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BANKING AND MONETARY DEVELOPMENTS IN DECEMBER 1966

Summary. Seasonally adjusted commercial bank credit increased substantially in December following a small rise in November and declines in the two previous months. Expansion in December was associated largely with increases in holdings of U. S. Government securities and in security loans. Business loans and holdings of other securities were unchanged. The money supply increased in December nearly offsetting the October-November decline. Time and savings deposits also rose after showing little net growth since August. The December increase reflected in part renewed bank sales of negotiable CD's following heavy run-offs in the September-November period. Net borrowed reserves declined further to their lowest level since early in the year.

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

	Annual rate (per cent)								
	1966						1965		
	Dec.	Sept.- Dec.	Jan.- Aug.	2nd Half	1st Half	Year	Year	1st Half	2nd Half
Total loans and investments	8.9	-0.1	8.9	1.9	9.8	5.9	10.2	10.9	9.0
U.S. Gov't. securities	31.8	-9.6	-4.2	-2.9	-9.0	-5.9	-5.6	-9.5	-1.7
Other securities	--	1.2	7.7	-1.2	12.5	5.6	15.8	17.6	12.8
Total loans	5.2	2.3	13.0	4.1	14.7	9.5	14.7	16.7	11.7
Business loans	--	5.4	18.4	7.6	20.2	14.3	18.5	21.2	14.2
Money supply	7.1	1.1	2.1	-1.1	4.7	1.8	4.7	2.5	6.8
Time deposits at all commercial banks	9.1	2.7	11.0	6.1	10.3	8.4	16.0	15.2	15.7

* - 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 on June 30, 1966. 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.

NOTE: Revisions in bank credit data beginning in April 1966 reflect adjustments to June 30, 1966 call report data.

Bank credit. Total loans and investments at all commercial banks rose \$2.3 billion in December, for the largest monthly increase since June. The annual rate of growth--almost 9 per cent--was the same as the rapid pace of the first eight months of the year. (June 30, 1966 call report data indicated that credit expansion in the first half of the year was somewhat larger than had been previously estimated.) Over the last four months of the year, however, credit declined nominally as the late-year growth did not quite offset the substantial September-October declines. The resumption of credit growth was associated in large part with the sharp pick-up in time deposits in December following little change since mid-summer. Over the year, growth in total loans and investments was at a 5.9 per cent rate--little more than half that of the postwar record 1965--and the lowest since 1960.

Holdings of U.S. Government securities increased \$1.4 billion at all commercial banks in December. The increase was concentrated at weekly reporting banks in leading cities--especially those outside New York--where holdings of bills and other short-term issues increased much more substantially than in December 1965. At nonweekly reporting banks, December growth was similar to that of the previous two years. While Governments had also increased somewhat in November, the large September-October declines following the August financing brought the annual rate of decline to almost 10 per cent in the last four months of the year, or over twice as fast as the reduction earlier in the year. On balance, over 1966, holdings of Treasury issues declined 5.9 per cent--just slightly faster than in 1965.

Holdings of other securities were essentially unchanged in December following only small net growth since August. Over the year, these securities rose at a rate of 5.6 per cent--about one-third as rapidly as in 1965. This represented the lowest rate of expansion since 1960. In 1966, for the first year since 1959, total investments--U.S. Government and other securities--declined. At weekly reporting banks, other securities, not adjusted for seasonal, showed little over-all change in 1966 compared with increases of \$2 to \$4 billion in the 1962-65 period. At nonweekly reporting banks, other securities increased \$2.4 billion--about one-third less than 1965's unusually large expansion--but more than in other recent years. (Changes are adjusted to exclude effects of reclassifications and of coverage in the weekly reporting series.) Detailed data available at weekly reporting banks since June 1966 indicate that reductions in the second half of the year--which offset acquisitions in the first half--were distributed among all categories of securities--State and local, Federal agencies and participations.

Total loans only rose moderately in December--\$900 million--and a substantial part of this rise reflected increases in loans to security brokers and dealers. During the first half of 1966 loans had continued

to expand at 1965's high rate of 15 per cent, but the slower pace of the second half reduced the growth for all of 1966 to 9.5 per cent--below that of the 1962-65 period but well above the pace of the 1960-61 period.

Business loans, seasonally adjusted at all commercial banks, were estimated to be unchanged in December following a substantially reduced rate of growth in other recent months. The 14.5 per cent increase in 1966 was somewhat below that of 1965 but considerably above that of most other recent years except for 1955 and 1956. At weekly reporting banks in leading cities, over the four weeks ending December 28, growth in business loans was less than half that of the corresponding period of 1965; banks in New York accounted for most of this differential but business loan growth was also smaller at other weekly reporting banks. Most industries increased their bank loans less than in December 1965. However, borrowing by machinery and transportation equipment concerns continued very large. In addition, repayments by retail trade concerns were smaller than usual.

Real estate loans at all commercial banks rose moderately further in December, about the same as earlier in the fourth quarter. Over the year, the rate of growth in these loans moderated, amounting to only 10 per cent, as compared with 13 per cent in 1965. On the other hand, consumer loans, where the 1966 growth was 9 per cent compared with 15 per cent in 1965, slowed substantially in the first half of the year and then continued close to the lower rate in the second half. This was due in part, however, to a rather substantial pick-up in borrowing in November and December (projected). Both security loans and loans to nonbank financial institutions were about unchanged in 1966 as reductions over the July-December period offset the first-half expansion.

Money supply and time deposits. The money supply increased \$1 billion in December nearly offsetting the decline of the two previous months. This expansion was associated in part with a further reduction in seasonally adjusted U. S. Government deposits. Over the year, the private money stock rose by 1.8 per cent, somewhat less than half as rapidly as in 1965. Expansion in the first half of 1966 had continued at the high rate of the previous year but in the second half, the money supply declined at a rate of over 1 per cent.

Time and savings deposits at commercial banks rose \$1.1 billion in December, or at an annual rate of 9 per cent. This was somewhat below the 11 per cent gain for the January-August period but contrasted with an increase of less than 1 per cent in the September-November period. For the year as a whole, growth was about half that of 1965. The December rise was associated in part with renewed bank sales of negotiable CD's. In spite of record December maturities, weekly reporting banks were able to increase their outstanding CD's by \$170 million. In the previous three months, CD holdings at these banks had declined \$2.7 billion. Expansion

in time deposits other than CD's was similar to that in the corresponding weeks of 1965 whereas in the October-November period, these deposits had declined as compared with an increase in 1965. At country member and nonmember banks, total time and savings deposits also rose somewhat more rapidly in December than in other recent months.

Bank reserves. Net borrowed reserves declined further to an average of \$190 million over the four statement weeks ending December 28, their lowest level since early in the year, with the substantial decline in member bank borrowings more than offsetting the small decrease in excess reserves. Required reserves increased for the first time, on a monthly average basis, since July. Total reserves also increased slightly. Over the year, both total and required reserves rose at rates between 1 and 1-1/2 per cent compared with rates of over 5 per cent in 1965.

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

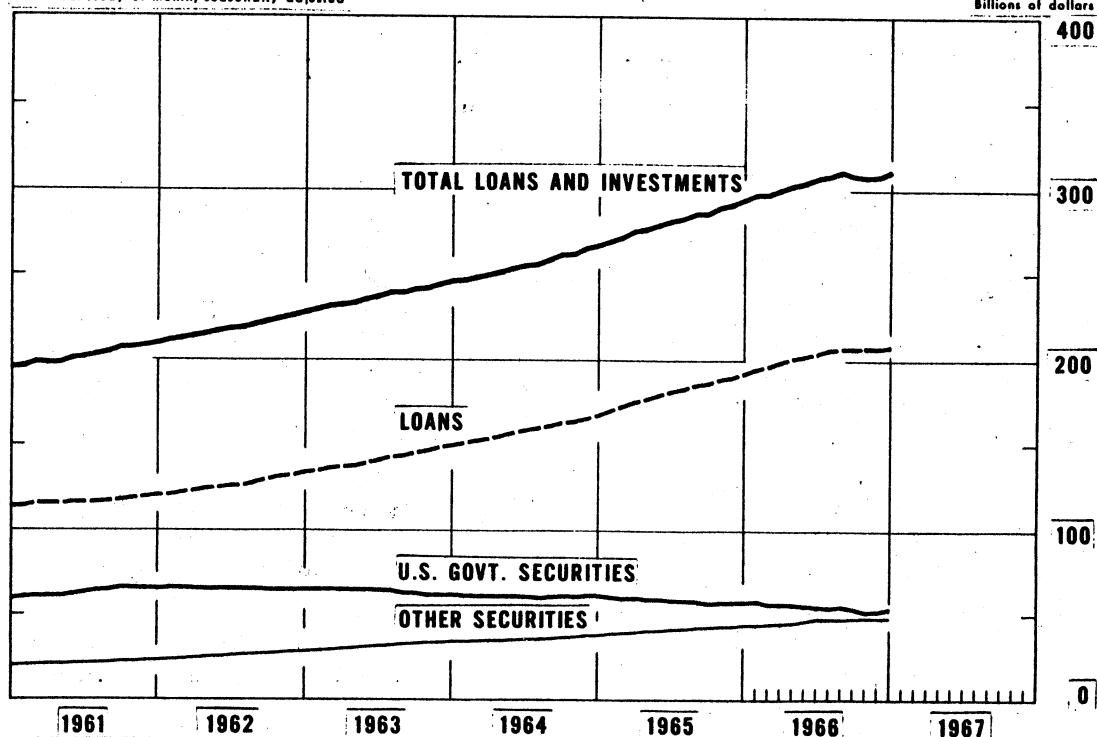


Exhibit A - Part II

Date	Total ^{1/}	Loans ^{1/}	U.S. Gov't. securities	Other securities
(In b i l l i o n s o f d o l l a r s)				
1962--Dec. 31 ^{2/}	227.9	134.1	64.5	29.2
1963--Dec. 31 ^{2/}	246.2	149.7	61.5	35.0
1964--Dec. 31	267.2	167.4	61.1	38.7
1965--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 ^{4/}	302.9	200.8	55.9	46.2
May 25 ^{4/}	304.9	202.3	55.1	47.4
June 30 ^{4/}	307.7 ^{3/}	204.0 ^{3/}	55.1	48.6 ^{3/}
July 27 ^{4/}	309.2	206.4	54.4	48.5
Aug. 31 ^{4/}	310.8	206.6	56.1	48.1
Sept. 28 ^{4/}	308.7	206.1	54.3	48.3
Oct. 26 p ^{4/}	308.1	207.3	52.4	48.4
Nov. 30 p ^{4/}	308.4	207.3	52.9	48.3
Dec. 31 ^{2/}	310.7	208.2	54.3	48.3

^{1/} Adjusted to exclude interbank loans.^{2/} Estimated as of December 31.

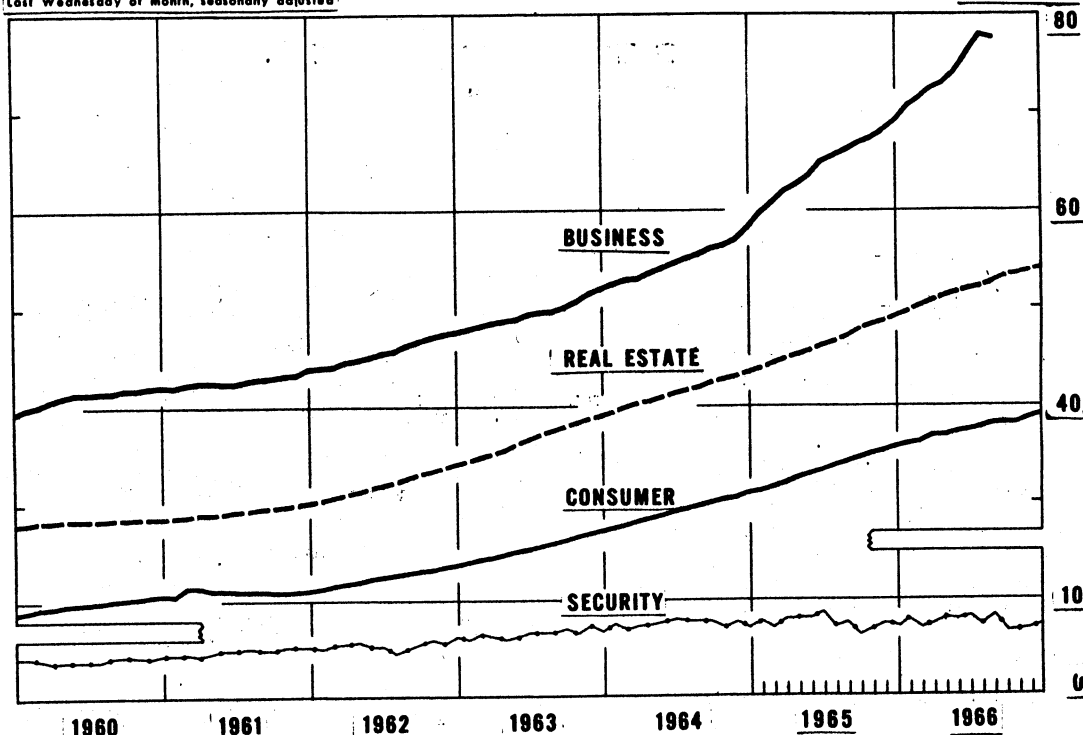
^{3/} Beginning June 9, loan data exclude the \$1.1 billion of balances accumulated for payment of personal loans. Beginning June 30, total loans exclude, and other securities include, about \$1 billion of participation certificates.

^{4/} Revisions beginning in April 1966 reflect adjustment to June 30, 1966 call data.

LOANS AT ALL COMMERCIAL BANKS¹

Last Wednesday of month, seasonally adjusted

Billions of dollars



Charts not revised and not updated for Business Loans.

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	58.4	43.5	31.1	7.1
1965--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 ^{2/}	71.3	50.3	36.3	6.9
Mar. 30 ^{2/}	72.2	50.8	36.9	7.2
Apr. 27 ^{2/}	72.9	51.2	37.0	7.9
May 25 ^{2/}	74.2	51.5	37.3	7.7
June 30 ^{2/}	76.2	51.9	37.5	8.3
July 27 ^{2/}	77.6	52.2	37.8	7.4
Aug. 31 ^{2/}	77.7	52.7	38.1	8.4
Sept. 28 ^{2/}	78.2	53.1	38.3	6.5
Oct. 26 p ^{2/}	78.9	53.4	38.3	6.6
Nov. 30 p ^{2/}	79.1	53.7	r 38.7	6.6
Dec. 31 p ^{1/}	79.1	54.0	39.1	7.1

^{1/} Estimated as of December 31 and June 30. p - Preliminary.^{2/} Revisions beginning in February 1966 reflect adjustment to June 30, 1966, call data.

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

Item	1965					1966								
	Nov.	Dec.	Jan.	Feb.*	Mar.*	Apr.*	May*	June*	July*	Aug.*	Sept.*	Oct. p*	Nov.p*	Dec. p
Loans and Investments 2/	<u>+1.6</u>	<u>+2.9</u>	<u>+3.0</u>	<u>+0.1</u>	<u>+2.8</u>	<u>+2.6</u>	<u>+2.0</u>	<u>+3.9</u> 4/	<u>+1.5</u>	<u>+1.6</u>	<u>-2.1</u>	<u>-0.6</u>	<u>+0.3</u>	<u>+2.3</u>
U. S. Gov't. securities	+0.1	+0.2	+0.3	-2.1	+0.1	-0.1	-0.8	<u>1/</u>	-0.7	+1.7	-1.8	-1.9	+0.5	+1.4
Other securities	+0.3	+0.6	+0.1	+0.5	+0.3	+0.5	+1.2	+0.2 4/	-0.1	-0.4	+0.2	+0.1	-0.1	<u>1/</u>
Loans 2/	<u>+1.2</u>	<u>+2.2</u>	<u>+2.5</u>	<u>+1.7</u>	<u>+2.4</u>	<u>+2.2</u>	<u>+1.5</u>	<u>+3.8</u> 4/	<u>+2.4</u>	<u>+0.2</u>	<u>-0.5</u>	<u>+1.2</u>	<u>1/</u>	<u>+0.9</u>
Business	+0.7	+0.9	+1.3	+0.8	+0.9	+0.7	+1.3	+2.0	+1.4	+0.1	+0.5	+0.7	+0.2	<u>1/</u>
Real estate	+0.4	+0.5	+0.5	+0.6	+0.5	+0.4	+0.3	+0.4	+0.3	+0.5	+0.4	+0.3	+0.3	+0.3
Consumer	+0.3	+0.4	+0.3	+0.2	+0.6	+0.1	+0.3	+0.2	+0.3	+0.3	+0.2	<u>1/</u>	+0.4	+0.4
Security	+0.6	-0.3	+0.8	-1.1	+0.3	+0.7	-0.2	+0.6	-0.9	+1.0	-1.9	+0.1	<u>1/</u>	+0.5
Nonbank financial	+0.1	+0.1	+0.1	<u>1/</u>	+0.7	+0.3	-0.5	+1.2	-0.8	-0.9	+0.3	<u>1/</u>	<u>1/</u>	-0.2
Agriculture	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	+0.1	<u>1/</u>	+0.3	-0.2 4/	+0.3	+0.5	<u>1/</u>	-0.3	<u>1/</u>	<u>1/</u>
All other	-0.1	+0.4	-0.3	+0.1	+0.5	<u>1/</u>	+0.3	+0.6 4/	<u>1/</u>	-0.5	-0.2	-0.2	-0.3	<u>1/</u>
Total loans excluding security 3/	<u>+1.4</u>	<u>+2.3</u>	<u>+1.9</u>	<u>+1.7</u>	<u>+3.3</u>	<u>+1.5</u>	<u>+2.0</u>	<u>+4.2</u>	<u>+1.5</u>	<u>1/</u>	<u>+1.2</u>	<u>+0.5</u>	<u>+0.6</u>	<u>+0.5</u>
Total loans excluding security and non-bank financial 3/	<u>+1.3</u>	<u>+2.2</u>	<u>+1.8</u>	<u>+1.7</u>	<u>+2.6</u>	<u>+1.2</u>	<u>+2.5</u>	<u>+3.0</u>	<u>+2.3</u>	<u>+0.9</u>	<u>+0.9</u>	<u>+0.5</u>	<u>+0.6</u>	<u>+0.7</u>

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. 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 June 30, 1966.

* - Data revised beginning in February 1966 to reflect adjustment to June 30, 1966 benchmarks.

Data on individual loan categories are not for publication.

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

Item	Last Wednesday of November to end of December						
	1966 2/	1965 2/	1964	1963 2/	1962 2/	1961	1960
All commercial banks							
Total loans	+ 6.7	+ 7.6	+ 6.6	+ 5.3	+ 5.6	+ 4.4	+ 3.3
U. S. Gov't. securities	+ 1.8	+ 0.7	+ 0.3	+ 1.1	+ 0.8	+ 0.4	+ 0.8
Other securities	+ 0.6	+ 1.1	+ 0.7	+ 1.0	+ 0.5	+ 0.5	+ 0.6
Total	+ 9.1	+ 9.5	+ 7.6	+ 7.4	+ 6.8	+ 5.3	+ 4.6
Weekly reporting banks 4/							
Total loans	+ 4.4	+ 5.4	+ 4.8	+ 4.2	+ 4.5	+ 3.7	+ 2.5
U. S. Gov't. securities	+ 1.7	+ 0.6	+ 0.7	+ 1.1	+ 1.2	+ 0.3	+ 0.9
Other securities	+ 0.3	+ 0.3	+ 0.5	+ 0.6	+ 0.3	+ 0.4	+ 0.5
Total	+ 6.4	+ 6.3	+ 6.0	+ 5.9	+ 6.0	+ 4.4	+ 3.9
Other banks 4/							
Total loans	+ 2.3	+ 2.2	+ 1.8	+ 1.1	+ 1.1	+ 0.7	+ 0.8
U. S. Gov't. securities	+ 0.1	+ 0.1	- 0.4	1/	- 0.4	+ 0.1	- 0.1
Other securities	+ 0.3	+ 0.8	+ 0.2	+ 0.4	+ 0.2	+ 0.1	+ 0.1
Total	+ 2.7	+ 3.2	+ 1.6	+ 1.5	+ 0.8	+ 0.9	+ 0.7
Item	Year ended December						
	1966 2/3/	1965 1/	1964	1963 2/	1962 2/	1961	1960
All commercial banks							
Total loans	+18.7	+25.3	+18.2	+16.0	+14.0	+ 7.2	+ 6.7
U. S. Gov't. securities	- 3.4	- 3.4	- 0.4	- 3.0	- 0.2	+ 5.6	+ 2.1
Other securities	+ 2.5	+ 6.1	+ 3.7	+ 5.8	+ 5.4	+ 3.1	+ 0.4
Total	+17.8	+27.9	+21.5	+18.8	+19.2	+15.9	+ 9.1
Weekly reporting banks 4/							
Total loans	+ 9.4	+15.5	+ 9.6	+ 9.2	+ 7.9	+ 3.5	+ 2.7
U. S. Gov't. securities	- 2.0	- 3.3	- 0.8	- 3.3	- 1.9	+ 3.6	+ 2.5
Other securities	- 0.1	+ 2.6	+ 1.8	+ 3.6	+ 3.7	+ 2.0	+ 0.2
Total	+ 7.4	+14.8	+10.6	+ 9.5	+ 9.7	+ 9.1	+ 5.5
Other banks 4/							
Total loans	+ 9.3	+ 9.8	+ 8.6	+ 6.8	+ 6.1	+ 3.7	+ 4.0
U. S. Gov't. securities	- 1.4	- 0.1	+ 0.4	+ 0.3	+ 1.7	+ 2.0	- 0.4
Other securities	+ 2.4	+ 3.5	+ 1.9	+ 2.2	+ 1.7	+ 1.1	+ 0.2
Total	+10.4	+13.1	+10.9	+ 9.3	+ 9.5	+ 6.8	+ 3.6

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, 1966, 1963, and 1962, for all commercial banks and for December 31, 1966 and 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 other loans to other securities on June 30, 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 9 (\$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 November to late December					Late December to late December 2/				
	1966	1965	1964	1963	1962	1966	1965	1964	1963	1962
Food processors	+166	+222	+106	+ 82	+129	+419	+390	+ 67	+ 59	+ 31
Commodity dealers	+ 35	+ 25	- 40	- 73	- 58	+ 12	+ 46	+ 23	+310	- 17
Trade concerns	-106	-240	-382	- 34	- 97	+671	+1,057	+248	+395	+371
Retail trade	- 97	-254	-389	- 82	-128	+408	+604	+ 59	+271	+214
Wholesale trade	- 9	+ 14	+ 7	+ 48	+ 31	+263	+453	+189	+123	+157
Metals	+265	+189	+146	+ 58	+ 90	+2,428	+1,474	+481	- 77	+ 81
Primary metals	- 9	+ 50	+ 19	+ 16	+ 8	+ 98	+177	+ 18	- 14	-206
Machinery	+170	+ 84	+ 63	+ 71	+ 17	+1,260	+655	+243	+127	+108
Transportation equipment	+116	+ 3	+ 41	- 26	+ 64	+832	+249	+ 79	-200	+143
Other fabricated metals	- 12	+ 52	+ 23	- 3	+ 1	+238	+393	+140	+ 9	+ 35
Textiles, apparel, etc.	- 85	-102	- 46	- 30	- 64	+276	+260	- 85	+148	+111
Petroleum	-127	+120	+ 29	+ 2	+ 11	+ 2	+448	- 81	+ 23	- 23
Chemicals	+ 53	+ 88	+158	+ 17	- 4	+486	+382	+380	- 16	- 53
Other durable manufacturing	+ 22	+ 1	- 1	- 20	- 92	+474	+368	+121	+ 23	+110
Other nondurable manufacturing	+ 20	- 3	- 32	--	- 37	+373	+265	+ 33	+ 75	+ 69
Mining	+ 45	+252	+235	+ 26	+ 74	+526	+464	+378	+386	+244
Public utilities	+286	+396	+298	+189	+197	+1,141	+1,466	+159	+158	+145
Construction	- 2	- 43	+ 8	- 53	- 27	+ 16	+285	+440	+147	+165
All other types of business	+ 65	+286	+430	+282	+209	+248	+546	+837	+525	+495
Bankers acceptances	+ 81	+ 74	+126	n.a.	n.a.	-168	-399	n.a.	n.a.	n.a.
Other, mainly services	- 16	+212	+304	n.a.	n.a.	+416	+945	n.a.	n.a.	n.a.
Classified	+642	+1,191	+909	+444	+329	+7,072	+7,451	+3,001	+2,157	+1,729
Unclassified	+ 29	+271	+211	+160	+157	+454	+994	+809	+535	+518
Total change	+671	+1,462	+1,120	+604	+486	+7,526	+8,445	+3,810	+2,692	+2,246

1/ Four most comparable weeks used throughout.

2/ Changes are compiled from December 29, 1965; December 30, 1964; December 25, 1963; December 26, 1962; and December 27, 1961. 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--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--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 ^{2/}	296.0	57.3	45.1	193.6	70.7	50.0	6.9	8.5	35.9	11.7	13.9
Mar. 30 ^{2/}	298.5	55.4	45.4	197.6	72.6	50.3	7.0	8.6	36.4	12.5	14.2
Apr. 27 ^{2/}	301.7	55.5	46.5	199.8	72.8	50.9	7.7	8.7	36.8	12.6	14.4
May 25 ^{2/}	302.4	53.6	47.1	201.7	74.0	51.2	7.5	8.8	37.3	11.9	15.1
June 30 ^{2/}	310.1 ^{3/}	53.5	48.8 ^{4/}	207.9 ^{3/4/}	77.2	51.9	8.6	8.5 ^{4/}	37.8	13.9	14.0 ^{3/ 4/}
July 27 ^{2/}	307.1	52.7	48.6	205.8	77.1	52.4	7.2	8.6	38.1	12.8	13.7
Aug. 31 ^{2/}	307.7	53.7	48.4	205.5	76.8	52.9	7.7	8.6	38.5	12.0	13.2
Sept. 28 ^{2/}	309.3	53.6	48.8	206.9	78.1	53.3	6.9	8.6	38.5	12.5	13.1
Oct. 26 p ^{2/}	308.4	53.5	48.6	206.3	78.3	53.7	6.6	8.6	38.5	11.8	12.9
Nov. 30 p ^{2/}	309.4	54.3	47.8	207.3	79.0	54.0	6.4	8.7	38.7	11.8	12.6
Dec. 31 p (est.)	318.5	56.1	48.4	214.0	81.6	54.2	8.4	8.7	39.1	13.5	12.9

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/} Revisions beginning in February 1966 reflect adjustment to June 30, 1966 call data.

^{3/} Beginning June 9, \$1.1 billion of balances accumulated for the payment of personal loans were deducted from time deposits and "all other" loans.

^{4/} Beginning June 30, 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	Member banks					All commercial banks
		Total	Reserve city banks			Country	
			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
- Apr. 27*	64.9	66.6	75.7	68.4	70.7	59.2	5.6
- May 25*	66.0	67.6	79.3	70.4	70.9	60.1	5.4
- June 30 ^{3/} *	66.0	67.7	80.9	73.4	70.3	59.6	5.3
- July 27*	66.5	68.3	82.6	73.3	71.0	60.1	5.0
- 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	5.6
p- Oct. 26*	66.6	68.4	82.9	74.2	71.4	60.1	5.8
p- Nov. 30*	66.6	68.5	82.7	77.7	71.2	60.1	n.a.
p- Dec. 28*	66.4	68.3	84.0	75.8	70.5	59.9	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 June, 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 66.3.

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.

* - Revisions beginning in April 1966 reflect adjustments to June 30, 1966 call report data.

DEPOSITS AND CURRENCY AND TURNOVER OF DEMAND DEPOSITS;

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

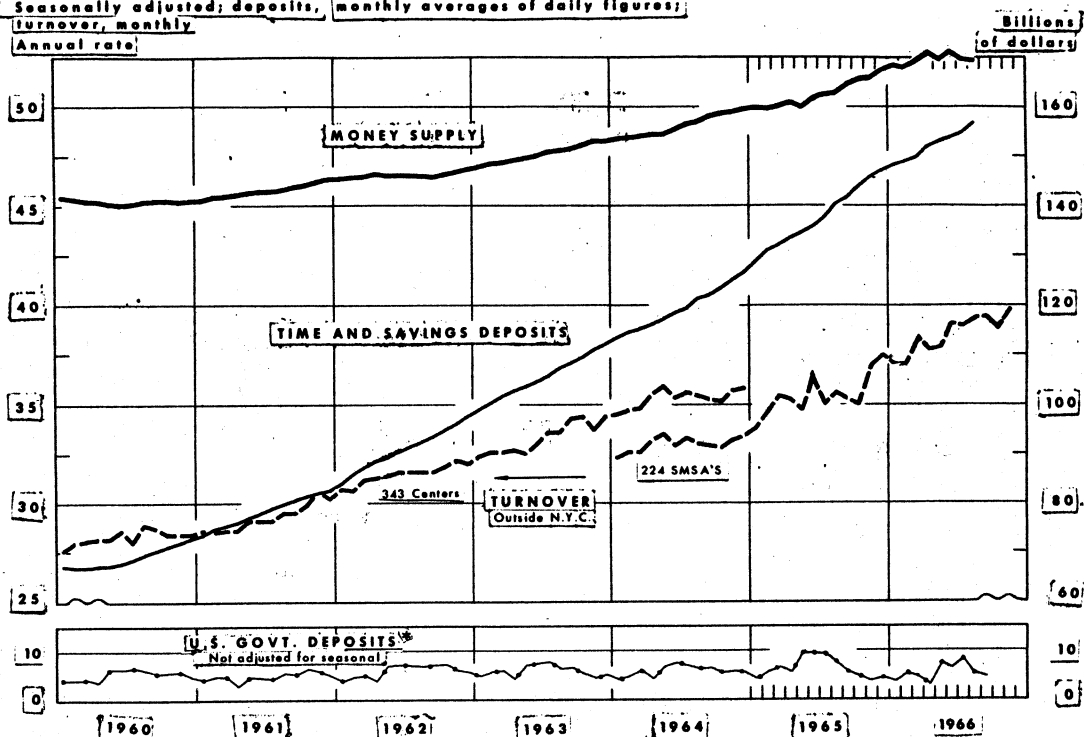


Chart not revised and not updated for Money Supply, Time and Savings Deposits, and U.S. Government Deposits,

Exhibit H - Part II

Period	Seasonally Adjusted Data					U.S. Gov't. deposits
	Money Supply			Time and savings deposits 1/	Turnover outside N.Y. City* (per cent)	
	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	167.2	130.9	36.3	146.9	37.5	4.6
1966--July	169.6	132.0	37.7	155.3	38.9	8.2
August	169.6	131.8	37.8	156.6	39.3	5.2
September	170.5	132.6	37.9	157.1	39.4	4.5
October	169.6	131.7	37.9	156.8	38.8	4.8
November	169.2	131.1	38.0	156.9	39.8	3.7
December p	170.2	132.0	38.2	158.0	n.a.	3.5
<u>Week ending:</u>						
Dec. 7 p	169.7	131.7	38.1	157.0	n.a.	3.5
14 p	169.0	130.8	38.2	157.5	n.a.	2.3
21 p	171.8	133.5	38.3	158.0	n.a.	2.3
28 p	170.2	131.8	38.4	158.8	n.a.	5.3

1/ Beginning on June 9, 1966, 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

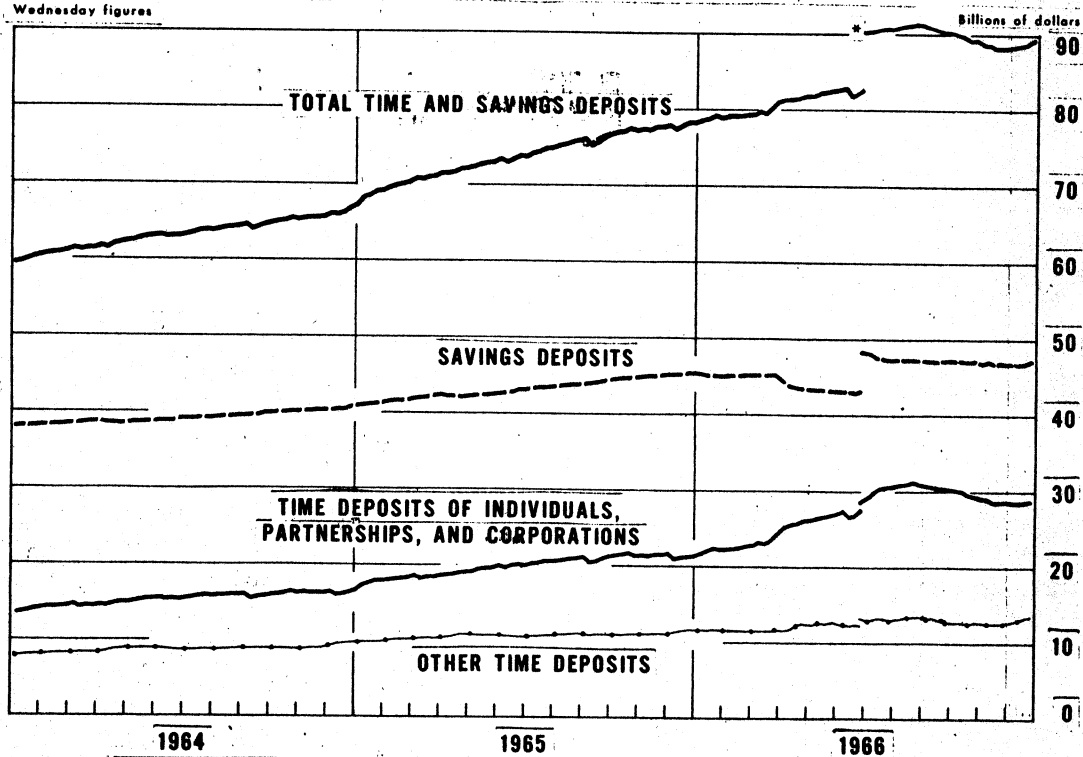


Exhibit I - Part II

* 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
1966--June 29(old) ^{2/}	82,868	43,104	27,515	12,249
June 29(new) ^{2/}	90,185	48,413	28,687	13,085
Sept. 28	90,379	47,237	30,304	12,838
Oct. 26	89,167	47,022	29,441	12,704
Nov. 30	88,383	46,924	28,944	12,515
Dec. 7	88,473	46,934	28,881	12,658
14	88,616	46,872	28,751	12,993
21	88,894	46,885	28,769	13,240
28	89,495	47,099	28,979	13,417

^{1/} Includes States and political subdivision, 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	18,392
1959--December	-424	-109	-104	-449	237	482	906	18,434
1960--December	669	10	- 4	80	583	756	87	18,765
1961--December	419	- 50	- 22	20	471	568	149	19,545
1962--December	268	- 62	- 11	- 52	394	572	304	20,224
1963--December	209	19	- 21	-122	334	536	327	20,955
1964--December	168	- 14	- 31	-103	315	411	243	21,843
1965--December	- 2	- 70	- 8	-161	238	452	454	23,010
1966--Jan.	- 44	- 74	- 49	-141	219	358	402	23,139
Feb.	-107	- 75	- 26	-148	143	371	478	23,217
Mar.	-246	- 37	- 62	-218	71	305	551	23,274
Apr.	-268	- 29	- 33	-238	32	358	627	23,530
May	-352	- 40	- 3	-225	-84	370	722	23,536
June	-352	-143	- 12	-223	27	322	674	23,539
July	-358	- 6	- 54	-312	9	408	766	23,763
Aug.	-390	- 26	- 24	-279	-61	338	728	23,363
Sept.	-367	- 93	- 64	-217	6	398	766	23,492
Oct.	-431	-124	- 95	-246	34	302	733	23,297
Nov.	-219	- 71	- 24	-245	121	392	611	23,258
Dec. p	-159	- 95	- 50	-163	149	398	557	23,276

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/ Data have been adjusted for redefinition of time deposits effective June 9, 1966.

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			53.6
Sept.	560.7	160.6	141.6	51.6	0.3	107.8	50.1	48.7	80.8	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.	572.9	164.0	147.1	52.6	0.3	109.7	50.5	48.6	80.5	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	162.7	149.4	53.0	0.3	110.6	50.3	51.0			54.1
Mar.	585.5	167.0	151.1	53.1	0.3	111.4	50.3	52.1	80.2	22.8	54.3
Apr. r	587.0	166.4	152.5	53.1	0.3	111.0	50.4	53.3			54.3
May r	585.7	163.7	153.6	53.3	0.3	111.2	50.4	53.3			54.2
June r	589.1*	166.5	153.9*	53.4	0.2	111.4	50.4	53.4	80.1*	22.7	54.4*
July r	588.4	164.3	156.1	53.7	0.2	110.7	50.6	52.7			54.5
Aug. r	592.8	167.0	156.6	53.9	0.2	111.3	50.6	53.3	79.3	22.3	54.6
Sept. r	594.2	166.1	156.7	54.2	0.2	112.2	50.5	54.4			54.3
Oct. r p	596.0	166.0	156.6	54.6	0.2	112.1	50.6	56.0			54.1
Nov. r p	600.2	167.8	158.2	54.8	0.1	112.8	50.6	55.8			54.3
Dec. p	599.6	168.5	158.4	54.8	0.1	113.2	50.9	53.6	78.7	22.0	54.5

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.

NOTE: Data revised beginning April 1966 to reflect adjustments to June 30, 1966, call report data.

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).