

October 18, 1966.

BANKING AND MONETARY DEVELOPMENTS IN SEPTEMBER 1966

Summary. Seasonally adjusted commercial bank credit declined in September and more than offset the moderate August increase. Changes in both months were associated largely with changes in U.S. Government securities and in loans to brokers and dealers on such securities. Holdings of other securities and other loans rose moderately further in September. The money supply increased offsetting part of the reduction since June. U.S. Government deposits declined further. Time and savings deposits at commercial banks increased slightly as the expansion in other time and savings deposits was offset by run-offs of negotiable CD's at city banks. Total reserves, seasonally adjusted, showed little further change in September following a sharp reduction in August while required reserves continued to decline. Net borrowed reserves were about unchanged over the four September statement weeks.

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

	Annual rate (per cent)								
	1966						1965		
	Sept.	Jan.- Sept.	3rd Qtr.	2nd Qtr.	1st Qtr.	1st Half	2nd Half	1st Half	Year
Total loans and investments	- 8.5	6.5	2.9	8.3	8.0	8.2	9.0	10.9	10.2
U.S. Gov't. securities	-40.8	-8.5	-3.7	-10.7	-11.8	-11.1	-1.7	-9.5	-5.6
Other securities	5.0	6.5	-0.9	12.3	8.0	10.3	12.8	17.6	15.8
Total loans	- 3.5	10.8	5.5	12.7	13.8	13.4	11.7	16.7	14.7
Business loans <u>1/</u>	7.7	17.3	12.7	19.9	17.3	19.1	14.2	21.2	18.5
Money supply <u>1/</u>	6.4	2.6	-1.4	4.3	5.0	4.7	6.8	2.5	4.7
Time deposits at all commercial banks <u>1/</u>	3.0	10.3	9.6	13.4	7.1	10.5	15.7	15.2	16.0

* - Where necessary, changes in loans and other securities described above 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.

1/ Based on revised series.

Bank credit. Seasonally adjusted total loans and investments at all commercial banks declined \$2.2 billion in September following an August increase of \$1.6 billion. The September decline reflected largely bank sales of Treasury tax bills which had been acquired in late August. The small net decline in credit over the August-September period contrasts with an annual growth rate of 8 to 9 per cent for the first seven months of the year. In both months, weekly reporting and nonweekly reporting banks contributed to the slow-down in total earning assets. For the year to date the expansion of credit at all commercial banks, at an annual rate of 6.5 per cent, has been less than two-thirds that for all of 1965.

Total loans declined \$600 million in September associated principally with an unusually sharp drop in security loans which more than offset moderate growth in most other major loan categories. In August, while security loans had increased substantially, total loan growth slackened due mainly to large repayments by finance companies and only nominal further expansion in business loans. The recent slowdown in total loans reduced the annual rate of growth to 10.8 per cent for the January-September period, slightly below the rate in the second half of 1965, but considerably short of that for the entire year 1965.

Holdings of U.S. Government securities declined \$1.9 billion in September following a similar increase in August. At weekly reporting banks, holdings declined contraseasonally and at nonweekly reporting banks, additions were much smaller than usual. Bill sales, following the August purchases, accounted for most of the decline but holdings of longer-term issues were also reduced somewhat. Over the year to date, holdings of Governments declined at an annual rate of 8 per cent, about half again as fast as the decline for all of 1965, though this rate of decline, has decelerated recently from its rapid first quarter. Holdings of other securities increased somewhat in September following a relatively substantial August decline. In the full third quarter, however, banks had a net reduction in their other securities portfolio, and for the first nine months this year, banks added to their holdings of these securities at only slightly more than one-third 1965's full-year pace.

Business loans at all commercial banks increased \$500 million in September, following an increase of only \$100 million in August (based on revised seasonal factors) and an average \$1.7 billion monthly rise in the June-July period. These recent changes reflect, to a considerable extent, alterations in the timing of corporate income and withholding tax payments. Relative to the previous pattern, these payments were increased in June and July and reduced in August. In September, total corporate income and withholding taxes were substantially higher this year than last, but business

borrowing over the tax period was about the same--particularly after adjustment for special term loans associated with a large corporate oil-coal merger. The overall reduced third quarter pace of business borrowing brought the annual rate of growth for the year to about 17-1/2 per cent, slightly below that of the entire year 1965. During the first half of 1966, business borrowing had been at a slightly higher rate than in 1965.

Security loans declined sharply--\$1.7 billion--in September. This reflected in part large inventory sales by Government dealers with some of the demand presumably coming from funds available from maturing CD's. Broker loans declined contraseasonally, while loans to finance companies, following heavy repayments in August, had about the same increase as in September last year. Real estate and consumer loans rose moderately in September, as they have in other recent months. However third quarter growth in real estate loans was only about two-thirds as fast as in the comparable period a year ago, and in consumer loans, it was just about three-fifths as fast.

Money supply and time deposits. The seasonally adjusted money supply increased \$900 million in September offsetting in part the decline since June. So far this year, growth in the private money stock has been at an annual rate of about 2-1/2 per cent, with the substantial expansion of the first half--at about the same rate as that of the year 1965--followed by a small decline in the third quarter. Treasury deposits at commercial banks, as in August, dropped by more than usual in September.

Time and savings deposits at all commercial banks increased slightly in September (\$300 million) following substantial recent growth (an average monthly rise of \$1.6 billion since April). Heavy run-offs of negotiable CD's at city banks in September offset in large part further growth in other time and savings deposits. The CD reduction, however, was about \$500 million smaller than it would have been but for a mid-September purchase of CD's, to mature in mid-October, as a consequence of the corporate merger mentioned above. So far this year, growth in time deposits has been at an annual rate of about 10 per cent compared with 16 per cent over the year 1965.

Bank reserves. Total reserves, seasonally adjusted (revised series), changed little in September following a sharp decline in August. Required reserves continued to decline. Net borrowed reserves were about unchanged, on average, over the four statement weeks ending September 28 as both member bank excess reserves and their borrowings from the Federal Reserve increased.

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

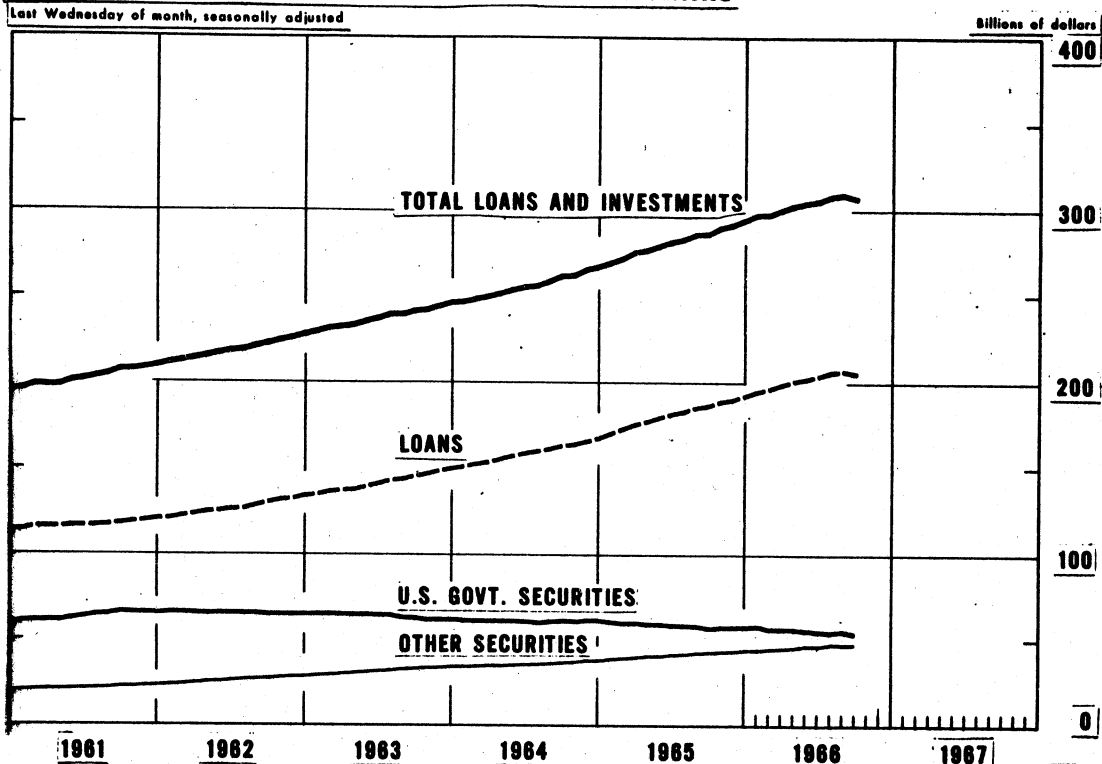


Exhibit A - Part II

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>	227.9	134.1	64.5	29.2
1963--Dec. 31 <u>2/</u>	246.2	149.7	61.5	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>
Aug. 31 p	309.8	206.1	55.9	47.8
Sept. 28 p	307.6	205.5	54.0	48.0

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

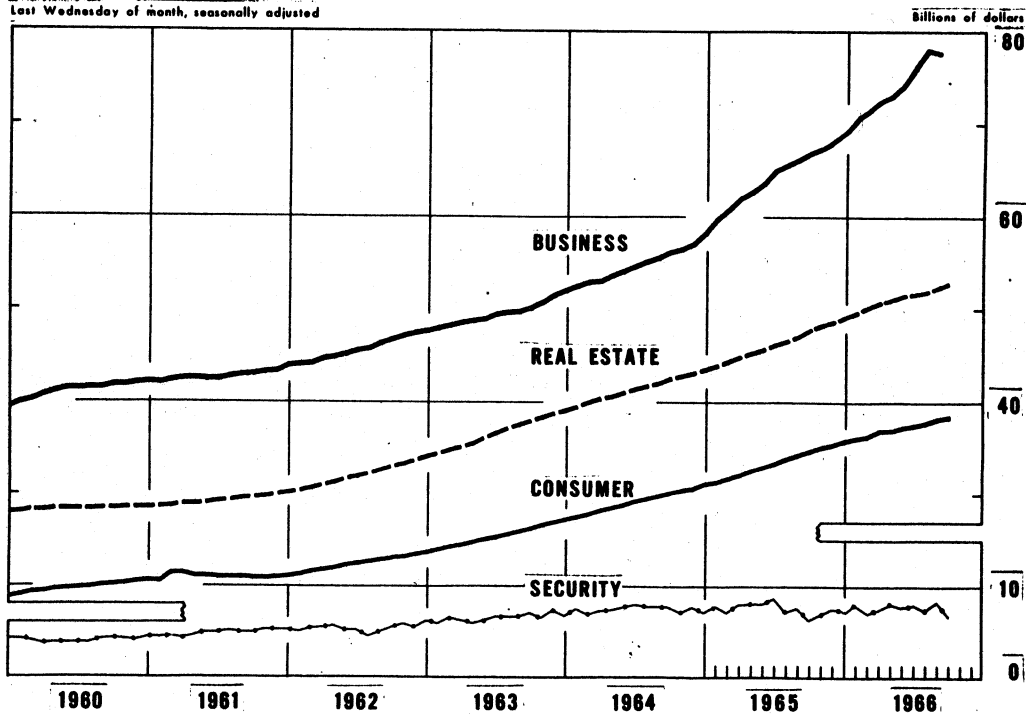


Chart not revised and not updated for Business Loans.

Exhibit B - Part II

Date	Business ^{2/}	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	58.4	43.5	31.1	7.1
1965--June 30	64.6	46.2	33.4	8.7
July 28	65.3	46.6	33.9	7.2
Aug. 25	66.3	47.2	34.3	7.6
Sept. 29	66.9	47.8	34.7	6.3
Oct. 27	67.6	48.3	35.1	6.9
Nov. 24	68.3	48.7	35.4	7.5
Dec. 31	69.2	49.2	35.8	7.2
1966--Jan. 26	70.5	49.7	36.1	8.0
Feb. 23	71.3	50.2	36.3	7.0
Mar. 30	72.2	50.7	36.9	7.5
Apr. 27 p	72.9	51.0	37.0	8.1
May 25 p	74.2	51.4	37.3	7.9
June 30 p ^{1/}	75.8	51.6	37.5	8.0
July 27 p	77.6	51.9	37.8	7.4
Aug. 31 p	77.7	52.4	38.1	8.4
Sept. 28 p	78.2	52.8	38.4	6.7

^{1/} Estimated as of December 31 and June 30. p - Preliminary.^{2/} Seasonal factors have been revised; revised seasonally adjusted data beginning 1952 are appended to this report.

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

Item	1965					1966								
	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May p	Junep	July p	Aug. p	Sept. p
<u>Loans and Investments 2/</u>	<u>+2.9</u>	<u>+0.1</u>	<u>+3.7</u>	<u>+1.6</u>	<u>+2.9</u>	<u>+3.0</u>	<u>+0.1</u>	<u>+2.8</u>	<u>+2.4</u>	<u>+1.6</u>	<u>+2.2 4/</u>	<u>+2.8</u>	<u>+1.6</u>	<u>-2.2</u>
U. S. Gov't. securities	-0.2	-1.2	+0.9	+0.1	+0.2	+0.3	-2.1	+0.1	-0.2	-0.8	-0.5	-0.4	+1.8	-1.9
Other securities	+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/	-0.4	+0.2
<u>Loans 2/</u>	<u>+2.3</u>	<u>+1.0</u>	<u>+2.4</u>	<u>+1.2</u>	<u>+2.2</u>	<u>+2.5</u>	<u>+1.7</u>	<u>+2.4</u>	<u>+2.1</u>	<u>+1.3</u>	<u>+2.9 4/</u>	<u>+3.2 5/</u>	<u>+0.2</u>	<u>-0.6</u>
<u>Business 6/</u>	<u>+1.0</u>	<u>+0.6</u>	<u>+0.7</u>	<u>+0.7</u>	<u>+0.9</u>	<u>+1.3</u>	<u>+0.8</u>	<u>+0.9</u>	<u>+0.7</u>	<u>+1.3</u>	<u>+1.6</u>	<u>+1.8</u>	<u>+0.1</u>	<u>+0.5</u>
Real estate	+0.6	+0.6	+0.5	+0.4	+0.5	+0.5	+0.5	+0.5	+0.3	+0.4	+0.2	+0.3	+0.5	+0.4
Consumer	+0.4	+0.4	+0.4	+0.3	+0.4	+0.3	+0.2	+0.6	+0.1	+0.3	+0.2	+0.3	+0.3	+0.3
Security	+0.4	-1.3	+0.6	+0.6	-0.3	+0.7	-1.0	+0.5	+0.6	-0.2	+0.1	-0.6	+1.0	-1.7
Nonbank financial	+0.2	+0.3	+0.1	+0.1	+0.1	+0.1	1/	+0.7	+0.4	-0.4	+0.9	-0.7	-0.9	+0.4
Agriculture	-0.1	1/	1/	1/	1/	1/	1/	+0.2	+0.1	+0.3	-0.1	+0.1 5/	+0.5	1/
All other	+0.1	1/	-0.2	-0.1	+0.4	-0.3	1/	+0.3	-0.1	+0.1	+0.7 4/	+0.3 5/	-0.4	-0.5
Total loans excluding security 3/	+2.2	+1.9	+1.5	+1.4	+2.3	+1.9	+1.5	+3.2	+1.5	+2.0	+3.5 4/	+2.1 5/	+0.1	+1.1
Total loans excluding security and non-bank financial 3/	+2.0	+1.6	+1.4	+1.3	+2.2	+1.8	+1.5	+2.5	+1.1	+2.4	+2.6 4/	+2.8 5/	+1.0	+0.7

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.

6/ Changes based on revised series. Outstanding data appended to this Report.

Exhibit D
Changes in Loans and Investments at All Commercial Banks, at Weekly
Reporting Banks, and at Other Banks, Not Seasonally Adjusted
(In billions of dollars)

Item	Last Wednesday of August to last Wednesday of September						
	1966	1965	1964	1963	1962	1961	1960
All commercial banks							
Total loans	+1.3	+2.7	+3.5	+3.5	+3.3	+1.8	+1.0
U. S. Gov't. securities	-0.2	+0.4	+1.9	+1.0	+0.4	+1.9	+1.1
Other securities	<u>+0.4</u>	<u>+0.5</u>	<u>+0.7</u>	<u>+0.5</u>	<u>+0.3</u>	<u>+0.8</u>	<u>+0.2</u>
Total	+1.5	+3.6	+6.1	+4.8	+4.1	+4.5	+2.4
Weekly reporting banks 4/							
Total loans	+0.6	+1.9	+2.7	+2.5	+2.3	+1.5	+0.8
U. S. Gov't. securities	-0.3	-0.1	+1.2	+0.4	-0.3	+1.0	+0.4
Other securities	<u>+0.1</u>	<u>+0.1</u>	<u>+0.4</u>	<u>+0.2</u>	<u>+0.1</u>	<u>+0.4</u>	<u>+0.2</u>
Total	+0.5	+1.9	+4.4	+3.1	+2.2	+2.8	+1.4
Other banks 4/							
Total loans	+0.7	+0.8	+0.8	+1.0	+1.0	+0.3	+0.2
U. S. Gov't. securities	+0.1	+0.5	+0.7	+0.6	+0.7	+0.9	+0.7
Other securities	<u>+0.3</u>	<u>+0.4</u>	<u>+0.3</u>	<u>+0.2</u>	<u>+0.4</u>	<u>+0.4</u>	<u>1/</u>
Total	+1.0	+1.7	+1.7	+1.7	+1.9	+1.7	+1.0
Item	End of December to last Wednesday of September						
	1966 3/	1965	1964 2/	1963 2/	1962	1961	1960
All commercial banks							
Total loans	+11.1	+14.9	+9.8	+8.1	+6.7	+1.4	+3.5
U. S. Gov't. securities	-6.2	-7.1	-2.7	-4.6	-2.3	+5.1	-1.2
Other securities	<u>+2.6</u>	<u>+5.1</u>	<u>+2.7</u>	<u>+4.9</u>	<u>+4.3</u>	<u>+2.4</u>	<u>-0.3</u>
Total	+7.5	+12.9	+9.8	+8.3	+8.7	+9.0	+1.9
Weekly reporting banks 4/							
Total loans	+5.4	+8.7	+4.6	+3.6	+2.8	-0.8	+0.5
U. S. Gov't. securities	-4.1	-5.4	-1.8	-4.2	-3.4	+3.8	+0.1
Other securities	<u>+0.8</u>	<u>+3.0</u>	<u>+1.5</u>	<u>+3.3</u>	<u>+3.0</u>	<u>+1.5</u>	<u>-0.1</u>
Total	+2.1	+6.3	+4.3	+2.7	+2.4	+4.6	+0.5
Other banks 4/							
Total loans	+5.7	+6.2	+5.2	+4.5	+3.9	+2.2	+3.0
U. S. Gov't. securities	-2.1	-1.7	-0.9	-0.4	+1.1	+1.3	-1.3
Other securities	<u>+1.8</u>	<u>+2.1</u>	<u>+1.2</u>	<u>+1.6</u>	<u>+1.3</u>	<u>+0.9</u>	<u>-0.2</u>
Total	+5.4	+6.6	+5.5	+5.6	+6.3	+4.4	+1.4

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

1/ Less than \$50 million.

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

3/ Where necessary, 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 on July 13, 1966 (\$700 million at weekly reporting and \$300 million at nonweekly reporting); and in total credit and 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 (\$400 million at weekly reporting banks and \$700 million at other banks).

4/ 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 August to late September 1/					Late December to end of September 2/				
	1966	1965	1964	1963	1962	1966	1965	1964	1963	1962
Food processors	+112	+191	+152	+152	+160	- 96	-261	-454	-445	-385
Commodity dealers	- 39	+ 55	+ 92	+ 78	+ 42	-289	-334	-375	- 29	-150
Trade concerns	+143	+133	+177	+ 58	+ 62	+313	+827	+229	- 22	+195
Retail trade	+ 92	+ 94	+116	+ 37	+ 30	+136	+519	+127	- 14	+ 97
Wholesale trade	+ 51	+ 39	+ 61	+ 21	+ 32	+177	+308	+102	- 8	+ 98
Metals	+245	+246	+ 98	+128	+106	+2,114	+1,471	+386	- 3	+100
Primary metals	- 75	+ 18	- 10	+ 11	- 11	+198	+157	+ 27	- 33	-180
Machinery	+241	+ 47	+ 25	+ 34	+ 69	+1,046	+577	+157	+160	+120
Transportation equipment	+ 52	+115	+ 60	+ 70	+ 57	+553	+301	+ 21	-180	+ 81
Other fabricated metals	+ 27	+ 66	+ 23	+ 12	- 9	+317	+436	+180	+ 50	+ 79
Textiles, apparel, etc.	- 53	+ 31	+ 1	- 62	- 13	+616	+593	+271	+359	+385
Petroleum	- 1	+ 48	+ 39	+ 48	+ 11	+306	+310	- 95	+ 34	- 54
Chemicals	+106	+ 66	+ 73	+ 10	- 51	+441	+338	+196	+ 25	- 78
Other durable manufacturing	+ 31	+ 88	+ 20	+ 28	+ 31	+454	+394	+178	+114	+268
Other nondurable manufacturing	+ 28	+ 42	- 2	+ 17	+ 17	+415	+302	+118	+152	+181
Mining	+156	+ 19	+ 66	+ 32	+ 3	+525	+376	+237	+267	+153
Public utilities	+303	+201	+175	+152	+212	+667	+937	+ 21	-271	-201
Construction	- 55	- 5	- 20	+ 34	- 4	+ 88	+281	+395	+200	+212
All other types of business	+ 47	- 87	- 60	+ 40	+ 26	+222	+438	+453	+183	+211
Bankers acceptances	+ 14	- 66	- 64	n.a.	n.a.	-284	-381	n.a.	n.a.	n.a.
Other, mainly services	+ 33	- 21	+ 4	n.a.	n.a.	+506	+819	n.a.	n.a.	n.a.
Classified	+1,023	+1,028	+811	+714	+602	+5,775	+5,671	+1,560	+564	+836
Unclassified	+124	+ 30	- 2	+ 26	+ 19	+610	+778	+535	+214	+307
Total change	+1,147	+1,058	+809	+740	+621	+6,385	+6,449	+2,095	+778	+1,143

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	28.1	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	37.8	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/
Aug. 31 p	306.7	53.5	48.1	205.1	76.8	52.6	7.7	8.6	38.5	12.0	12.9
Sept. 28 p	308.2	53.3	48.5	206.4	78.1	53.0	7.1	8.6	38.6	12.6	12.5

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	4.9.
p- Aug. 31	66.5	68.3	81.9	74.0	71.3	60.2	5.6
p- Sept. 28	66.8	68.6	81.8	75.3	71.9	60.2	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/ 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.

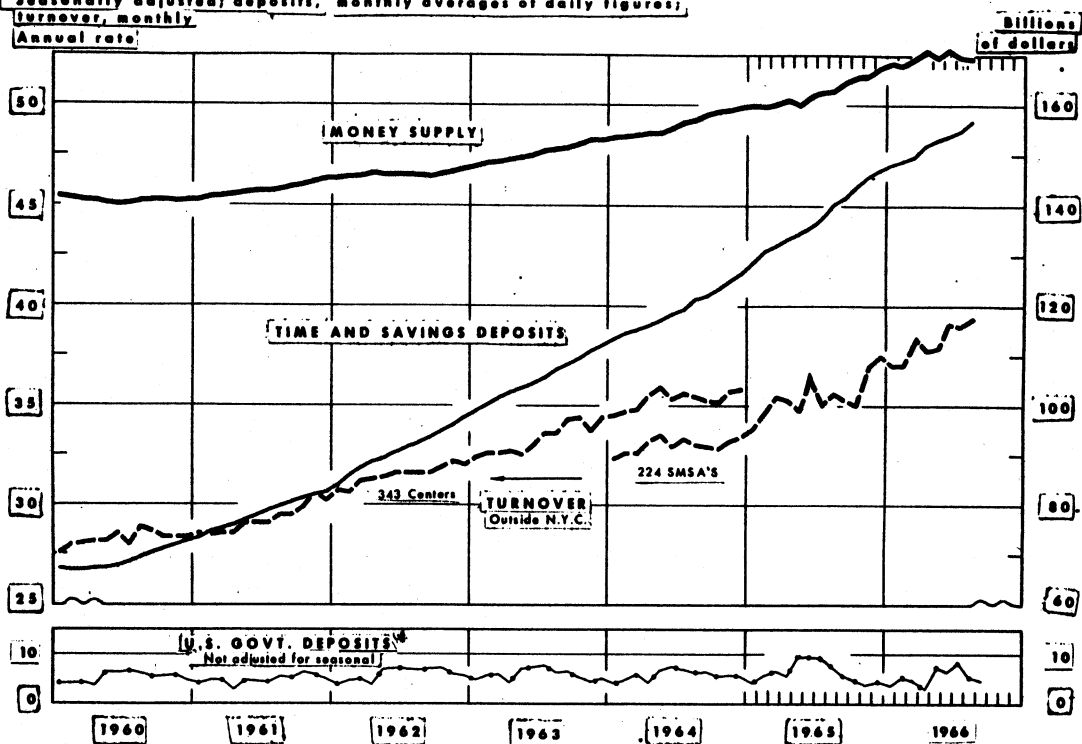
DEPOSITS AND CURRENCY AND TURNOVER OF DEMAND DEPOSITSSeasonally adjusted; deposits, monthly averages of daily figures;
turnover, monthly
Annual rate¹

Chart not revised and not updated for Money Supply and Time and Savings Deposits.

Exhibit H - Part II

Period	Seasonally Adjusted Data					U. S. Gov't. deposits ^{1/}
	Money Supply ^{1/}			Time and savings deposits ^{1/}	Turnover outside N.Y. City* (per cent)	
	Total ^{1/}	Demand deposits ^{1/}	Currency ^{1/}			
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	167.2	130.9	36.3	146.9	37.5	4.6
1965--September	164.1	128.5	35.7	141.6	35.3	5.5
1966--May	170.2	132.9	37.3	153.0	37.8	7.2
June	171.1	133.7	37.4	153.7 ^{2/}	39.0	6.3
July	169.6	131.9	37.7	155.3	38.9	8.2
August	169.6	131.8	37.8	156.7	39.3	5.2
September p	170.5	132.6	37.9	157.0	n.a.	4.5
<u>Week ending:</u>						
Sept. 7 p	170.3	132.5	37.8	157.0	n.a.	4.7
14 p	169.9	131.9	38.0	157.0	n.a.	3.2
21 p	171.7	133.7	38.0	157.0	n.a.	3.1
28 p	170.2	132.3	37.9	157.2	n.a.	6.2

^{1/} Revised series. Revised data beginning in 1959 published in September Bulletin.

^{2/} 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.

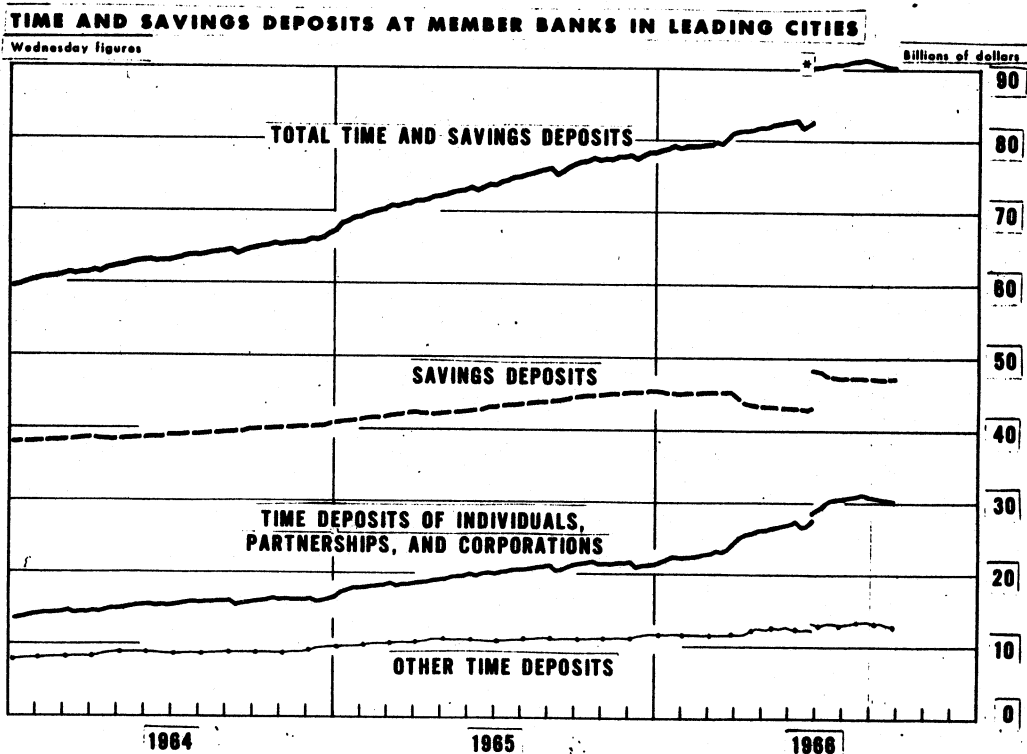


Exhibit I - Part II

* CHANGE IN SERIES

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--Sept. 29	76,276	44,319	21,003	10,954
1966--June 29(old) <u>2/</u>	82,868	43,104	27,515	12,249
June 29(new)	90,185	48,413	28,687	13,085
July 27	90,944	47,453	30,550	12,941
Aug. 31	91,258	47,228	30,859	13,171
Sept. 7	91,081	47,196	30,816	13,069
14	90,891	47,142	30,582	13,167
21	90,451	47,155	30,373	12,923
28	90,379	47,237	30,304	12,838

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 ^{1/}
		New York City	City of Chicago	Other				
Monthly Averages:								
1958--December	- 41	- 80	- 32	-197	268	516	557	18,439
1959--December	-424	-109	-104	-449	237	482	906	18,481
1960--December	669	10	- 4	80	583	756	87	18,813
1961--December	419	- 50	- 22	20	471	568	149	19,597
1962--December	268	- 62	- 11	- 52	394	572	304	20,280
1963--December	209	19	- 21	-122	334	536	327	21,015
1964--December	168	- 14	- 31	-103	315	411	243	21,907
1965--July	-174	-134	- 25	-214	197	350	524	22,751
Aug.	-134	- 32	- 36	-230	163	430	564	22,758
Sept.	-144	- 46	- 43	-243	190	384	528	22,736
Oct.	-146	- 28	- 80	-207	167	344	490	22,807
Nov.	- 83	- 77	- 30	-178	202	369	452	22,817
Dec.	- 2	- 70	- 8	-161	238	452	454	23,079
1966--Jan.	- 44	- 74	- 49	-141	219	358	402	23,233
Feb.	-107	- 75	- 26	-148	143	371	478	23,313
Mar.	-246	- 37	- 62	-218	71	305	551	23,370
Apr.	-268	- 29	- 33	-238	32	358	627	23,627
May	-352	- 40	- 3	-225	-84	370	722	23,633
June	-352	-143	- 12	-223	27	322	674	23,637
July	-362	- 6	- 54	-312	9	404	766	23,862
Aug. p	-401	- 26	- 24	-279	-70	325	728	23,571
Sept. p	-374	- 93	- 64	-221	5	392	766	23,579

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.

^{1/} Revised series; back data available from the Banking Section, Division of Research and Statistics. These data have been adjusted for redefinition of time deposits effective June 9.

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 nation- al 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	24.6	53.0
1964	530.5	156.7	127.1	49.0	0.4	101.4	49.9	46.1	81.6	24.1	53.5
1965											
Aug.	555.7	157.8	139.8	51.3	0.3	106.5	50.1	49.8			
Sept.	560.7	160.6	141.6	51.6	0.3	107.8	50.1	48.7	80.8	23.2	53.6
Oct.	565.1	161.1	144.0	52.0	0.3	108.4	50.1	49.1			53.9
Nov.	568.3	160.4	146.5	52.3	0.3	109.3	50.1	49.4			54.0
Dec.	572.9	164.0	147.1	52.6	0.3	109.7	50.5	48.6			54.0
1966									80.5	22.9	54.3
Jan.	578.5	164.8	149.2	52.8	0.3	109.8	50.5	51.2			
Feb.	577.5	162.8	149.4	53.0	0.3	110.6	50.3	51.0			54.3
Mar.	585.5	167.1	151.1	53.1	0.3	111.4	50.3	52.1	80.2	22.8	54.1
Apr. p	587.0	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			54.3
June p	588.6*	166.4	153.4*	53.4	0.2	111.4	50.4	53.4	80.1*	22.7	54.2
July p	587.8	164.3	155.6	53.7	0.2	110.7	50.6	52.7			54.3*
Aug. p	592.3	166.9	156.1	53.9	0.2	111.3	50.6	53.3	79.1	22.2	54.4
Sept. p	592.6	165.9	156.2	54.1	0.2	111.9	50.5	53.8			54.5
											54.4

For footnotes see next page.

p - Preliminary.

* - Beginning with data for June 1966, total liquid assets and time deposits at commercial banks exclude \$1.1 billion of balances accumulated for the payment of personal loans.

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).

Business Loans
Seasonally Adjusted Data
(last Wednesday of month, billions of dollars)

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
1952	23.3	23.4	23.1	22.9	22.7	22.9	22.9	23.2	23.4	23.8	24.1	24.4
1953	24.6	24.5	24.5	24.7	24.8	24.5	24.7	24.8	24.7	24.6	24.3	23.9
1954	23.9	23.8	23.7	23.5	23.5	23.3	23.3	23.1	23.2	23.3	23.3	23.5
1955	23.8	24.0	24.1	24.2	24.7	25.0	25.5	25.8	26.3	26.7	27.5	27.9
1956	28.4	29.0	29.9	30.5	30.7	31.3	31.7	32.1	32.5	33.0	33.3	33.7
1957	33.8	34.0	34.3	34.6	34.8	35.3	35.4	35.6	35.5	35.4	35.3	35.2
1958	35.3	35.2	34.9	34.8	34.6	34.5	34.4	34.6	34.8	35.0	35.2	35.4
1959	35.5	35.7	35.7	36.2	37.0	37.4	38.1	38.3	38.5	38.8	39.1	39.4
1960	39.9	40.3	40.7	41.1	41.4	41.4	41.5	41.5	41.8	41.8	42.0	42.1
1961	42.0	42.3	42.5	42.5	42.4	42.4	42.7	42.9	43.0	43.2	43.3	43.9
1962	44.0	44.1	44.5	44.8	45.1	45.5	45.7	46.3	46.7	47.1	47.4	47.6
1963	47.9	48.2	48.3	48.7	48.9	49.4	49.6	49.8	50.2	50.8	51.5	52.0
1964	52.4	52.8	52.9	53.5	54.1	54.4	54.9	55.6	56.2	56.6	57.3	58.4
1965	59.6	60.8	61.8	62.6	63.6	64.6	65.3	66.3	66.9	67.6	68.3	69.2
1966	70.5	71.3	72.2	72.9	74.2	75.8	77.6	77.7	78.2			
1967												

Seasonal Factors

1966	98.9	99.2	100.6	99.8	99.7	101.4	99.4	98.8	99.9	99.2	99.9	103.2
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