

FEDERAL RESERVE BANK
of KANSAS CITY

L.4.3

Not for publication

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BANKING AND MONETARY DEVELOPMENTS IN MARCH 1966

Summary. Seasonally adjusted loans and investments at all commercial banks increased substantially in March after showing only nominal growth in February. Loan expansion was rapid and associated in part with heavy tax and dividend borrowing--especially by businesses and finance companies. Banks continued to liquidate holdings of U. S. Government securities, and they also reduced their holdings of municipal and Federal agency issues. While the money supply rose sharply, U. S. Government deposits declined contraseasonally. Expansion in time and savings deposits continued at about the same reduced rate as in earlier months this year. Net borrowed reserves increased further as member bank borrowings rose and excess reserves declined. Seasonally adjusted total and required reserves increased.

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

	Annual rate (per cent)							
	1966			1965				
	1st Qtr.	Mar.	Feb.-Mar.	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	Year
Total loans and investments	8.0	11.3	5.9	10.9	4.8	10.6	12.4	10.0
U.S. Gov't. securities	-13.9	-14.9	-18.8	7.8	-8.3	-12.8	-11.7	-6.2
Other securities	3.6	-7.9	5.4	10.1	13.3	20.0	14.5	15.2
Total loans	15.6	23.3	13.2	12.0	7.0	16.4	20.8	14.8
Business loans	19.6	20.1	16.1	15.5	11.7	19.4	26.1	19.4
Money supply	4.3	8.6	2.9	7.5	6.2	3.7	1.5	4.8
Time deposits at all commercial banks	7.1	6.5	6.5	15.0	16.8	11.5	17.4	16.1

Bank credit. Although loans and investments at all commercial banks increased at a relatively high seasonally adjusted annual rate--11.3 per cent--in March, this expansion followed virtually no growth in February. Over the first quarter as a whole, credit increased at an annual rate of 8 per cent--below that for both the entire year and the

fourth quarter of 1965. At weekly reporting banks in leading cities, the January-March credit decline (not adjusted for seasonal) was larger than that in the comparable months of other recent years. While loans rose much more than in any other year except 1965, holdings of U. S. Government securities showed an unusually large decline and, in addition, holdings of other securities declined contraseasonally. On the other hand, at banks outside leading cities, credit growth was larger than usual, reflecting only slightly accelerated loan expansion, relatively small sales of U. S. Government securities, and a record increase in holdings of municipal and agency issues. For March alone, however, the pattern at banks outside leading cities reversed, and loan expansion was unusually rapid while security liquidation was larger than usual.

Total loans rose sharply in March--\$3.8 billion--considerably more than in any other recent month. This brought the annual rate of growth in the first quarter to slightly over 15 per cent, similar to that in the year 1965 but faster than that in the fourth quarter. Several factors were associated with the rapid March growth--unusually heavy borrowing by finance companies and nonfinancial businesses around the tax and dividend period, a contraseasonal increase in U. S. Government dealer borrowing, and bank acquisitions of over \$350 million of Export-Import Bank certificates (currently reported in "other loans").

Loans to nonbank financial businesses increased \$700 million on a seasonally adjusted basis in March. This largely reflected unusually heavy borrowing by finance companies to meet tax period maturities of short-term paper held by nonfinancial businesses. Security loans increased \$400 million in March reflecting in part dealer financing needs late in the month.

Business loan expansion over the March tax and dividend period was larger than in the corresponding period of any other recent year. For the month as a whole, seasonally adjusted business loans increased \$1.2 billion compared with \$700 million in February. The February-March growth, however, was considerably below the unusually rapid December-January rise. At city banks in March, most industry groups showed larger borrowing than usual--particularly metals, textiles, petroleum and chemicals, and miscellaneous manufacturing. Borrowing by trade concerns was also large following heavy repayments earlier in the year. On the other hand, repayments by food processors, which had been very small earlier, were generally similar to those in March of other recent years.

Total investments at all commercial banks declined \$1 billion in March--more than in any other month since July. While the \$700 million reduction in holdings of U. S. Government securities was about the same as the average reduction earlier in the year, holdings of municipal and Federal agency securities declined \$300 million, the first monthly reduction since January 1964. The annual rate of decline in Governments over the first quarter--almost 14 per cent--was larger than that in each of the first three quarters of 1965 but followed an increase in holdings in the fourth quarter which had been associated with Treasury financing operations. In the case of other securities, the annual rate of growth over the January-March period was the smallest quarterly increase in the current expansion.

Money supply and time deposits. The seasonally adjusted money supply increased \$1.2 billion in March following a small decline in February. The March increase was associated in part with a substantial contraseasonal reduction in U. S. Government deposits. Over the first quarter, the money stock rose at an annual rate of 4.3 per cent, a little below that for all of 1965.

Time and savings deposits at all commercial banks increased \$800 million in March--or at an annual rate of 6.5 per cent--the same as in February. Growth in these deposits had been slackening since late last year, and over the first quarter the 7 per cent annual rate of increase was less than half that of the year 1965 or even of the fourth quarter 1965. In March, there was some shift in inflows of time and savings deposits among banks. At reserve city banks, net inflows picked up sharply on a seasonally adjusted monthly average basis, whereas at country banks, they slackened.

At weekly reporting banks in leading cities, in the five weeks ending March 30, time deposits other than negotiable CD's rose by over \$900 million compared with only \$200 million in the corresponding weeks last year. This year's increase probably reflected a sharp expansion in holdings of smaller denomination nonnegotiable certificates on which relatively high rates are now being offered. Holdings of negotiable CD's also rose substantially--\$700 million compared with \$100 million in the corresponding weeks last year--in spite of the fact that March 1966 maturities were the largest on record. Savings deposit inflows continued small, however,--presumably reflecting in part shifts of funds to the new nonnegotiable certificates.

Bank reserves. Net borrowed reserves increased to about \$220 million over the four statement weeks ending March 30; member bank borrowings rose and excess reserves declined somewhat. Seasonally adjusted total reserves increased further in March and required reserves also rose after leveling off in February. Reserves were supplied through reductions in Treasury deposits at the Reserve Banks and absorbed principally through currency outflows and sales of U. S. Government securities.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted

Billions of dollars

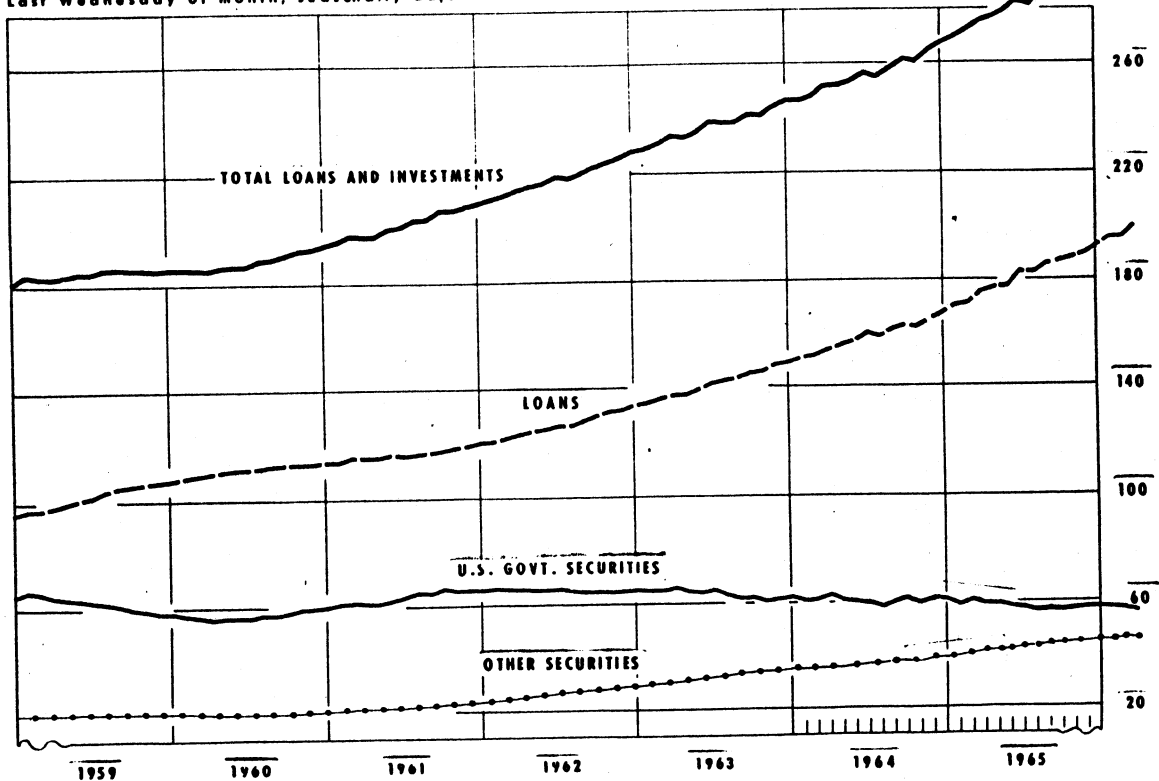


Exhibit A - Part II

Date	Total ^{1/}	Loans ^{1/}	U. S. Gov't. securities	Other securities
	(In billions of dollars)			
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--Dec. 31	267.2	167.1	61.4	38.7
1965--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 ^{2/}	294.0	191.8	57.6	44.6
1966--Jan. 26 p	297.0	195.0	57.4	44.6
Feb. 23 p	297.1	195.5	56.3	45.3
Mar. 30 p	299.9	199.3	55.6	45.0

^{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

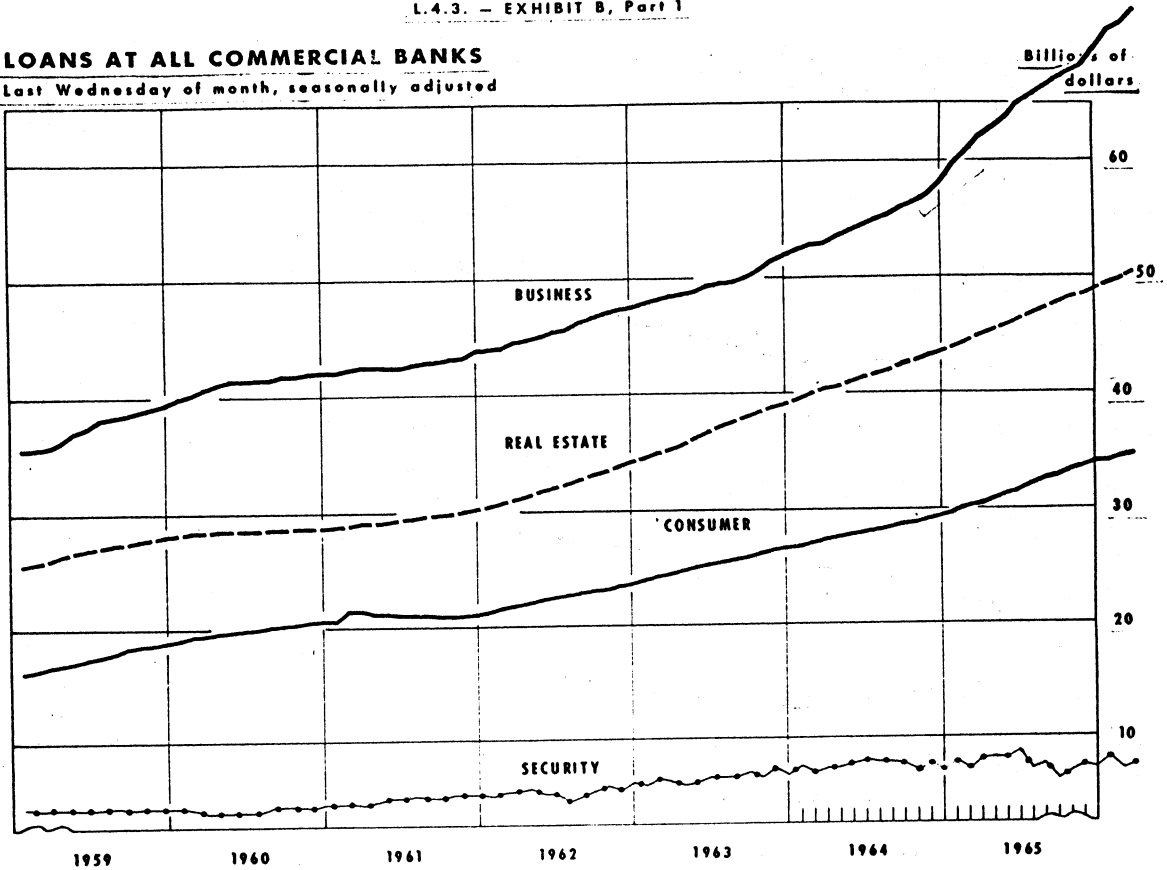


Exhibit B - Part II

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 <u>1/</u>	47.6	34.2	23.7	6.2
1963--Dec. 31 <u>1/</u>	52.0	39.1	26.7	6.7
1964--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 <u>1/</u>	69.5	48.8	33.9	7.3
1966--Jan. 26 p	71.0	49.2	34.0	8.0
Feb. 23 p	71.7	49.7	34.4	7.1
Mar. 30 p	72.9	50.2	34.7	7.5

1/ Estimated as of December 31.

p - Preliminary.

These data are not for publication.

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

Item	1965											1966		
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. p	Nov. p	Dec. p ^{4/}	Jan. p	Feb. p	Mar. p
Loans and Investments ^{2/}	+2.5	+3.4	+1.8	+2.1	+3.4	-1.3	+4.6	+0.1	+2.7	+2.6	+2.5	+3.0	+0.1	+2.8
U. S. Gov't. securities	+0.3	-0.6	-0.5	-0.5	-0.9	-1.3	+0.6	-0.5	+0.5	+0.6	<u>1/</u>	-0.2	-1.1	-0.7
Other securities	+0.5	+0.1	+1.0	+0.2	+0.8	+0.3	+0.9	+0.2	+0.4	+0.2	+0.5	<u>1/</u>	+0.7	-0.3
Loans ^{2/}	+1.7	+3.9	+1.3	+2.4	+3.5	-0.3	+3.1	+0.4	+1.8	+1.8	+2.0	+3.2	+0.5	+3.8
Business	+1.1	+1.2	+0.7	+0.9	+1.4	+0.6	+0.6	+0.7	+0.5	+0.7	+1.4	+1.5	+0.7	+1.2
Real estate	+0.5	+0.5	+0.4	+0.4	+0.5	+0.4	+0.5	+0.5	+0.4	+0.3	+0.5	+0.4	+0.5	+0.5
Consumer	+0.4	+0.3	+0.5	+0.3	+0.4	+0.4	+0.4	+0.4	+0.4	+0.3	+0.4	+0.1	+0.4	+0.3
Security	-0.7	+0.9	+0.1	<u>1/</u>	+0.6	-1.5	+0.4	-1.3	+0.6	+0.6	-0.2	+0.7	-0.9	+0.4
Nonbank financial	+0.1	+0.5	<u>1/</u>	+0.2	+0.4	<u>1/</u>	+0.2	+0.3	+0.1	+0.2	-0.2	+0.4	-0.1	+0.7
Agriculture	<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	+0.1	+0.1	<u>1/</u>
All other	+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>	<u>1/</u>	+0.1	+0.6 ^{4/}
Total loans excluding security ^{3/}	+2.4	+2.9	+1.8	+1.9	+2.9	+1.6	+2.0	+2.0	+1.2	+1.4	+2.0	+2.5	+1.7	+3.3
Total loans excluding security and non-bank financial ^{3/}	+2.3	+2.4	+1.8	+1.7	+2.5	+1.6	+1.8	+1.7	+1.1	+1.2	+2.2	+2.1	+1.8	+2.6

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/} Includes about \$350 million of Export-Import Bank certificates delivered on February 24.

Data on individual loan categories are not for publication.

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 February to last Wednesday of March						
	1966	1965	1964	1963	1962	1961	1960
All commercial banks							
Total loans	+4.0	+4.0	+2.2	+1.2	+1.5	-0.2	+1.0
U. S. Gov't. securities	-1.9	-1.5	<u>1/</u>	-0.5	-1.6	-1.6	-2.0
Other securities	<u>+0.3</u>	<u>+0.6</u>	<u>+0.5</u>	<u>+0.8</u>	<u>+0.9</u>	<u>+0.4</u>	<u>1/</u>
Total	+2.4	+3.2	+2.7	+1.5	+0.8	-1.4	-0.9
Weekly reporting banks							
Total loans	+2.7	+3.1	+1.4	+0.7	+1.1	-0.2	+0.7
U. S. Gov't. securities	-1.1	-0.9	+0.2	<u>1/</u>	-1.3	-1.1	-1.0
Other securities	<u>-0.1</u>	<u>+0.3</u>	<u>+0.4</u>	<u>+0.5</u>	<u>+0.8</u>	<u>+0.3</u>	<u>1/</u>
Total	+1.6	+2.6	+2.0	+1.2	+0.5	-1.0	-0.3
Other banks							
Total loans	+1.3	+0.9	+0.8	+0.5	+0.4	<u>1/</u>	+0.3
U. S. Gov't. securities	-0.8	-0.6	-0.2	-0.5	-0.3	-0.5	-1.0
Other securities	<u>+0.4</u>	<u>+0.3</u>	<u>+0.1</u>	<u>+0.3</u>	<u>+0.1</u>	<u>+0.1</u>	<u>1/</u>
Total	+0.8	+0.6	+0.7	+0.3	+0.3	-0.4	-0.6
Item	End of December to end of March						
	1966 <u>2/</u>	1965	1964 <u>2/</u>	1963 <u>2/</u>	1962	1961	1960
All commercial banks							
Total loans	+0.3	+2.4	-1.1	-1.5	-1.3	-2.5	-0.9
U. S. Gov't. securities	-3.9	-4.0	-1.9	-1.6	-2.2	-1.3	-4.7
Other securities	<u>+0.5</u>	<u>+1.5</u>	<u>+0.5</u>	<u>+1.4</u>	<u>+1.5</u>	<u>+0.8</u>	<u>-0.4</u>
Total	-3.2	<u>3/ 1/</u>	-2.5	-1.7	-2.0	-2.9	-6.1
Weekly reporting banks							
Total loans	-0.5	+1.7	-1.6	-1.9	-1.4	-2.1	-1.4
U. S. Gov't. securities	-3.4	-3.3	-1.2	-0.9	-2.0	-1.1	-3.2
Other securities	<u>-0.4</u>	<u>+1.0</u>	<u>+0.4</u>	<u>+1.0</u>	<u>+1.2</u>	<u>+0.7</u>	<u>-0.2</u>
Total	-4.2	-0.5	-2.5	-1.9	-2.3	-2.5	-4.7
Other banks							
Total loans	+0.8	+0.7	+0.5	+0.4	+0.1	-0.4	+0.5
U. S. Gov't. securities	-0.5	-0.7	-0.7	-0.7	-0.2	-0.2	-1.5
Other securities	<u>+0.9</u>	<u>+0.5</u>	<u>+0.1</u>	<u>+0.4</u>	<u>+0.3</u>	<u>+0.1</u>	<u>-0.2</u>
Total	+1.0	<u>3/ +0.5</u>	<u>1/</u>	+0.2	+0.3	-0.4	-1.4

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

1/ Less than \$50 million. 2/ 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. 3/ 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 in January.

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

Business of borrower	End of February to end of March 1/					Late-December to end of March 2/				
	1966 p	1965	1964	1963	1962	1966 p	1965	1964	1963	1962
Food processors	- 7	+ 17	- 15	- 73	- 80	- 31	-173	-467	-371	-345
Commodity dealers	-103	-155	-106	- 79	- 56	- 93	- 27	-245	- 69	- 77
Trade concerns	<u>+259</u>	<u>+338</u>	<u>+203</u>	<u>+138</u>	<u>+162</u>	<u>-182</u>	<u>+391</u>	<u>-107</u>	<u>- 96</u>	<u>- 9</u>
Total	+149	+200	+ 82	- 14	+ 26	-306	+191	-819	-536	-431
Metals and products	+417	+475	+176	+124	+245	+568	+786	+418	+158	+272
Textiles, apparel, etc.	+179	+148	+100	+137	+116	+264	+245	+183	+207	+247
Petroleum, coal, etc.	+199	+159	+ 59	+125	+132	+509	+423	+121	+ 58	- 14
Other manufacturing and mining	+205	+227	+ 89	+121	+ 73	+425	+594	+112	+375	+196
Public utilities	+ 93	+ 52	- 90	+ 17	+ 87	- 39	+ 84	-306	-233	-288
Construction	+ 36	- 14	+ 34	+ 32	+ 39	+ 7	- 5	+ 65	- 42	+ 18
All other types of business	<u>+141</u>	<u>+131</u>	<u>+124</u>	<u>+ 74</u>	<u>+ 78</u>	<u>+328</u>	<u>+305</u>	<u>+351</u>	<u>+ 33</u>	<u>+ 79</u>
Banker's acceptances	+ 11	- 30	- 30	n.a.	n.a.	+ 27	-284	n.a.	n.a.	n.a.
Other, mainly services	+130	+161	+154	n.a.	n.a.	+301	+589	n.a.	n.a.	n.a.
Classified	+1,419	+1,378	+574	+616	+796	+1,756	+2,623	+125	+ 21	+ 80
Unclassified	+207	+201	+144	+ 56	+ 64	+418	+329	+189	+ 21	+ 14
Total change	+1,626	+1,579	+718	+672	+860	+2,174	+2,952	+314	+ 42	+ 94

1/ Five most comparable weeks used throughout.

2/ Changes are compiled from December 22, 1965; December 23, 1964; December 25, 1963; December 26, 1962; December 27, 1961; and December 28, 1960. Dates other than last Wednesdays of 1965 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--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--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
1966--Jan. 26 p	296.4	59.2	44.2	193.0	70.1	49.2	7.6	8.2	33.8	11.9	16.0
Feb. 23 p	295.7	56.9	44.9	193.9	71.1	49.4	7.1	8.4	34.0	11.9	15.9
Mar. 30 p	298.1	55.0	45.2	197.9	73.1	49.7	7.3	8.4	34.2	12.7	16.3

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.

Individual loan category data are available for publication only on a June and December call date basis.

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--Dec. 25	58.6	59.9	67.4	62.1	63.3	53.8	<u>3/</u> 7.5
1964--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	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	7.4
1966--Jan. 26 p	64.0	65.6	75.9	71.3	69.2	58.1	7.6
Feb. 23 p	64.9	66.6	77.5	73.4	70.6	58.5	6.4
Mar. 30 p	65.5	67.1	77.7	73.9	70.8	59.2	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

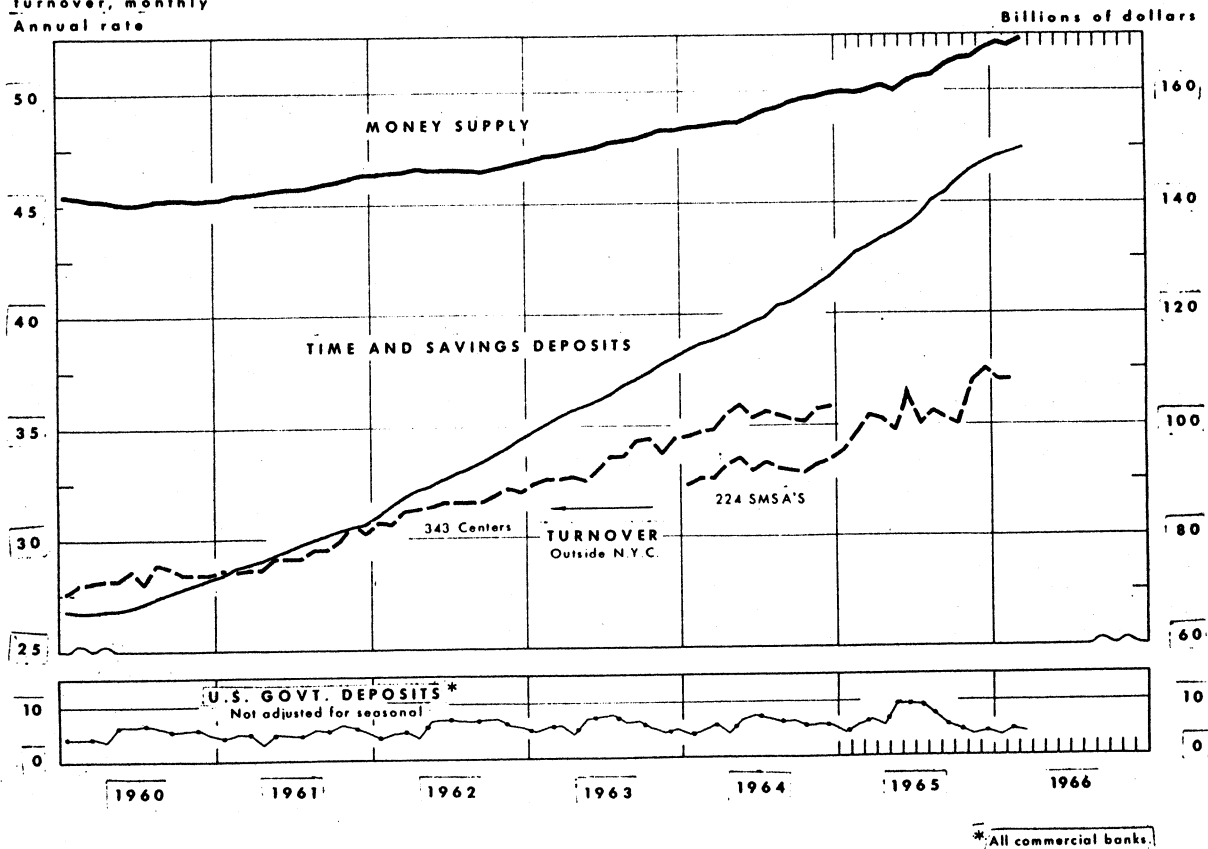


Exhibit H - Part II

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--December	159.7	125.4	34.2	126.6	* 33.4	5.5
1965--December	167.4	131.2	36.3	147.0	37.5	4.5
1965--March	160.3	125.6	34.7	132.1	35.4	6.7
1966--January	168.4	131.8	36.7	148.0	37.0	3.7
February	168.0	131.2	36.8	148.8	37.0	5.1
March p	169.2	132.3	36.9	149.6	38.3	4.5
Week ending:						
March 2	168.4	131.6	36.8	149.2	n.a.	5.6
9	168.6	131.8	36.9	149.2	n.a.	4.1
16	169.2	132.3	36.8	149.5	n.a.	2.6
23	169.8	132.9	36.9	149.8	n.a.	5.5
30 p	169.2	132.3	36.9	150.2	n.a.	5.7

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

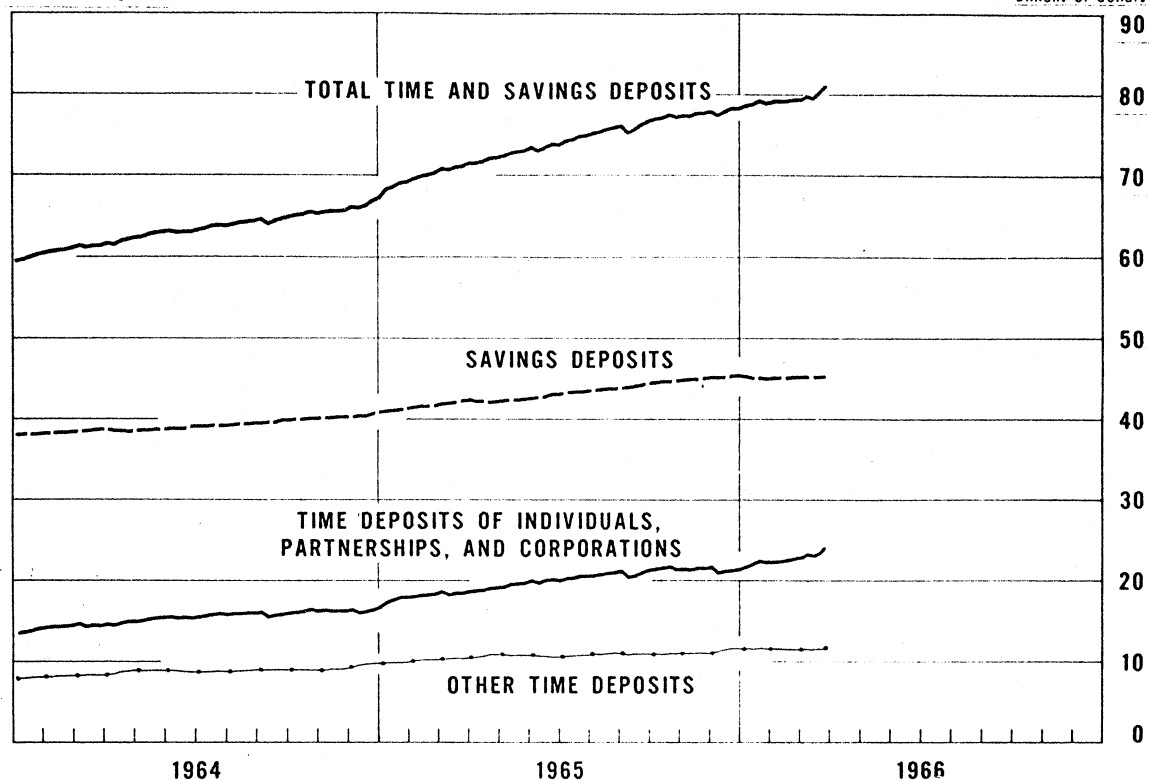


Exhibit I - Part II

Period	Time and Savings Deposits			
	Total	Savings	Individuals, partnerships, and corporations	Other time deposits ^{1/}
	(In millions of dollars)			
1961--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--Dec. 30	66,881	40,698	16,407	9,776
1965--Dec. 29	78,260	45,362	21,258	11,640
1965--Mar. 31	71,140	42,323	18,456	10,361
1966--Jan. 26	79,170	45,081	22,414	11,675
Feb. 23	79,324	45,064	22,716	11,544
Mar. 2	79,600	45,064	22,961	11,575
9	79,940	45,100	23,258	11,582
16	79,707	45,109	23,012	11,586
23	80,173	45,099	23,482	11,592
30	81,001	45,111	24,160	11,730

^{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
	All member	Reserve City Banks						
		New York City	City of Chicago	Other				
<u>Monthly averages:</u>								
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--December	168	- 14	- 31	-103	315	411	243	21,082
1965--February	36	- 89	- 36	-144	306	441	405	21,359
March	- 75	- 98	- 45	-147	214	341	416	21,504
April	-105	- 50	- 39	-237	221	366	471	21,728
May	-180	- 13	- 4	-334	170	325	505	21,667
June	-182	-114	- 15	-269	214	346	528	21,840
July	-174	-134	- 25	-214	197	350	524	21,863
Aug.	-134	- 32	- 36	-230	163	430	564	21,813
Sept.	-144	- 46	- 43	-243	190	384	528	21,827
Oct.	-146	- 28	- 80	-207	167	344	490	21,871
Nov.	- 83	- 77	- 30	-178	202	369	452	21,827
Dec.	- 2	- 70	- 8	-161	238	452	454	22,165
1966--Jan.	- 44	- 74	- 49	-141	219	358	402	22,282
Feb.	-107	- 75	- 26	-148	143	371	478	22,367
Mar. p	-251	- 37	- 62	-218	66	300	551	22,427

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	495.4	149.6	112.9	44.5	0.5	90.9	49.0	48.1	81.3	24.7	53.0
1964	r 530.5	156.7	127.1	49.0	0.4	r 101.4	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.	r 536.5	154.8	131.9	49.6	0.4	102.6	49.9	47.3			53.4
Mar.	r 542.9	158.6	133.0	49.8	0.4	r 103.7	49.9	47.6	81.5	23.8	53.7
Apr.	r 543.4	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	r 104.5	49.9	47.6			53.5
June	550.2	r 159.7	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.	r 555.7	157.8	139.8	51.3	0.3	106.5	50.1	49.8			53.6
Sept.	r 560.7	160.6	141.6	51.6	0.3	r 107.8	50.1	48.7	81.3	23.3	53.9
Oct. p	r 565.1	161.1	144.0	52.0	0.3	r 108.4	50.1	49.1			54.0
Nov. p	568.2	160.3	146.5	52.3	0.3	r 109.3	50.1	49.4			54.0
Dec. p	572.4	163.7	147.1	52.5	0.3	109.7	50.5	48.6	81.3	23.2	54.3
1966											
Jan. p	577.7	164.0	149.2	52.8	0.3	109.8	50.5	51.2			54.2
Feb. p	r 576.6	r 162.0	149.4	53.0	0.3	e 110.6	50.3	r 51.0			54.2
Mar. p	584.5	166.2	151.0	53.1	0.3	e 111.6	50.3	51.9	80.9	23.0	54.3

For footnotes see next page. p - Preliminary e - Estimated.
 NOTE: Beginning in 1964, revisions in total liquid assets, demand deposits and currency, and savings and loan shares reflect revisions in savings and loan shares, cash, and deposits.

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).