/</u>
Other securities	+0.6	+0.2	+0.8	+0.5	+0.1	+1.0	+0.2	+0.8	+0.3	+0.9	+0.2	+0.4	+0.2	+0.5
<u>Loans</u> <sup>2/</sup>	+2.2	+1.7	+3.1	+1.7	+3.9	+1.3	+2.4	+3.5	-0.3	+3.1	+0.4	+1.8	+1.8	+2.0
Business	+0.6	+1.2	+1.5	+1.1	+1.2	+0.7	+0.9	+1.4	+0.6	+0.6	+0.7	+0.5	+0.7	+1.4
Real estate	+0.3	+0.4	+0.4	+0.5	+0.5	+0.4	+0.4	+0.5	+0.4	+0.5	+0.5	+0.4	+0.3	+0.5
Consumer	+0.2	+0.3	+0.3	+0.4	+0.3	+0.5	+0.3	+0.4	+0.4	+0.4	+0.4	+0.4	+0.3	+0.4
Security	+0.6	-0.7	+0.7	-0.7	+0.9	+0.1	<u>1/</u>	+0.6	-1.5	+0.4	-1.3	+0.6	+0.6	-0.2
Nonbank financial	+0.1	-0.2	+0.3	+0.1	+0.5	<u>1/</u>	+0.2	+0.4	<u>1/</u>	+0.2	+0.3	+0.1	+0.2	-0.2
Agriculture	<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>	-0.2	<u>1/</u>	-0.1
All other	+0.4	+0.8	<u>1/</u>	+0.3	+0.3	<u>1/</u>	<u>1/</u>	+0.3	-0.1	+0.2	+0.1	<u>1/</u>	-0.1	<u>1/</u>
Total loans excluding security <sup>3/</sup>	+1.6	+2.4	+2.5	+2.4	+2.9	+1.8	+1.9	+2.9	+1.6	+2.0	+2.0	+1.2	+1.4	+2.0
Total loans excluding security and non-bank financial <sup>3/</sup>	+1.5	+2.6	+2.2	+2.3	+2.4	+1.8	+1.7	+2.5	+1.6	+1.8	+1.7	+1.1	+1.2	+2.2

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.

<sup>1/</sup> Less than \$50 million.

<sup>2/</sup> Adjusted to exclude interbank loans.

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

<sup>4/</sup> Estimated as of December 31.

**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 November to end of December						
	1965 <u>3/</u>	1964	1963 <u>3/</u>	1962 <u>3/</u>	1961	1960	1959
<b>All commercial banks</b>							
Total loans	+ 7.6	+ 6.6	+ 5.3	+ 5.6	+ 4.4	+ 3.3	+ 2.7
U. S. Gov't. securities	+ 0.2	+ 0.3	+ 1.1	+ 0.8	+ 0.4	+ 0.8	+ 0.4
Other securities	+ 1.0	+ 0.7	+ 1.0	+ 0.5	+ 0.5	+ 0.6	+ 0.2
Total	+ 8.9	+ 7.6	+ 7.4	+ 6.8	+ 5.3	+ 4.6	+ 3.4
<b>Weekly reporting banks</b>							
Total loans	+ 5.7	+ 4.8	+ 4.2	+ 4.5	+ 3.7	+ 2.5	+ 2.4
U. S. Gov't. securities	+ 0.6	+ 0.7	+ 1.1	+ 1.2	+ 0.3	+ 0.9	+ 0.4
Other securities	+ 0.7	+ 0.5	+ 0.6	+ 0.3	+ 0.4	+ 0.5	+ 0.1
Total	+ 7.0	+ 6.0	+ 5.9	+ 6.0	+ 4.4	+ 3.9	+ 2.9
<b>Other banks</b>							
Total loans	+ 1.9	+ 1.8	+ 1.1	+ 1.1	+ 0.7	+ 0.8	+ 0.3
U. S. Gov't. securities	- 0.4	- 0.4	<u>1/</u>	- 0.4	+ 0.1	- 0.1	<u>1/</u>
Other securities	+ 0.3	+ 0.2	+ 0.4	+ 0.2	+ 0.1	+ 0.1	+ 0.1
Total	+ 1.9	+ 1.6	+ 1.5	+ 0.8	+ 0.9	+ 0.7	+ 0.5
Item	Year ended December						
	1965 <u>3/</u>	1964	1963 <u>3/</u>	1962 <u>3/</u>	1961	1960	1959
<b>All commercial banks</b>							
Total loans	+25.5	+18.2	+16.0	+14.0	+ 7.2	+ 6.7	<u>2/</u> +12.5
U. S. Gov't. securities	- 4.1	- 0.4	- 3.0	- 0.2	+ 5.6	+ 2.1	<u>2/</u> - 7.4
Other securities	+ 5.9	+ 3.7	+ 5.8	+ 5.4	+ 3.1	+ 0.4	<u>2/</u> - 0.1
Total	+27.4	+21.5	+18.8	+19.2	+15.9	+ 9.1	<u>2/</u> + 5.0
<b>Weekly reporting banks</b>							
Total loans	+15.8	+ 9.6	+ 9.2	+ 7.9	+ 3.5	+ 2.7	+ 7.7
U. S. Gov't. securities	- 3.4	- 0.8	- 3.3	- 1.9	+ 3.6	+ 2.5	- 7.0
Other securities	+ 3.0	+ 1.8	+ 3.6	+ 3.7	+ 2.0	+ 0.2	- 0.4
Total	+15.5	+10.6	+ 9.5	+ 9.7	+ 9.1	+ 5.5	+ 0.3
<b>Other banks</b>							
Total loans	+ 9.7	+ 8.6	+ 6.8	+ 6.1	+ 3.7	+ 4.0	<u>2/</u> + 4.8
U. S. Gov't. securities	- 0.7	+ 0.4	+ 0.3	+ 1.7	+ 2.0	- 0.4	<u>2/</u> - 0.4
Other securities	+ 2.9	+ 1.9	+ 2.2	+ 1.7	+ 1.1	+ 0.2	<u>2/</u> + 0.3
Total	+11.9	+10.9	+ 9.3	+ 9.5	+ 6.8	+ 3.6	<u>2/</u> + 4.7

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, 1965, and December 31, 1962, for all commercial banks and weekly reporting banks and for all commercial banks, December 31, 1963.

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

Business of borrower	End of November to end of December 1/					End of December to end of December 2/				
	1965	1964	1963	1962	1961	1965	1964	1963	1962	1961
Food processors	+267	+140	+ 82	+129	+ 92	+ 394	+ 67	+ 59	+ 31	+ 55
Commodity dealers	+ 22	- 27	- 73	- 58	+120	+ 29	+ 23	+310	- 17	+135
Trade concerns	- 20	- 91	- 33	- 97	-185	+1,103	+248	+395	+371	+ 8
<b>Total</b>	<u>+269</u>	<u>+ 22</u>	<u>- 24</u>	<u>- 26</u>	<u>+ 27</u>	<u>+1,526</u>	<u>+338</u>	<u>+764</u>	<u>+385</u>	<u>+198</u>
Metals and products	+229	+168	+ 58	+ 89	+123	+1,493	+481	- 77	+ 81	-419
Textiles, apparel, etc.	- 79	- 74	- 30	- 64	- 19	+ 317	- 85	+148	+111	- 64
Petroleum, coal, etc.	+161	+141	+ 18	+ 7	+ 51	+ 868	+299	+ 7	- 76	- 44
Other manufacturing and mining	+206	+131	+ 5	- 55	+133	+1,175	+532	+484	+423	+468
Public utilities	+387	+252	+188	+197	+207	+1,485	+159	+158	+145	- 50
Construction	- 30	+ 8	- 54	- 27	- 6	+ 305	+440	+147	+165	+106
All other types of business	<u>+232</u>	<u>+379</u>	<u>+282</u>	<u>+209</u>	<u>+199</u>	<u>+ 620</u>	<u>+837</u>	<u>+525</u>	<u>+495</u>	<u>+833</u>
Banker's acceptances	+ 45	+158	n.a.	n.a.	n.a.	- 425	n.a.	n.a.	n.a.	n.a.
Other, mainly services	+187	+221	n.a.	n.a.	n.a.	+1,045	n.a.	n.a.	n.a.	n.a.
Classified	+1,375	+1,027	+443	+329	+713	+7,789	+3,001	+2,157	+1,729	+1,028
Unclassified	+185	+ 93	+161	+157	+ 98	+1,054	+809	+535	+518	-264
<b>Total change</b>	<u>+1,560</u>	<u>+1,120</u>	<u>+604</u>	<u>+486</u>	<u>+811</u>	<u>+8,843</u>	<u>+3,810</u>	<u>+2,692</u>	<u>+2,246</u>	<u>+764</u>

1/ Four most comparable weeks used throughout. Periods end Dec. 22, 1965; Dec. 23, 1964; Dec. 25, 1963; and Dec. 26, 1962; and Dec. 27, 1961.

2/ Changes are compiled from Dec. 28, 1960 to Dec. 27, 1961, to Dec. 26, 1962, to Dec. 25, 1963, to Dec. 23, 1964, to Dec. 22, 1965. 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 <sup>1/</sup>	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--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--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	43.9	7.4	7.7	29.5	9.8	15.0
Feb. 24	270.7	60.5	39.7	170.5	60.3	44.1	7.1	7.8	29.7	9.9	15.1
Mar. 31	273.9	59.0	40.3	174.5	62.2	44.5	7.8	7.9	30.0	10.5	15.2
Apr. 28	275.9	58.3	41.4	176.2	62.5	45.0	7.9	8.1	30.7	10.3	15.4
May 26	277.1	57.2	41.1	178.8	63.4	45.5	7.9	8.1	31.2	10.4	15.8
June 30	283.9	56.9	42.2	184.9	65.5	46.2	9.0	8.1	31.9	11.5	16.3
July 28	281.2	56.3	42.6	182.4	64.8	46.7	7.0	8.2	32.3	11.2	15.9
Aug. 25	283.2	55.5	43.4	184.3	65.5	47.3	7.0	7.9	32.7	11.5	16.1
Sept. 29	286.8	55.9	43.9	187.0	66.9	47.8	6.7	7.9	33.0	12.0	16.3
Oct. 27 p	290.3	58.5	44.1	187.8	67.3	48.2	6.9	7.9	33.3	11.4	16.3
Nov. 24 p	292.4	58.7	43.7	190.0	68.6	48.6	7.2	8.0	33.5	11.6	16.2
Dec. 31 p (est.)	301.3	58.9	44.7	197.6	71.9	48.9	8.6	8.0	33.9	13.3	16.6

p - Preliminary.

<sup>1/</sup> 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	61.9	63.3	71.9	67.6	66.1	56.9	6.4	
Apr. 28	62.4	63.7	71.2	64.9	67.1	57.6	6.3	
May 26	63.3	64.6	72.7	65.3	68.1	58.3	6.2	
June 30	63.6	64.9	74.3	67.0	67.8	58.3	6.0	
July 28	63.7	65.0	72.2	67.1	68.9	58.6	5.7	
Aug. 25	64.1	65.5	74.8	67.7	69.0	58.7	6.1	
Sept. 29	63.9	65.3	73.4	69.3	69.1	58.4	6.4	
Oct. 27 p	63.8	65.2	73.8	69.6	69.1	58.3	r 7.1	
Nov. 24 p	64.3	65.9	77.6	68.2	69.3	58.4	7.3	
Dec. 29 p	64.2	65.7	75.9	71.5	68.9	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.

p - Preliminary.

r - revised

**DEPOSITS AND CURRENCY AND TURNOVER OF DEMAND DEPOSITS**

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

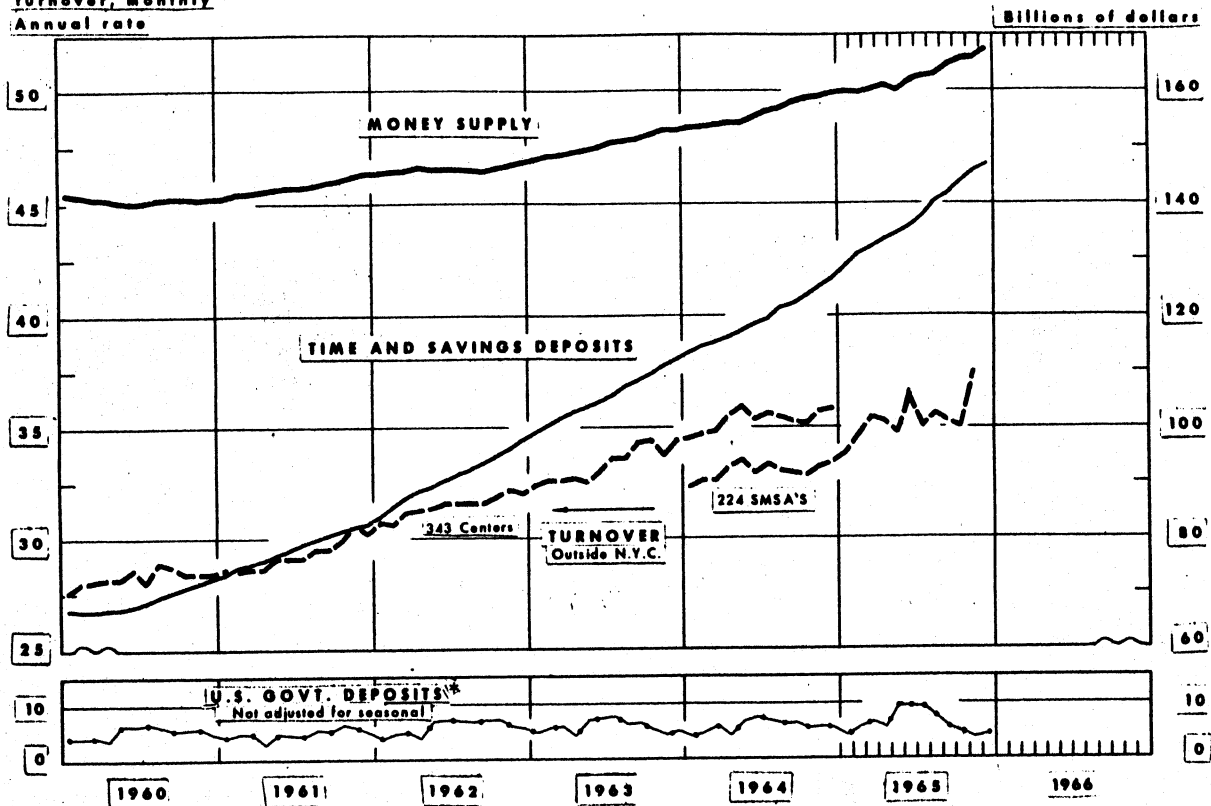


Exhibit H - Part II

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			
1963--December	153.1	120.6	32.5	112.2	33.9	5.1
1964--November	159.1	124.8	34.2	125.1	* 33.2	5.8
December	159.7	125.4	34.2	126.6	* 33.4	5.5
1965--September	164.3	128.7	35.6	141.6	35.3	5.6
October	165.6	129.7	35.9	143.6	35.1	5.0
November	165.7	129.6	36.1	145.5	37.0	4.0
December p	167.4	131.1	36.3	146.9	n.a.	4.5
<b>Week ending:</b>						
Dec. 1	165.7	129.6	36.2	146.4	n.a.	5.7
8	166.6	130.3	36.3	146.5	n.a.	4.8
15	166.5	130.2	36.3	146.8	n.a.	2.6
22	167.8	131.5	36.4	146.9	n.a.	4.4
29 p	168.6	132.3	36.3	147.4	n.a.	5.9

p - Preliminary.

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

NOTE: Dollar amounts in billions.

**TIME AND SAVINGS DEPOSITS AT MEMBER BANKS IN LEADING CITIES**

Wednesday figures

Billions of dollars

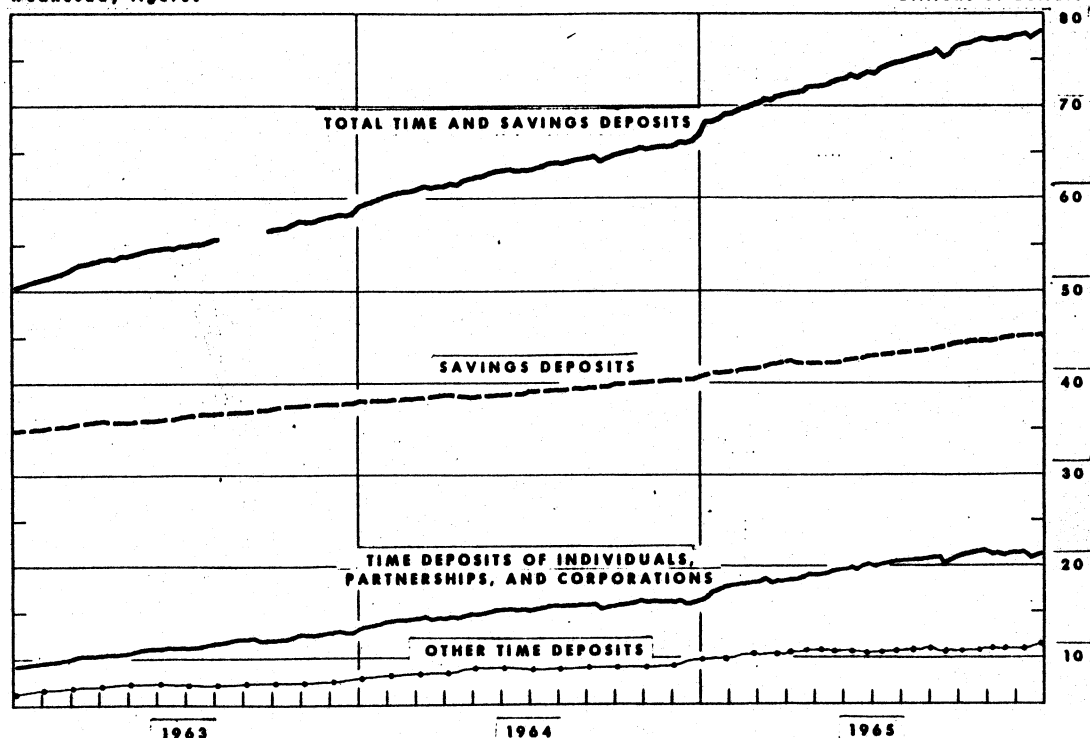


Exhibit I - Part II

Period	Time and Savings Deposits			
	Total	Savings	Individuals, partnerships, and corporations	Other time deposits <sup>1/</sup>
	(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--Aug. 25	75,703	43,779	20,923	11,001
Sept. 29	76,276	44,319	21,003	10,954
Oct. 27	77,464	44,719	21,739	11,006
Nov. 24	77,694	45,048	21,552	11,094
Dec. 1	77,662	45,094	21,511	11,057
8	77,852	45,152	21,648	11,052
15	77,430	45,160	20,954	11,316
22	77,864	45,190	21,175	11,499
29	78,260	45,362	21,258	11,640

<sup>1/</sup> 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				All member	All member	All member
		New York City	City of Chicago	Other							
<b>Monthly averages:</b>											
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	- 83	273	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	-239	217	359	471	21,722			
May	-178	- 13	- 4	-333	172	327	505	21,671			
June	-185	-114	- 15	-274	214	343	528	21,840			
July	-175	-135	- 25	-214	199	349	524	21,865			
Aug.	-136	- 32	- 36	-228	160	428	564	21,816			
Sept.	-155	- 47	- 43	-246	181	373	528	21,816			
Oct.	-149	- 28	- 80	-207	166	341	490	21,872			
Nov.	- 84	- 78	- 31	-177	202	368	452	21,827			
Dec. p	- 4	- 71	- 8	-170	245	450	454	22,169			

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	320.3	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.	542.8	158.6	133.0	49.8	0.4	103.6	49.9	47.6	81.5	23.8	53.7
Apr.	543.3	156.3	134.1	50.1	0.4	103.9	49.9	48.6			53.5
May	543.0	155.4	134.9	50.4	0.4	104.4	49.9	47.6			53.5
June	550.2	159.6	136.3	50.8	0.4	105.1	50.0	48.0	81.5	23.5	53.8
July	550.9	157.7	138.3	51.1	0.4	105.5	50.1	47.9			53.7
Aug.	555.6	157.8	139.8	51.3	0.3	106.5	50.1	49.8			53.6
Sept.	560.6	160.6	141.6	51.6	0.3	107.7	50.1	48.7	81.3	23.3	53.9
Oct.	565.0	161.1	144.0	52.0	0.3	108.3	50.1	49.1			54.0
Nov.	568.2	160.3	146.5	52.3	0.3	109.2	50.1	49.4			54.0
Dec. p	572.5	163.7	146.8	52.5	0.3	109.7	50.5	49.0	81.6	23.3	54.2

For footnotes see next page.

p - Preliminary.

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).