

FEDERAL RESERVE BANK
of ST. LOUIS
JUL 23 1966

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July 20, 1966.

BANKING AND MONETARY DEVELOPMENTS IN JUNE 1966

Summary. Seasonally adjusted commercial bank credit rose somewhat more in June than in May and at a pace slightly above that of the entire first half. Loan expansion was large and reflected in part heavy borrowing around the tax and dividend period. Banks reduced further their holdings of United States Government securities, and made little change in their portfolios of municipal and Federal agency issues during the month. The money supply rose substantially, just offsetting the May decline. Time and savings deposits continued to grow at a moderate rate. Total reserves, seasonally adjusted, fell again slightly, required reserves increased somewhat, and net borrowed reserves continued to rise.*

Revised seasonally adjusted data for bank credit. Revised seasonally adjusted data for total bank credit and major components have recently been developed and are being used in this report. All revised data, beginning in 1948, will be released in the July Federal Reserve Bulletin.

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

	Annual rate (per cent)							
	1966					1965		
	June	May	2nd Qtr.	1st Qtr.	1st Half	2nd Half	1st Half	Year
Total loans and investments	8.7	6.3	8.3	8.0	8.2	9.0	10.9	10.2
+ U.S. Gov't. securities	-10.9	-17.2	-10.7	-11.8	-11.1	-1.7	-9.5	-5.6
Other securities	-2.5	26.0	12.3	8.0	10.3	12.8	17.6	15.8
Total loans	17.2	7.8	12.7	13.8	13.4	11.7	16.7	14.7
Business loans	32.3	19.7	21.0	19.1	20.5	12.6	23.4	18.7
Money supply	11.3	-11.2	4.5	4.3	4.4	6.9	2.6	4.8
Time deposits at all commercial banks	9.4	10.3	12.0	7.1	9.7	16.3	14.7	16.1

* For changes involving June 1966, allowance has been made in total credit, total loans, and total time deposits, for the \$1.1 billion of balances accumulated for the payment of personal loans, which were excluded from time deposits and from loans on June 9, as a result of a change in Federal Reserve regulations affecting reserve requirements.

Bank Credit. Total loans and investments at all commercial banks increased \$2.2 billion in June, or \$600 million more than the moderate rise in May. The 8.3 per cent annual rate of growth in credit over the second quarter was slightly faster than the pace during the first quarter, but during the first and second quarters, growth was slightly slower than in the two preceding years.

Loan expansion totaled \$2.9 billion, a record volume for the current expansion. This reflected mainly heavy borrowing, particularly at city banks, by finance companies and by nonfinancial businesses to meet tax and dividend payments. In the second quarter as a whole, loan growth slowed slightly from the rate experienced in the first quarter, but remained somewhat faster than in the second half of 1965.

Business loans rose a record \$2.0 billion in June, or at an annual rate of about 32 per cent. Most of the increase came in the week of the tax and dividend dates and in the week following, and reflected the acceleration in corporate payments of income and withheld taxes. At banks in both New York City and outside, loans to businesses during these two weeks were larger than in comparable periods of other recent years. Borrowing was especially heavy by metals concerns and petroleum and chemical manufacturers. Textile and apparel manufacturers, other manufacturing and mining companies, public utilities, and trade concerns also borrowed more than usual during June. Loans to commodity dealers and construction companies were about the same as usual, but banks reduced substantially their holdings of bankers' acceptances. Expansion in business loans over the first half of 1966 was substantially faster than in the last half of the previous year, but only slightly more rapid than the pace for the entire year 1965.

Loans to nonbank financial institutions increased \$900 million in June, following a decline of about half that amount in May. Borrowing by finance companies to finance maturing paper accounted for most of the increase. Loans to security dealers showed little increase as Government security dealers maintained a relatively low inventory position over the month. Consumer loans expanded by about the same amount as last month. Loans secured by real estate are estimated to have increased only \$200 million in June, thus continuing the slow-down exhibited over the April-May period.

Total investments at all commercial banks declined \$600 million in June in face of mounting pressures of high loan demand and further restraint on bank reserve availability. Following declines over the two preceding months, banks further reduced their portfolios of U. S. Government securities by about \$500 million. Moreover, after making large acquisitions of municipal and Federal agency issues over the previous two months, banks reduced their total holdings of these securities slightly in June--the first monthly reduction since January 1964. To meet the strong demand for loans or to

switch to higher-yield investments, during the first half of the year, banks liquidated U. S. Government securities in substantial quantity. On the other hand, they added to their holdings of "other securities" over the six month period, particularly following the large inflows of time deposits in April.

Money supply and time deposits. The seasonally adjusted money supply increased \$1.6 billion in June, following a decline of the same amount in May. The rise was associated in part with a larger than seasonal reduction in U. S. Government deposits, as well as with the record loan expansion. Private demand deposits, which expanded at an annual rate of nearly 15 per cent, accounted for almost all the rise. Although shifting patterns of tax payments and other temporary pressures have contributed to sharp short-term fluctuations in the money supply, the steadily rising transaction demand for money has resulted in an upward trend in the money stock over the first half of the year, notwithstanding the rising opportunity cost of holding cash balances.

Time and savings deposits continued to expand at a rate slightly below the 10.3 per cent rate of May, with most of the June increase coming in the second half of the month. At city banks in June total time and savings deposits increased much less than in the comparable weeks last year. Savings deposits continued to decline in June, but at a reduced pace, and there was also a small decline in negotiable CD's. Time deposits other than CD's, on the other hand, increased substantially further. Although the CD run-off over the tax-period was large, banks were able to replace most of these maturities in the latter part of the month, but to do so, they had to pay mainly ceiling rates on relatively short maturities. Over the six months ending June 30, time and savings deposits at all commercial banks increased at a rate substantially below the 16 per cent rate of 1965.

Bank Reserves. Seasonally adjusted total reserves fell slightly further in June, following a large decline in May, but required reserves rose somewhat. Member bank borrowings rose a little more than excess reserves, causing a continuing rise in net borrowed reserves to an average level of about \$350 million over the five statement weeks ending June 29. Over the first half of 1966, nonborrowed reserves increased at an annual rate of 2.4 per cent, or about half the rate for the full year 1965. Excess reserves declined slightly over the first half of 1966, and borrowing at the discount window rose--mainly as a result of increased borrowing by country member banks.

Changes in Board Regulations. On June 27, the Board of Governors announced a rise in reserve requirements from 4 to 5 per cent against time deposits (other than passbook savings) in excess of \$5 million at an individual bank, effective mid-July. At the same time, reserve requirements and interest rate ceilings are to be extended to short-term promissory notes issued by banks.

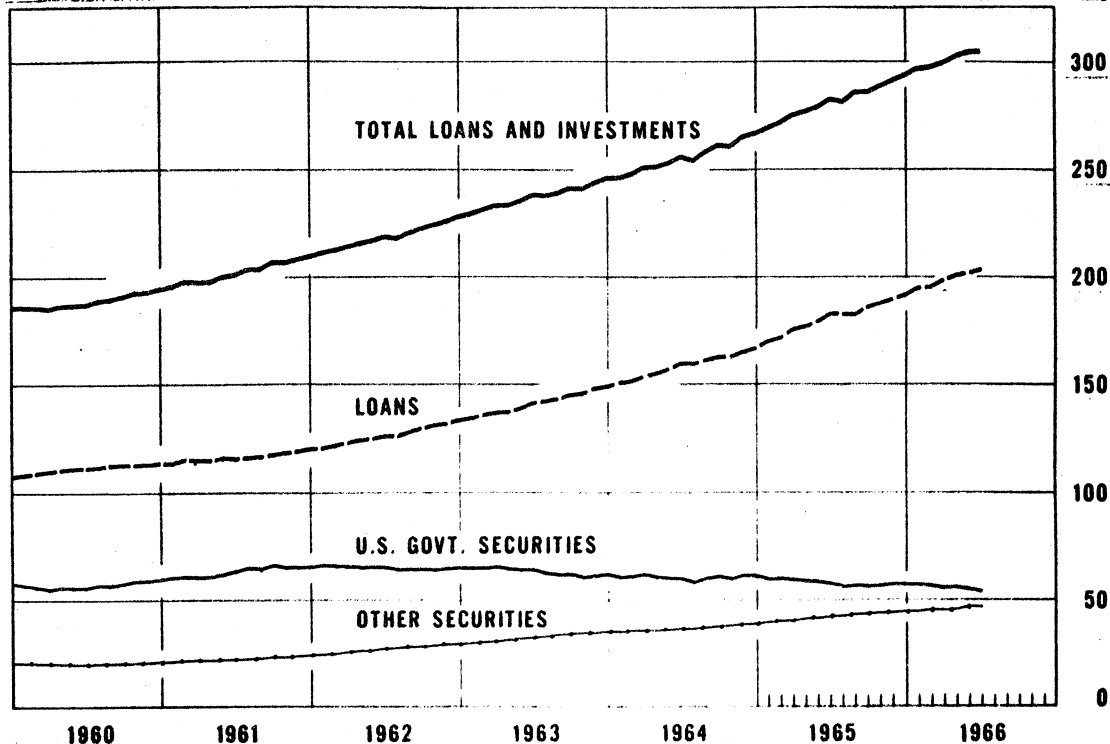
On July 15, the Board of Governors announced a reduction in the maximum rate on new multiple maturity time deposits of 90 days or more from 5-1/2 per cent to 5 per cent, and on those of less than 90 days, from 5-1/2 per cent to 4 per cent. These changes became effective as of July 20, 1966, but outstanding multiple maturity deposits are not affected.

Banking Section,
Division of Research and Statistics.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted

Billions of dollars



* Chart not yet revised on basis of new seasonal adjustment factors

Exhibit A - Part II

Date	Total <u>1/</u> <u>3/</u>	Loans <u>1/</u> <u>3/</u>	U. S. Gov't. securities <u>3/</u>	Other securities <u>3/</u>
	(In billions of dollars)			
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--Dec. 31	267.2	167.4	61.1	38.7
1965--Feb. 24	272.1	172.8	59.4	40.0
Mar. 31	275.8	175.4	59.9	40.5
Apr. 28	277.0	177.1	58.7	41.2
May 26	279.4	179.4	58.7	41.3
June 30	281.7	181.4	58.2	42.1
July 28	283.2	182.9	57.9	42.4
Aug. 25	286.1	185.2	57.7	43.1
Sept. 29	286.2	186.2	56.5	43.4
Oct. 27	289.9	188.6	57.4	43.9
Nov. 24	291.5	189.8	57.5	44.2
Dec. 31	294.4	192.0	57.7	44.8
1966--Jan. 26	297.4	194.5	58.0	44.9
Feb. 23	297.5	196.2	55.9	45.4
Mar. 30	300.3	198.6	56.0	45.7
Apr. 27 p	302.7	200.7	55.8	46.2
May 25 p	304.3	202.0	55.0	47.2
June 30 p <u>2/</u>	305.4 <u>4/</u>	203.7 <u>4/</u>	54.5	47.1

1/ Adjusted to exclude interbank loans. p - Preliminary.2/ Estimated as of December 31 and June 30.3/ Revisions reflect application of revised seasonal factors. Revised figures beginning 1948 will be published in the July Bulletin.4/ Beginning June 9, loan data exclude the \$1.1 billion of balances accumulated for the payment of personal loans.

LOANS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted

Billions of dollars

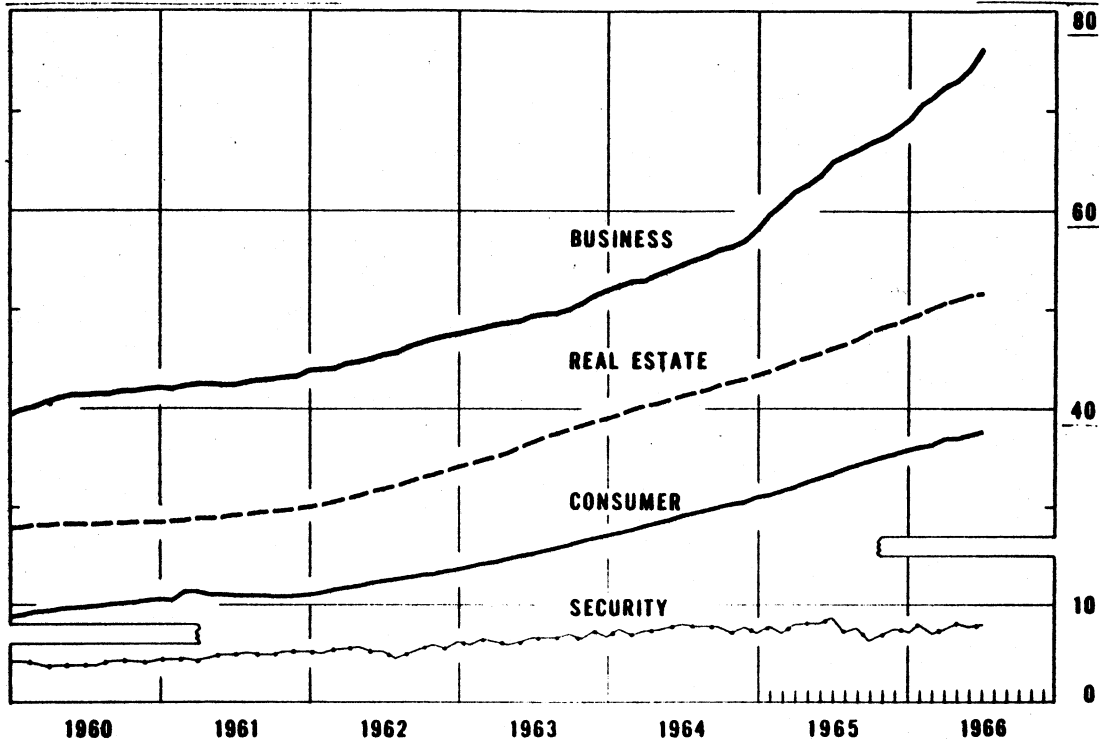


Exhibit B - Part II

Date	Business	Real Estate	Consumer	Security
(In billions of dollars)				
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	27.2	6.7
1964--Dec. 31	58.2	43.5	31.1	7.1
1965--Feb. 24	60.8	44.4	31.7	7.1
Mar. 31	62.0	44.9	32.1	8.0
Apr. 28	62.7	45.3	32.6	8.1
May 26	63.6	45.7	33.0	8.1
June 30	65.0	46.2	33.4	8.7
July 28	65.6	46.6	33.9	7.2
Aug. 25	66.2	47.2	34.3	7.6
Sept 29	66.8	47.8	34.7	6.3
Oct. 27	67.2	48.3	35.1	6.9
Nov. 24	67.8	48.7	35.4	7.5
Dec. 31	69.1	49.2	35.8	7.2
1966--Jan. 26	70.6	49.7	36.1	8.0
Feb. 23	71.3	50.2	36.3	7.0
Mar. 30	72.4	50.7	36.9	7.5
Apr. 27 p	73.0	51.0	37.0	8.1
May 25 p	74.2	51.4	37.3	7.9
June 30 p	76.2	51.6	37.6	8.0

^{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					
	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April p	May p	June
<u>Loans and Investments</u> ^{2/}	+2.4	+2.3	+1.5	+2.9	+0.1	+3.7	+1.6	+2.9	+3.0	+0.1	+2.8	+2.4	+1.6	+2.2 ^{4/}
U. S. Gov't. securities	<u>1/</u>	-0.5	-0.3	-0.2	-1.2	+0.9	+0.1	+0.2	+0.3	-2.1	+0.1	-0.2	-0.8	-0.5
Other securities	+0.1	+0.8	+0.3	+0.7	+0.3	+0.5	+0.3	+0.6	+0.1	+0.5	+0.3	+0.5	+1.0	-0.1
Loans ^{2/}	+2.3	+2.0	+1.5	+2.3	+1.0	+2.4	+1.2	+2.2	+2.5	+1.7	+2.4	+2.1	+1.3	+2.9 ^{4/}
Business	+0.9	+1.4	+0.6	+0.6	+0.6	+0.4	+0.6	+1.3	+1.5	+0.7	+1.1	+0.6	+1.2	+2.0
Real estate	+0.4	+0.5	+0.4	+0.6	+0.6	+0.5	+0.4	+0.5	+0.5	+0.5	+0.5	+0.3	+0.4	+0.2
Consumer	+0.4	+0.4	+0.5	+0.4	+0.4	+0.4	+0.3	+0.4	+0.3	+0.2	+0.6	+0.1	+0.3	+0.3
Security	<u>1/</u>	+0.6	-1.5	+0.4	-1.3	+0.6	+0.6	-0.3	+0.8	-1.0	+0.5	+0.6	-0.2	+0.1
Nonbank financial	+0.2	+0.4	-0.2	+0.2	+0.3	+0.1	+0.1	+0.1	+0.1	<u>1/</u>	+0.7	+0.4	-0.4	+0.9
Agriculture	+0.1	-0.1	+0.3	-0.1	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	+0.2	+0.1	+0.3	-0.1
All other	-0.1	+0.3	<u>1/</u>	+0.1	<u>1/</u>	-0.2	-0.1	+0.4	-0.3	<u>1/</u>	+0.3	-0.1	+0.1	+0.7 ^{4/}
Total loans excluding security ^{3/}	+1.9	+2.9	+1.6	+1.8	+1.9	+1.2	+1.3	+2.7	+2.1	+1.4	+3.4	+1.4	+1.9	+4.0
Total loans excluding security and non-bank financial ^{3/}	+1.7	+2.5	+1.8	+1.6	+1.6	+1.1	+1.2	+2.6	+2.0	+1.4	+2.7	+1.0	+2.3	+3.1

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

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

^{2/} Adjusted to exclude interbank loans.

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

^{4/} Allowance has been made in the monthly changes in total bank credit, total loans and "all other" loans for the \$1.1 billion of balances accumulated for the payment of personal loans excluded from time deposits and from loans on June 9.

* Changes based on revised seasonally adjusted data; figures for the period beginning 1948 will be published in the July Federal Reserve Bulletin. Only major credit components have been revised; individual loan items have not been changed.

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 May to end of June						
	1966 4/	1965	1964	1963	1962	1961	1960
All commercial banks							
Total loans	+7.3 3/	+6.1	+4.9	+4.2	+2.9	+1.2	+1.7
U. S. Gov't. securities	-0.6	-0.3	+0.2	+0.5	1/	+0.3	-0.9
Other securities	+0.3	+1.1	+0.6	+0.7	+0.9	+0.2	+0.1
Total	+7.0 3/	+6.8	+5.8	+5.5	+3.9	+1.8	+0.8
Weekly reporting banks							
Total loans	+5.6 3/	+4.6	+3.4	+2.9	+1.8	+0.6	+1.2
U. S. Gov't. securities	1/	+0.3	+0.4	+0.3	+0.4	+0.7	-0.4
Other securities	1/	+0.8	+0.4	+0.5	+0.8	+0.1	1/
Total	+5.7 3/	+5.8	+4.3	+3.7	+3.0	+1.3	+0.7
Other banks							
Total loans	+1.7 3/	+1.5	+1.5	+1.3	+1.1	+0.6	+0.5
U. S. Gov't. securities	-0.6	-0.6	-0.2	+0.2	-0.4	-0.4	-0.5
Other securities	+0.3	+0.3	+0.2	+0.2	+0.1	+0.1	+0.1
Total	+1.3 3/	+1.0	+1.5	+1.8	+0.9	+0.4	+0.1

Item	End of December to end of June						
	1966 4/	1965	1964 2/	1963 2/	1962	1961	1960
All commercial banks							
Total loans	+11.3 3/	+12.8	+7.7	+5.2	+3.8	+0.3	+2.6
U. S. Gov't. securities	-6.6	-6.1	-4.1	-2.9	-2.1	+0.8	-4.7
Other securities	+2.4	+3.4	+1.3	+3.1	+3.1	+1.2	-0.6
Total	+7.1 3/	+10.1	+4.9	+5.5	+4.8	+2.4	-2.8
Weekly reporting banks							
Total loans	+7.1 3/	+8.1	+3.5	+1.8	+1.0	-1.4	+0.4
U. S. Gov't. securities	-4.3	-3.9	-2.3	-2.0	-1.6	+1.5	-2.3
Other securities	+1.1	+2.2	+0.6	+2.3	+2.4	+0.7	-0.4
Total	+3.9 3/	+6.4	+1.9	+2.0	+1.9	+0.8	-2.3
Other banks							
Total loans	+4.2 3/	+4.7	+4.2	+3.4	+2.8	+1.7	+2.2
U. S. Gov't. securities	-2.3	-2.3	-1.8	-0.9	-0.5	-0.7	-2.4
Other securities	+1.3	+1.3	+0.7	+0.8	+0.7	+0.5	-0.2
Total	+3.2 3/	+3.7	+3.0	+3.5	+2.9	+1.5	-0.5

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

1/ Less than \$50 million.

2/ Based on estimated data for December 31, 1963 and 1962 for all commercial banks and for December 31, 1962 for weekly reporting banks.

3/ Allowance has been made for balances accumulated for the payment of personal loans which were excluded from time deposits and from loans on June 9. Changes allow \$1.1 billion for all commercial banks, \$400 million for weekly reporting banks, and \$700 million for other banks.

4/ Based on estimated data for June 30, 1966.

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

Business of borrower	End of May to end of June 1/					Late December to end of June 2/				
	1966p	1965	1964	1963	1962	1966p	1965	1964	1963	1962
Food processors	+ 71	+ 69	+ 39	+ 9	+ 34	- 152	- 364	- 630	-593	-497
Commodity dealers	- 38	- 76	- 20	+ 16	- 31	- 311	- 397	- 529	-263	-237
Trade concerns	+ 230	+ 141	- 32	+ 17	+ 13	+ 386	+ 802	+ 18	+ 74	+ 95
Total	+ 263	+ 134	- 13	+ 42	+ 16	- 77	+ 41	-1,141	-782	-639
Metals and products	+ 758	+ 180	- 74	+ 54	+ 44	+1,518	+1,140	+ 556	+ 80	+180
Textiles, apparel, etc.	+ 177	+ 129	+ 57	+ 69	+ 66	+ 510	+ 421	+ 206	+289	+289
Petroleum, coal, etc.	+ 201	+ 95	- 22	- 45	- 35	+ 758	+ 555	+ 129	+ 73	+ 9
Other manufacturing and mining	+ 307	+ 113	+ 54	+ 6	+ 66	+ 967	+ 845	+ 305	+420	+480
Public utilities	+ 522	+ 439	+ 90	- 3	+ 45	+ 297	+ 604	- 379	-255	-510
Construction	+ 72	+ 88	+ 83	+ 21	+ 22	+ 162	+ 252	+ 291	+133	+182
All other types of business	- 122	+ 165	+115	+117	+ 26	+ 379	+ 535	+ 426	+180	+205
Banker's acceptances	- 219	+ 21	- 2	n. a.	n. a.	- 183	- 190	n. a.	n. a.	n. a.
Other, mainly services	+ 97	+ 144	+117	n. a.	n. a.	+ 562	+ 725	n. a.	n. a.	n. a.
Classified	+2,178	+1,343	+290	+262	+252	+4,514	+4,393	+ 393	+137	+196
Unclassified	+ 160	+ 281	+174	+101	+ 80	+ 718	+ 786	+ 497	+256	+238
Total change	+2,338	+1,624	+464	+363	+332	+5,232	+5,179	+ 890	+393	+434

1/ Five most comparable weeks used throughout.

2/ Changes are compiled from December 22, 1965; December 23, 1964; December 25, 1963; December 26, 1962; and December 27, 1961. 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--Dec. 31 (est.)	252.4	63.4	35.1	153.9	53.7	39.2	7.9	7.4	27.2	10.2	11.3
1964--Oct. 28	262.4	61.4	38.0	163.0	56.3	43.0	7.1	7.5	30.5	9.5	12.5
Nov. 25	266.3	62.7	38.1	165.5	57.4	43.4	7.4	7.6	30.6	9.6	12.9
Dec. 31	273.9	63.0	38.8	172.1	60.2	43.7	8.4	7.5	31.0	10.9	13.9
1965--Jan. 27	269.1	61.5	39.1	168.5	58.9	43.9	7.4	7.7	31.1	9.8	13.4
Feb. 24	270.7	60.5	39.7	170.5	60.3	44.1	7.1	7.8	31.3	9.9	13.5
Mar. 31	273.9	59.0	40.3	174.5	62.2	44.5	7.8	7.9	31.7	10.5	13.5
Apr. 28	275.9	58.3	41.4	176.2	62.5	45.0	7.9	8.1	32.4	10.3	13.7
May 26	277.1	57.2	41.1	178.8	63.4	45.5	7.9	8.1	33.0	10.4	14.0
June 30	283.9	56.9	42.2	184.9	65.5	46.2	9.0	8.1	33.7	11.5	14.5
July 28	281.2	56.3	42.6	182.4	64.8	46.7	7.0	8.2	34.2	11.0	14.2
Aug. 25	283.2	55.5	43.4	184.3	65.5	47.4	7.0	7.8	34.6	11.3	14.3
Sept. 29	286.8	55.9	43.9	187.0	66.8	48.0	6.7	7.9	34.9	11.8	14.4
Oct. 27	290.2	58.5	44.1	187.7	67.1	48.5	6.9	8.1	35.2	11.2	14.2
Nov. 24	292.3	58.8	43.8	189.8	68.3	49.0	7.2	8.2	35.4	11.3	14.1
Dec. 31	301.8	59.5	44.9	197.4	71.4	49.3	8.5	8.2	35.8	13.3	14.9
1966--Jan. 26	296.8	59.6	44.4	192.7	69.7	49.7	7.6	8.4	35.8	11.6	14.0
Feb. 23	296.0	57.3	45.1	193.6	70.7	49.9	7.0	8.5	35.9	11.7	13.8
Mar. 30	298.5	55.4	45.4	197.6	72.6	50.2	7.3	8.7	36.4	12.5	14.0
Apr. 27 p	301.5	55.4	46.4	199.7	72.8	50.7	7.9	8.9	36.8	12.7	14.0
May 25 p	301.9	53.5	47.0	201.4	74.0	51.1	7.7	9.0	37.3	12.1	14.3
June 30 p	307.8 ^{2/}	52.9	47.3	207.6 ^{2/}	76.9	51.6	8.3	9.0	37.9	13.8	14.1 ^{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.

^{2/} Data are shown exclusive of the \$1.1 billion of balances accumulated for the payment of personal loans which were deducted from time deposits and "all other" loans beginning June 9.

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 data 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	2/	14.2
1949--Dec. 31	31.1	30.9	34.9	25.6	32.4	28.5	2/	19.2
1950--Dec. 31	35.8	36.1	42.5	32.3	38.1	31.5	2/	15.2
1951--Dec. 31	37.2	37.6	46.3	36.2	39.4	32.1		9.8
1952--Dec. 31	39.3	39.9	50.6	38.9	41.1	33.9		11.7
1953--Dec. 31	40.5	41.1	50.6	39.1	42.2	36.1		16.9
1954--Dec. 31	40.3	40.7	46.8	38.3	41.9	37.1		10.0
1955--Dec. 31	45.8	46.7	56.7	46.3	48.5	40.7		5.1
1956--Dec. 31	48.8	50.1	61.7	52.7	52.7	42.6		7.5
1957--Dec. 31	49.7	51.0	61.9	55.2	53.3	44.1		8.4
1958--Dec. 31	48.4	49.4	57.7	49.4	51.3	44.4		8.3
1959--Dec. 31	54.0	55.6	67.3	58.2	58.2	48.2		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	3/	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	63.8	65.2	73.8	69.6	69.1	58.2		7.1
Nov. 24	64.2	65.8	77.6	68.2	69.3	58.3		7.3
Dec. 31	63.7	65.4	75.9	70.2	68.7	57.9		7.3
1966--Jan. 26	63.8	65.5	75.9	71.3	69.2	57.9		7.5
Feb. 23	64.6	66.5	77.5	73.4	70.6	58.3		6.3
Mar. 30	65.2	67.0	77.7	73.9	70.8	59.0		5.7
p - Apr. 27	64.9	66.6	75.7	68.4	70.7	59.2		5.6
p - May 25	65.9	67.6	79.3	70.4	70.9	60.1		5.4
p - June 30	66.5	68.4	81.3	74.9	71.4	60.0		

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.

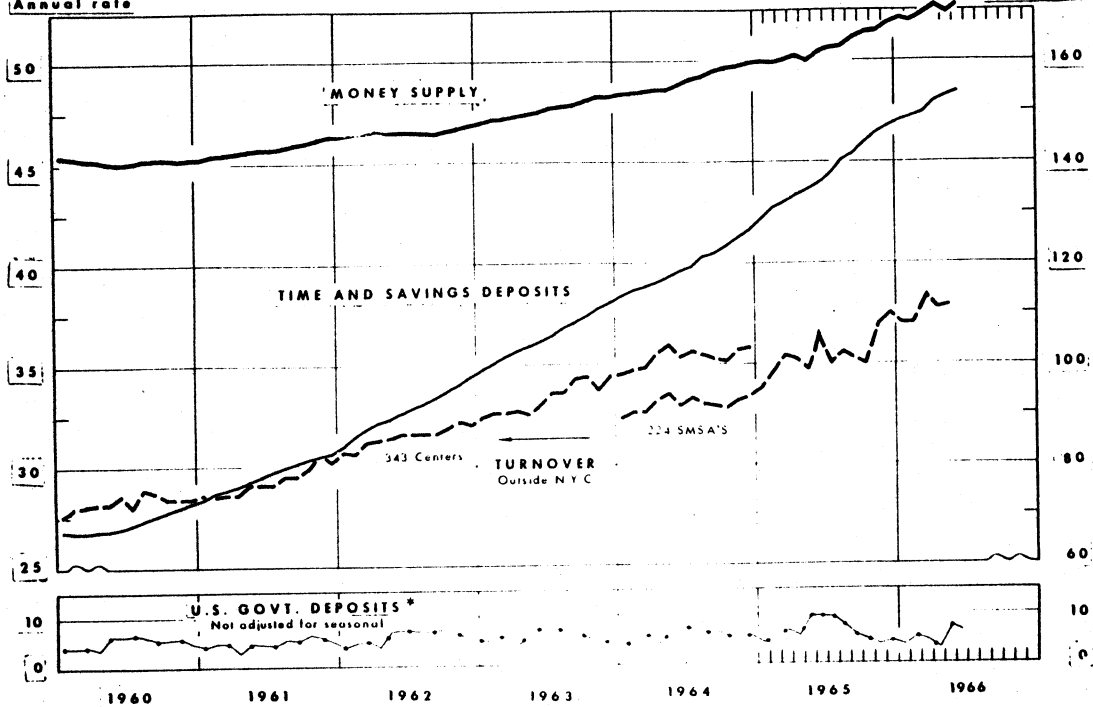
r - Revised.

DEPOSITS AND CURRENCY AND TURNOVER OF DEMAND DEPOSITS

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

Annual rate

Billions
of dollars



*All commercial banks.

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--May	160.0	125.1	34.9	134.6	34.7	9.7
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	169.2	132.3	36.9	149.6	38.3	4.6
April	171.1	134.0	37.1	151.6	37.7	3.0
May	169.5	132.2	37.3	152.9	37.8	7.2
June p	171.1	133.8	37.3	153.3 <u>1/</u>		6.2
Week ending:						
June 1	168.9	131.6	37.3	153.6	n.a.	7.2
8	170.5	133.2	37.3	153.8	n.a.	5.7
15	170.6	133.2	37.4	152.8 <u>1/</u>	n.a.	3.1
22	172.8	135.4	37.4	152.9 <u>1/</u>	n.a.	5.3
29	170.8	133.5	37.4	153.3 <u>1/</u>	n.a.	9.8

1/ Beginning on June 9, time deposit data are shown exclusive of the \$1.1 billion of balances accumulated for the payment of personal loans.

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

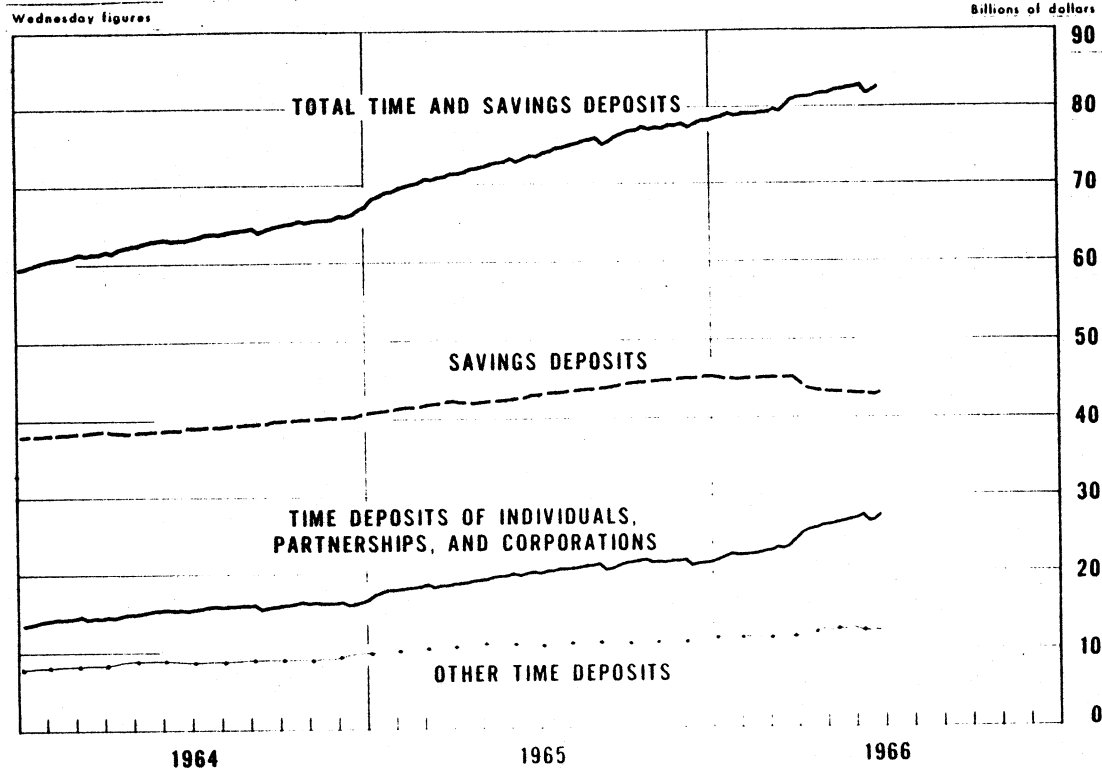


Exhibit I - Part II

Period	Time and Savings Deposits			
	Total	Savings	Individuals, partnerships, and corporations	Other time deposits <u>1/</u>
	(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--June 30				
1966--Jan. 26	79,170	45,081	22,414	11,675
Feb. 23	79,324	45,064	22,716	11,544
Mar. 30	81,001	45,111	24,160	11,730
Apr. 27	81,813	43,377	26,040	12,396
May	82,694	43,133	26,965	12,596
June 1	82,695	43,093	27,133	12,469
8	82,886	43,057	27,444	12,385
15	81,861 <u>2/</u>	43,007	26,583 <u>2/</u>	12,271
22	82,248 <u>2/</u>	42,988	26,964 <u>2/</u>	12,296
29	82,730 <u>2/</u>	43,036	27,433 <u>2/</u>	12,261

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

2/ Beginning June 15, data exclude the \$400 million of balances accumulated for the payment of personal loans.

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				
Monthly averages:								
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.	-246	- 37	- 62	-218	71	305	551	22,429
Apr.	-268	- 29	- 33	-238	32	358	627	22,764
May	-352	- 40	- 3	-225	-84	370	722	22,691
June p	-362	-143	- 13	-228	22	312	674	22,682

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	r 81.0	r 24.6	53.0
1964	530.5	156.7	127.1	49.0	0.4	101.4	49.9	46.1	r 81.6	r 24.1	53.5
1965											
Apr.	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	104.5	49.9	47.6			53.5
June	550.2	159.7	136.3	50.8	0.4	105.1	50.0	48.0	r 81.0	r 23.4	53.8
July	550.9	157.7	138.3	51.1	0.4	105.5	50.1	47.9			53.7
Aug.	555.7	157.8	139.8	51.3	0.3	106.5	50.1	49.8			53.6
Sept.	560.7	160.6	141.6	51.6	0.3	107.8	50.1	48.7	r 80.8	r 23.2	53.9
Oct.	565.1	161.1	144.0	52.0	0.3	108.4	50.1	49.1			54.0
Nov.	568.3	160.4	146.5	52.3	0.3	109.3	50.1	49.4			54.0
Dec.	572.8	164.0	147.1	52.5	0.3	109.7	50.5	48.6	r 80.5	r 22.9	54.3
1966											
Jan.	578.5	164.8	149.2	52.8	0.3	109.8	50.5	51.2			54.3
Feb.	577.5	162.8	149.4	53.0	0.3	110.6	50.3	51.0			54.1
Mar.	585.5	167.1	151.1	53.1	0.3	111.4	50.3	52.1	r 80.2	r 22.8	54.3
Apr. p	587.1	166.6	152.3	53.1	0.3	111.0	50.4	53.3			54.3
May p	585.8	r 164.1	153.2	53.3	0.3	e 111.2	50.4	53.3			54.2
June p	588.3 ^{1/}	166.4	153.8 ^{1/}	53.5	0.2	e 111.0	50.4	52.9	80.2 ^{1/}	22.7	54.4 ^{1/}

For footnotes see next page.

p - Preliminary.

e - Estimated.

r - Revised.

^{1/} Total liquid assets and time deposits at commercial banks are shown exclusive of the \$1.1 billion of balances accumulated for the payment of personal loans, which were deducted from total deposits on June 9.

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).