

BANKING AND MONETARY DEVELOPMENTS IN JULY 1966

Summary. Seasonally adjusted commercial bank credit increased substantially in July and at a somewhat faster rate than in the second quarter. Rapid loan expansion, reflecting largely loans to businesses, was offset only in small part by continued reductions in holdings of U. S. Government securities. Other securities remained about unchanged. The money supply declined eliminating most of the June expansion--but Treasury deposits at commercial banks rose substantially on a seasonally adjusted daily average basis. Inflows of time and savings deposits accelerated from the May-June rate reflecting in part a one-time transfer of funds from nonbank depository institutions. Total and required reserves, seasonally adjusted, increased somewhat while net borrowed reserves showed little further change.*

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

	Annual rate (per cent)							
	1966					1965		Year
	July	Jan.- July	2nd Qtr.	1st Qtr.	1st Half	2nd Half	1st Half	
Total loans and investments	10.9	8.7	8.3	8.0	8.2	9.0	10.9	10.2
U.S. Gov't. securities	-8.9	-10.7	-10.7	-11.8	-11.1	-1.7	-9.5	-5.6
Other securities	2.5	9.2	12.3	8.0	10.3	12.8	17.6	15.8
Total loans	18.8	14.3	12.7	13.8	13.4	11.7	16.7	14.7
Business loans	28.3	22.1	21.0	19.1	20.5	12.6	23.4	18.7
Money supply	-10.5	2.3	4.5	4.3	4.4	6.9	2.6	4.8
Time deposits at all commercial banks	14.0	10.5	12.0	7.1	9.7	16.3	14.7	16.1

* Changes in loans and other securities described above for July 1966 are adjusted for the definitional shift of about \$1 billion of participation certificates from loans to other securities in early July. Changes in total credit, total loans, and total time and savings deposits described above are also adjusted for the reduction of \$1.1 billion of balances accumulated for the payment of personal loans excluded 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 \$2.8 billion in July; at annual rate of just under 11 per cent, this was considerably above the 8 per cent rate of the second quarter. While declines in credit were somewhat smaller than usual at weekly reporting banks in July, credit growth--all in the form of loans--was unusually heavy at nonweekly reporting banks. This was presumably associated in part with relatively large time and savings deposit inflows at smaller banks during the month. Over the January-July period, expansion in total loans and investments at all commercial banks was somewhat slower than in the corresponding 7 months of 1965--8.7 per cent compared with 10.3 per cent--but the difference reflected 1965's unusually high first quarter concentrated at weekly reporting banks; since the first quarter expansion in the two years has been similar, although not necessarily consistently so, month by month. Furthermore, at both weekly reporting and at other banks, credit rose at about the same pace in the April-July 1966 period as in the corresponding four months a year earlier.

Loans at all commercial banks increased \$3.2 billion in July--a record volume expansion; the annual rate of growth, 19 per cent, was also rapid and of near-record proportions. Loans rose very substantially at nonweekly reporting banks and declined somewhat less than usual at weekly reporting banks. So far this year, the pace of loan growth has been little different from that of the entire year 1965 but a little slower than that of the first seven months of 1965.

Business loans increased \$1.8 billion in July following a record \$2.0 billion expansion in June. The annual rate of growth over the two months--31 per cent--was the most rapid since early 1956. Demand was heavy at city banks both in New York and outside and, in each case, loans rose further--as compared with generally substantial repayments in the corresponding periods of other recent years. At banks in New York city, in both June and July, an unusually large volume of short term loans accounted for most of the expansion although term loans also increased somewhat more than seasonally.

At all weekly reporting banks, borrowing by metals concerns continued unusually large and tended to be concentrated among machinery and transportation equipment firms. Borrowing by other durable goods manufacturers, as well as nondurable goods producers, mining concerns, and public utilities was also large. Repayments by trade concerns, especially retail outlets, were smaller than in the comparable weeks of previous years but loans to food processors and commodity dealers followed the usual seasonal pattern.

Real estate and consumer loans rose only moderately further in July. Expansion in both these loan categories has slowed since the first quarter. Growth in consumer loans--reflecting in part the slowdown in

auto sales--was only three-fifths as rapid over the April-July period as over the first quarter. In the case of real estate loans, the pace of lending also dropped by about two-fifths.

Loans to nonbank financial institutions declined \$700 million in July offsetting in large part the sharp June borrowing by finance companies in order to cover redemption of their maturing commercial paper at the midmonth tax date. Security loans also declined somewhat in July, although they had increased only nominally in June. Larger-than-seasonal declines appeared to occur in both U. S. Government security dealer and in broker loans, and may have been associated in part with recent rate increases on such loans.

Holdings of U. S. Government securities declined \$400 million at all commercial banks in July, the fourth consecutive monthly reduction. So far this year, these holdings have declined at a rate almost twice as fast as that of the year 1965. Holdings of other securities rose a moderate \$100 million in July following a reduction of similar volume in June--only the second monthly reduction in the current expansion. Over the January-July period, these securities increased at a rate just slightly over half that of the 1965 yearly rise. Holdings declined contraseasonally at weekly reporting banks in July--largely in New York City--and increased slightly at nonweekly reporting banks. At the former group of banks, where a detailed breakdown is now reported, acquisitions of tax warrants and other short-term securities were more than offset by reductions in longer-term municipals, participations, and Federal agency issues.

Money supply and time deposits. The seasonally adjusted money supply declined \$1.5 billion in July reversing most of the June expansion. U. S. Government deposits, however, rose much more than usual. So far this year, the money supply has increased at an annual rate of 2.3 per cent, considerably slower than over the year 1965, when it rose 4.8 per cent. Currency has continued to expand at about a 6 per cent rate but private demand deposits have increased only 1 per cent compared with last year's 4.6 per cent.

Growth in time and savings deposits at commercial banks accelerated to a 14 per cent annual rate in July from one of about 10 per cent in the two previous months. While a one-time transfer of funds from non-bank depository institutions at the mid-year interest crediting period contributed to the inflow, expansion continued after mid-July higher than in May and June. At weekly reporting banks, total time and savings deposits increased less than in the corresponding July weeks last year. This was due to virtually no increase of outstanding negotiable CD's this year compared with substantial acquisitions last year. While savings deposits declined sharply--reflecting shifts of funds into consumer-type time deposits--other time deposits, exclusive of negotiable CD's, rose sharply

and the net expansion in the two exceeded last year's increase. At country member banks, (and correspondingly at nonmember banks) on an average basis, time deposit inflows were substantial in July and presumably contributed to the larger-than-seasonal credit expansion at banks outside leading cities.

Bank reserves. Total and required reserves, seasonally adjusted, increased somewhat in July following little change in June. Member bank borrowings and excess reserves each increased about \$90 million and thus net borrowed reserves were little changed averaging close to \$360 million. Reserves became available principally through a sharp increase in Reserve Bank float associated with the airlines strike and through System purchases of U. S. Government securities. Reserves were absorbed mainly through currency outflows.

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

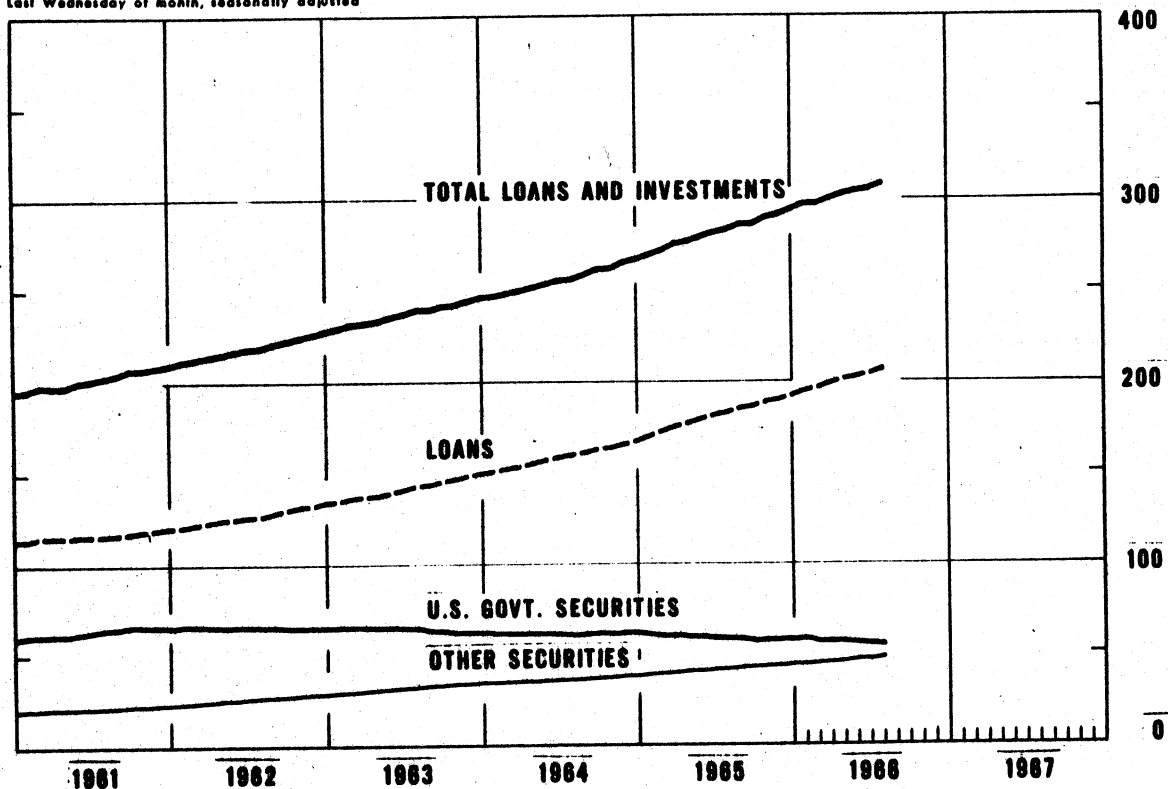


Exhibit A - Part II

Date	Total <u>1/</u>	Loans <u>1/</u>	U.S. Gov't. securities	Other securities
(In billions of dollars)				
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--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>3/</u>	203.7 <u>3/</u>	54.5	47.1
July 27 p	308.2	205.9 <u>4/</u>	54.1	48.2 <u>4/</u>

1/ Adjusted to exclude interbank loans.

p - Preliminary.

2/ Estimated as of December 31 and June 30.3/ Beginning June 9, loan data exclude the \$1.1 billion of balances accumulated for the payment of personal loans.4/ Beginning July 13, total loans exclude, and other securities include, about \$1 billion of participation certificates.

LOANS AT ALL COMMERCIAL BANKS

(Last Wednesday of month, seasonally adjusted)

Billions of dollars

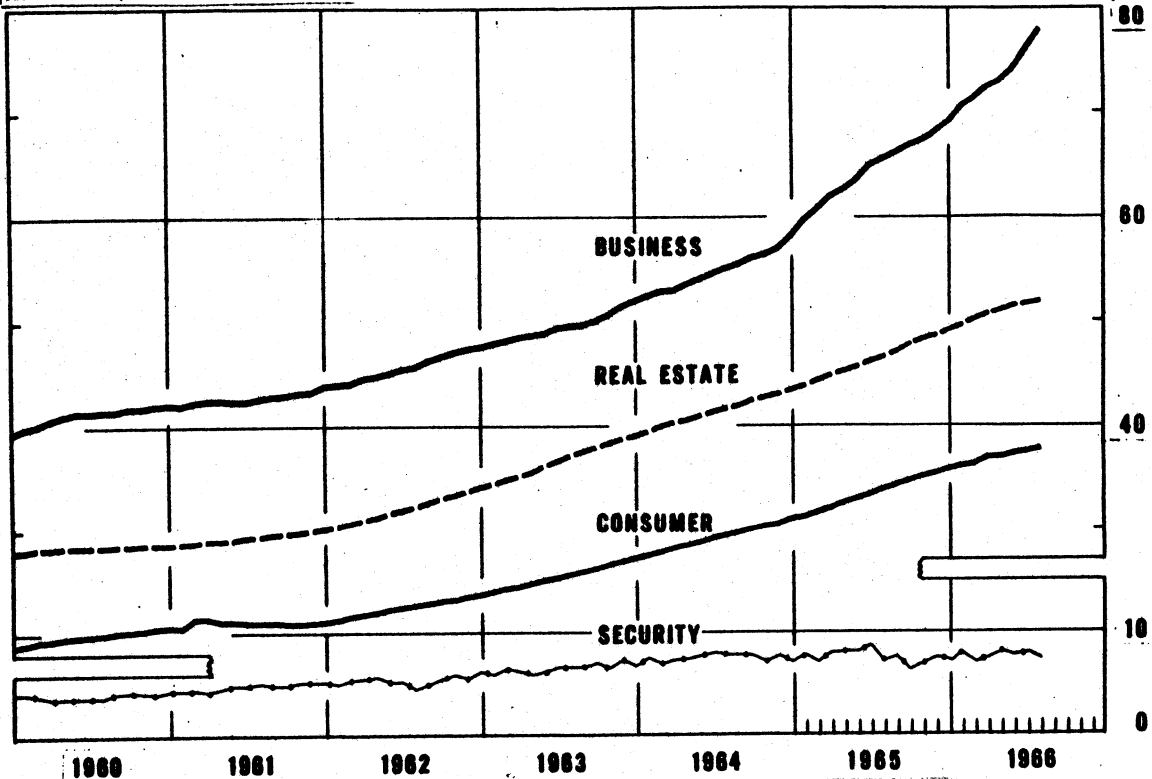


Exhibit B - Part II

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--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 ^{1/}	76.2	51.6	37.5	8.0
July 27 p	78.0	51.9	37.8	7.4

^{1/} Estimated as of December 31 and June 30. 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						
	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May p	June p	July p
Loans and Investments 2/	+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/	+2.8
U. S. Gov't. securities	-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	-0.4
Other securities	+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	+0.1 5/
Loans 2/	+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/	+3.2 5/
Business	+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	+1.8
Real estate	+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	+0.3
Consumer	+0.4	+0.5	+0.4	+0.4	+0.4	+0.3	+0.4	+0.3	+0.2	+0.6	+0.1	+0.3	+0.2	+0.3
Security	+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	-0.6
Nonbank financial	+0.4	-0.2	+0.2	+0.3	+0.1	+0.1	+0.1	+0.1	1/	+0.7	+0.4	-0.4	+0.9	-0.7
Agriculture	-0.1	+0.3	-0.1	1/	1/	1/	1/	1/	1/	+0.2	+0.1	+0.3	-0.1	+0.1 5/
All other	+0.3	1/	+0.1	1/	-0.2	-0.1	+0.4	-0.3	1/	+0.3	-0.1	+0.1	+0.7 4/	+0.3 5/
Total loans excluding security 3/	+2.9	+1.6	+1.8	+1.9	+1.2	+1.3	+2.7	+2.1	+1.4	+3.4	+1.4	+1.9	+3.9 4/	+2.1 5/
Total loans excluding security and non-bank financial 3/	+2.5	+1.8	+1.6	+1.6	+1.1	+1.2	+2.6	+2.0	+1.4	+2.7	+1.0	+2.3	+3.0 4/	+2.8 5/

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.

5/ Allowance has been made in the monthly changes in total loans, other securities, agricultural loans and "all other loans" for approximately \$1 billion of participation certificates shifted from loans to other securities on July 13, 1966.

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	End of June to last Wednesday of July						
	1966 3/	1965	1964	1963	1962	1961	1960
All commercial banks							
Total loans	-1.3	-2.5	-2.2	-0.7	-1.6	-0.7	-0.7
U.S. Gov't. sec.	-0.4	-0.6	-1.0	-1.0	-0.2	+2.8	+2.5
Other securities	<u>1/ 4/</u>	<u>+0.4</u>	<u>+0.1</u>	<u>+0.5</u>	<u>+0.5</u>	<u>+0.2</u>	<u>+0.1</u>
Total	-1.7	-2.7	-3.1	-1.3	-1.4	+2.4	+1.9
Weekly reporting banks^{6/}							
Total loans	-2.2 4/	-2.6	-2.0	-0.9	-1.5	-0.6	-0.8
U.S. Gov't. sec.	-0.3	-0.7	-1.0	-1.2	-0.9	+2.0	+2.0
Other securities	<u>-0.1 4/</u>	<u>+0.3</u>	<u>+0.1</u>	<u>+0.4</u>	<u>+0.3</u>	<u>+0.2</u>	<u>+0.2</u>
Total	-2.5	-3.0	-3.0	-1.6	-2.1	+1.6	+1.3
Other banks^{6/}							
Total loans	+0.9 4/	+0.1	-0.2	+0.2	-0.1	-0.1	+0.1
U.S. Gov't. sec.	-0.1	+0.1	<u>1/</u>	+0.2	+0.7	+0.8	+0.5
Other securities	<u>+0.1 4/</u>	<u>+0.1</u>	<u>1/</u>	<u>+0.1</u>	<u>+0.2</u>	<u>1/</u>	<u>-0.1</u>
Total	+0.8	+0.3	-0.1	+0.3	+0.7	+0.8	+0.6
	End of December to last Wednesday of July						
	1966 3/	1965	1964 2/	1963 2/	1962	1961	1960
All commercial banks							
Total loans	+10.0 4/ 5/	+10.3	+5.5	+4.5	+2.2	-0.4	+1.9
U.S. Gov't. sec.	-7.0	-6.7	-5.1	-3.9	-2.4	+3.7	-2.2
Other securities	<u>+2.4 4/</u>	<u>+3.8</u>	<u>+1.4</u>	<u>+3.6</u>	<u>+3.6</u>	<u>+1.4</u>	<u>-0.5</u>
Total	+5.4 5/	+7.3	+1.8	+4.2	+3.4	+4.8	-0.9
Weekly reporting banks^{6/}							
Total loans	+4.9 4/ 5/	+5.5	+1.5	+0.9	-0.5	-2.0	-0.4
U.S. Gov't. sec.	-4.6	-4.6	-3.3	-3.2	-2.5	+3.5	-0.4
Other securities	<u>+1.0 4/</u>	<u>+2.4</u>	<u>+0.7</u>	<u>+2.7</u>	<u>+2.7</u>	<u>+0.9</u>	<u>-0.3</u>
Total	+1.3 5/	+3.3	-1.1	+0.4	-0.2	+2.5	-1.0
Other banks^{6/}							
Total loans	+5.1 4/ 5/	+4.8	+4.0	+3.6	+2.7	+1.6	+2.3
U.S. Gov't. sec.	-2.4	-2.1	-1.8	-0.7	+0.1	+0.2	-1.8
Other securities	<u>+1.4 4/</u>	<u>+1.4</u>	<u>+0.7</u>	<u>+0.9</u>	<u>+0.9</u>	<u>+0.5</u>	<u>-0.2</u>
Total	+4.1 5/	+4.0	+2.9	+3.8	+3.6	+2.3	+0.1

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/ Based on estimated data for June 30, 1966.

4/ Allowance has been made in monthly changes in total loans and in other securities for approximately \$1 billion of participation certificates shifted from loans to other securities during the month; \$700 million were at weekly reporting and \$300 million at nonweekly reporting.

5/ Allowance has been made in monthly changes in total credit and in total 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; \$400 million were at weekly reporting banks and \$700 million at other banks.

6/ Based on revised coverage beginning July 1966.

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

Business of borrower	Late June to end of July					Late December to end of July 2/				
	1966 p	1965	1964	1963	1962	1966 p	1965	1964	1963	1962
Food processors	- 80	-117	- 57	- 82	-101	-232	-481	-688	-675	-597
Commodity dealers	+ 34	- 24	+ 41	+ 22	+ 3	-277	-421	-488	-242	-234
Trade concerns	- 21	-214	-104	- 97	- 19	+365	+588	- 93	- 22	+ 76
Retail trade	- 57	-221	-125	- 67	- 18	+194	+317	-141	- 15	+ 43
Wholesale trade	+ 36	+ 7	+ 21	- 30	- 1	+171	+271	+ 48	- 7	+ 33
Metals	+226	- 38	-349	-148	-280	+1,744	+1,102	+212	- 68	-101
Machinery	+133	- 41	-133	- 66	- 40	+819	+500	+105	+ 85	+ 49
Primary metals	- 17	- 31	- 72	- 1	- 62	+256	+120	+ 36	- 39	-194
Transportation equipment	+ 50	+ 37	-104	- 69	-152	+364	+158	- 70	-159	- 56
Other fabricated metals	+ 60	- 3	- 40	- 13	- 26	+305	+324	+140	+ 45	+100
Textiles, apparel, etc.	+ 45	+ 39	+ 47	+ 33	+ 9	+555	+460	+254	+320	+298
Petroleum	- 85	- 4	-103	- 19	- 7	+313	+204	-150	- 12	- 73
Chemicals	- 45	- 47	- 39	- 81	- 77	+315	+300	+140	- 15	- 1
Other durable manufacturing	+ 51	- 11	- 11	- 45	+ 90	+427	+265	+110	+ 46	+218
Other nondurable manufacturing	+ 70	+ 15	+ 9	+ 12	- 35	+358	+209	+ 96	+104	+139
Mining	+137	- 24	+106	+ 21	- 10	+440	+351	+203	+246	+169
Public utilities	+163	+ 47	+ 59	-149	+ 3	+460	+651	-320	-404	-507
Construction	+ 4	+ 4	+ 39	+ 3	+ 10	+166	+256	+330	+135	+192
All other types of business	- 37	-101	+142	- 19	+ 21	+342	+434	+573	+161	+226
Bankers acceptances	- 41	- 82	+118	n.a.	n.a.	-224	-272	n.a.	n.a.	n.a.
Other, mainly services	+ 4	- 19	+ 24	n.a.	n.a.	+566	+706	n.a.	n.a.	n.a.
Classified	+462	-475	-220	-561	-391	+4,976	+3,918	+175	-425	-195
Unclassified	- 7	-110	- 2	- 50	- 9	+711	+696	+493	+206	+229
Total change	+455	-585	-222	-612	-400	+5,687	+4,614	+668	-219	+ 34

1/ Four 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 - 1965 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	28.2	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	37.8	13.8	14.1 2/
July 27 p	306.1	52.5	48.3 3/	205.3 3/	77.1	52.1	7.2	8.6 3/	38.1	12.8	13.3 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.

2/ Beginning June 9, \$1.1 billion of balances accumulated for the payment of personal loans were deducted from time deposits and "all Other" loans.

3/ Beginning July 13, about \$1 billion of participation certificates previously included in agricultural and "all other" loans were reclassified as "other securities."

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		
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>2/</u> 7.5
1964--Dec. 31	60.5	61.9	69.3	64.4	65.0	56.0	8.0
1965--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	5.4
p- July 27 ^{3/}	66.5	68.3	82.6	73.3	71.0	60.1	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/ Estimated for December 31.

3/ Beginning in July, loans at all commercial banks exclude about \$1 billion of participation certificates now reported in other securities. If the \$1 billion were included in loans in July, the ratio for all commercial banks would be 66.8

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.

DEPOSITS AND CURRENCY AND TURNOVER OF DEMAND DEPOSITS

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

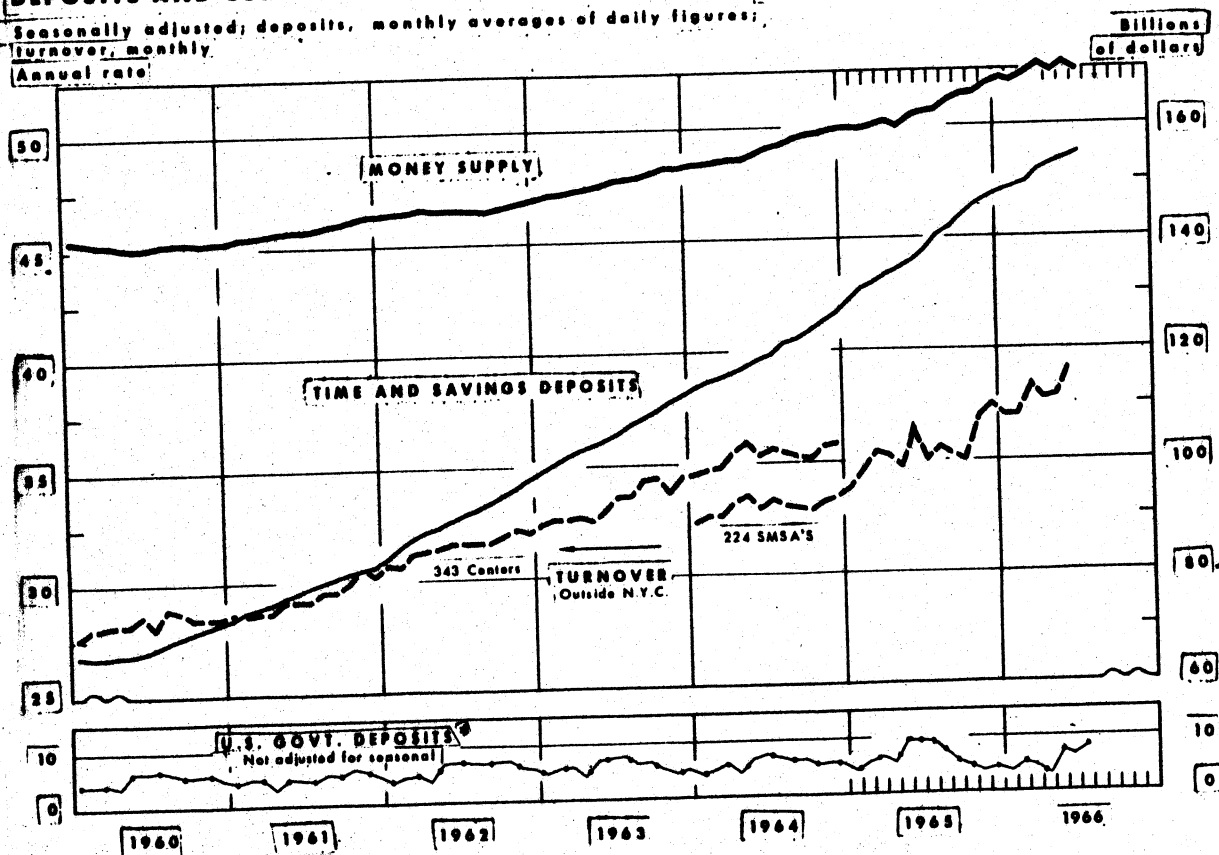


Exhibit H - Part II

*All commercial banks.

Period	Seasonally Adjusted Data					U. S.
	Money Supply			Time and savings deposits	Turnover outside N.Y. City* (per cent)	Gov't. deposits
	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--July	162.5	127.3	35.2	137.6	35.1	9.1
1966--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	171.1	133.8	37.3	153.3 1/	39.0	6.2
July p	169.6	132.0	37.6	154.9 1/	n.a.	8.0
<u>Week ending:</u>						
July 6	171.2	133.8	37.4	153.9 1/	n.a.	10.8
13 p	169.5	131.9	37.6	154.6 1/	n.a.	9.0
20 p	169.7	132.1	37.7	155.1 1/	n.a.	6.7
27 p	168.7	131.0	37.7	155.5 1/	n.a.	7.2

1/ Beginning on June 9, time deposit data exclude \$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

Wednesday figures

Billions of dollars

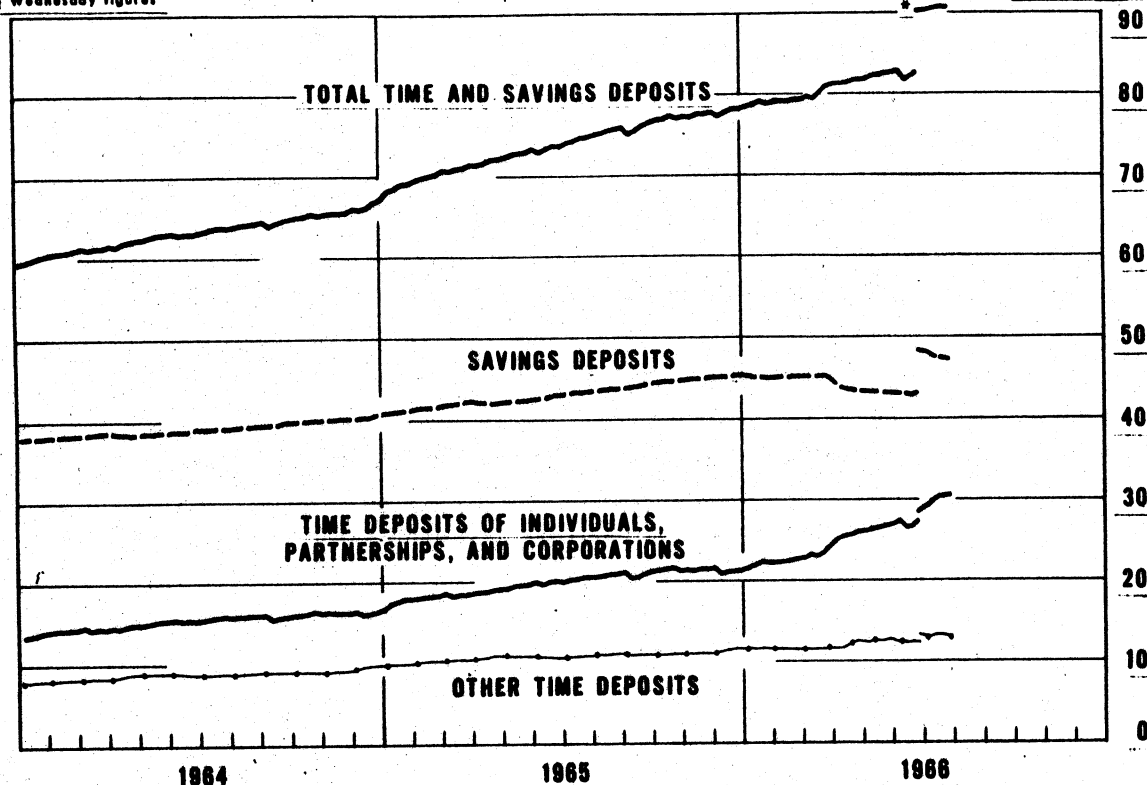


Exhibit I - Part II

* CHANGE IN SERIES.

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--July 28	74,760	43,429	20,542	10,789
1966--Apr. 27	81,813	43,377	26,040	12,396
May 25	82,694	43,133	26,965	12,596
June 29(old) ^{2/}	82,868	43,104	27,515	12,249
June 29(new)	90,185	48,413	28,687	13,085
July 6	90,277	48,021	29,320	12,936
13	90,839	47,681	30,080	13,078
20	90,989	47,561	30,381	13,047
27	90,944	47,453	30,550	12,941

^{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)					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				
<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.	-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	-352	-143	- 12	-223	27	322	674	22,690
July p	-358	- 3	- 54	-310	10	408	766	22,871

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 de- posits 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	81.0	r 24.6	53.0
1964	530.5	156.7	127.1	49.0	0.4	101.4	49.9	46.1	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	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	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	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	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	164.1	153.2	53.3	0.3	111.2	50.4	53.3			54.2
June p	r 588.5 1/	166.4	r 153.4 1/	r 53.4	0.2	r 111.3	50.4	r 53.4	r 80.1 1/	22.7	r 54.3 1/
July p	587.6 1/	164.2	155.6 1/	53.7	0.2	e 111.2	50.6	52.3			54.4

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).