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FEDERAL RESERVE BANK
OF KANSAS CITY
March 17, 1967.

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BANKING AND MONETARY DEVELOPMENTS IN FEBRUARY 1967

Research Library

Summary. Commercial bank credit increased further in February but at a pace considerably below that of the two previous months. Heavy repayments of security and finance company loans more than offset moderate increases in most other loan categories including business loans, and total bank loans declined. Treasury issues held by banks increased sharply, in February, in marked contrast with a decline the previous month and their holdings of municipal and agency issues rose at about the same rapid rate as in January. Time and savings deposits showed further sharp growth. The increase in the money stock more than offset the reduction in January. Total and required reserves increased substantially further. Member bank borrowings declined.

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

	Annual rate (per cent)							
	1967		Dec. 1966-	1966				1965
	Feb.	Jan.- Feb.	Feb. 1967	1st Qtr.	1st Half	2nd Half	Year	Year
Total loans and investments	6.5	10.6	10.1	8.0	9.8	1.9	5.9	10.2
U.S. Gov't. securities	24.5	6.6	15.1	-11.8	-9.0	-2.9	-5.9	-5.6
Other securities	29.1	29.8	19.9	8.0	12.5	-1.2	5.6	15.8
Total loans	-3.4	7.2	6.6	13.8	14.7	4.1	9.5	14.7
Business loans	1.5	11.4	7.6	17.3	20.2	7.6	14.3	18.5
Money supply	6.4	0.7	3.1	5.0	4.7	-0.9	1.9	4.7
Time and savings deposits at all commercial banks	20.0	19.7	16.3	7.1	10.3	6.1	8.4	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 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 balance 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 \$1.7 billion in February, or at an annual rate of 6.5 per cent, only slightly more than half the average December-January expansion. Since the shift in monetary policy in late November, bank credit has increased at a relatively high annual rate of approximately 10 per cent. However, in contrast with the December-January period, when loan growth accounted for two-thirds of total bank credit expansion, all of February's increase in bank credit was accounted for by bank acquisitions of securities.

Holdings of municipal and agency issues increased \$1.2 billion in February, the same as in January and growth over the two months--at an annual rate close to 30 per cent--was the most rapid since early 1962. At large banks, where most of this growth occurred, holdings of tax warrants and other short-term instruments increased significantly though holdings of participations and longer-term issues rose as well.

U.S. Government securities portfolios increased by \$1.1 billion in February, following a decline in January. Since November, bank holdings of U.S. Treasury issues have increased \$2 billion, or at a 15 per cent annual rate. At weekly reporting banks, holdings of U.S. Government securities increased contraseasonally in February and at other banks, they declined more moderately than usual. City banks apparently acquired a substantial volume of new Treasury notes in connection with the February 15 refunding.

Total loans at all commercial banks declined \$600 million in February. In part, this was associated with a \$1.2 billion reduction in loans to security dealers who reduced their inventories following the sharp build-up in January. In addition, loans to finance companies continued to decline.

Business loans rose nominally in February following substantial growth in January. Part of this slowdown was presumably associated with small business payments of accelerated withheld taxes in February as compared with the large payments in January. At weekly reporting banks borrowing was smaller or repayments larger than in corresponding weeks of other recent years for most industry groups. Reductions in loans were especially sharp for food processors, commodity dealers, petroleum processors, and mining concerns. Loans to public utility concerns also declined substantially, perhaps reflecting some repayments out of the proceeds of capital markets financing. Holdings of bankers' acceptances were reduced following heavy purchases in January. On the other hand, loans to transportation equipment concerns continued to exceed those of most other recent years.

Bank deposits. The \$2.7 billion increase in time and savings deposits at all commercial banks in February was the largest recorded dollar increase. The seasonally adjusted annual rate of growth of 20 per cent was also an unusually large relative increase. The rapid expansion in total time and savings deposits in February, which followed the sharp expansion in January and the more moderate increase in December, has resulted in an annual rate of growth in these deposits in excess of 16 per cent for this three-month period, a rate that is comparable with the near-record highs which prevailed over most of 1965. Late in February, however, the rate of expansion moderated somewhat. Among weekly reporting banks, banks outside of New York City accounted for most of the increase. At country banks, growth was at about the same pace as in other recent months.

At large commercial weekly reporting banks, between the last Wednesdays of January and February, holdings of negotiable CD's increased further but at a less rapid pace than in January when acquisitions had been at a record volume. In part, this slower growth probably reflected a decline in the yield advantage of CD's relative to Treasury bills in February. Nevertheless, by February 22, outstanding CD's were near to their mid-August high. Since mid-December, outstanding CD's have increased by about \$3.2 billion. In February all the CD increases occurred at banks outside New York whereas in January, expansion had been about the same at the two groups of banks. Time deposits other than CD's also increased substantially further in February with growth continuing to be concentrated at banks outside New York City.

The money supply rose \$900 million in February, more than offsetting the January reduction. For the three month period since November, the money stock rose at an annual rate of about 3 per cent compared with a decline of 2.7 per cent in the five preceding months. On a monthly average basis, U.S. Government deposits were unchanged in February, following a sharp increase in January. Over the December-February period, these deposits also increased.

Bank reserves. Total and required reserves rose substantially further in February. Over the four statement weeks ending February 22, free reserves averaged about \$40 million compared with net borrowed reserves of \$60 million in January. This was the first sustained level of free reserves since early 1965. Member bank borrowings dropped substantially in this period while excess reserves dropped nominally.

Reduction in member bank reserve requirements. On February 28, the Board of Governors announced a reduction in reserve requirements from 4 per cent to 3 per cent against savings deposits, Christmas and vacation club accounts, and the first \$5 million of other time deposits at each member bank.

The reduction, made in two equal steps, was to take effect with the reserve computation periods beginning March 2 and March 16. It is estimated that the combined impact of these changes was to reduce required reserves by about \$850 million--approximately \$500 million at country banks and \$350 million at reserve city banks.

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

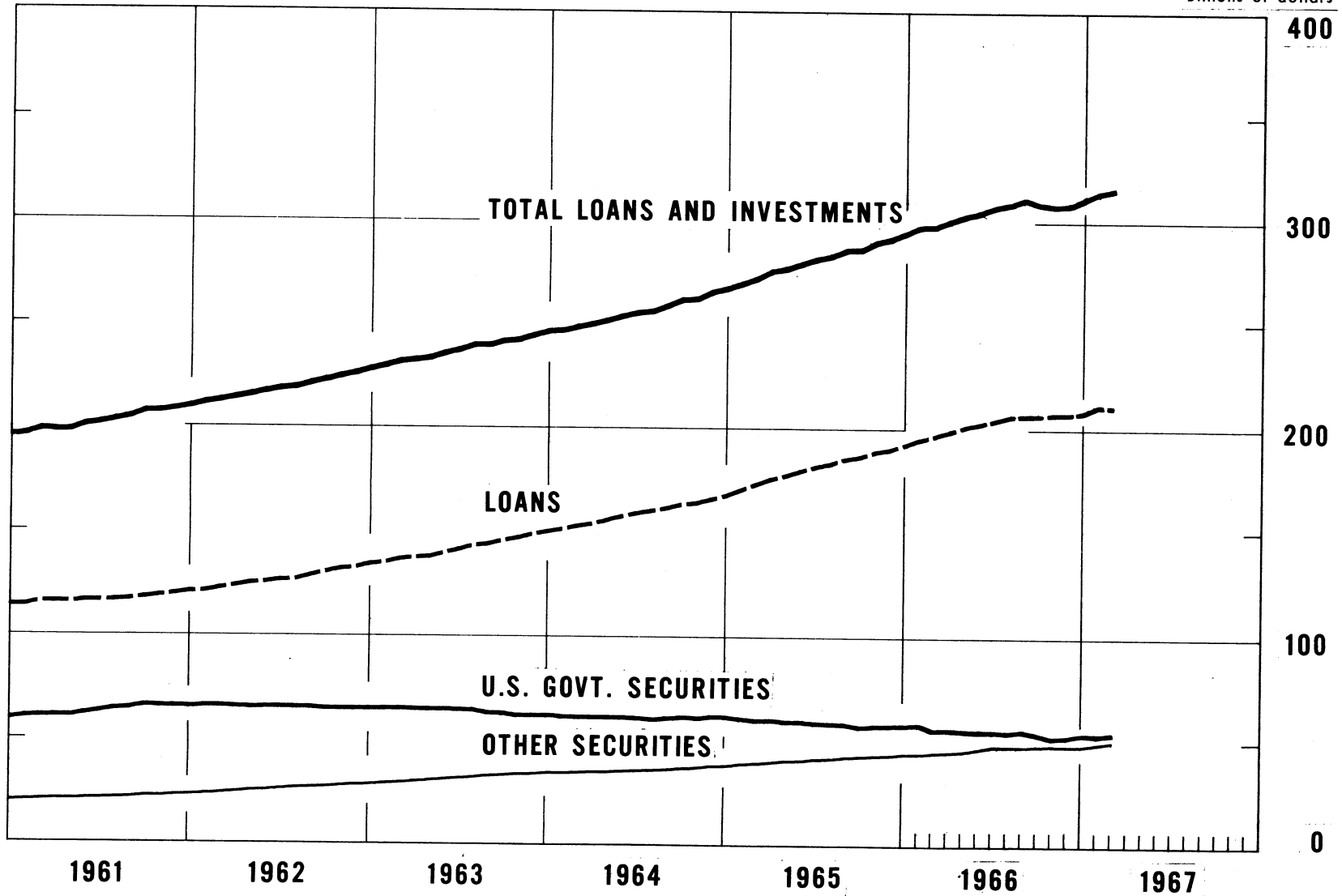


Exhibit A - Part II

Date	Total <u>1/</u>	Loans <u>1/</u>	U.S. Gov't securities	Other securities
(I n b i l l i o n s o f d o l l a r s)				
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--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	302.9	200.8	55.9	46.2
May 25	304.9	202.3	55.1	47.4
June 30	307.7 <u>3/</u>	204.0 <u>3/</u>	55.1	48.6 <u>3/</u>
July 27	309.2	206.4	54.4	48.5
Aug. 31	310.8	206.6	56.1	48.1
Sept. 28	308.7	206.1	54.3	48.3
Oct. 26 p	308.1	207.3	52.4	48.4
Nov. 30 p	308.4	207.3	52.9	48.3
Dec. 31 <u>2/</u>	310.7	208.2	54.3	48.3
1967--Jan. 25 p	314.5	211.3	53.8	49.5
Feb. 22 p	316.2	210.7	54.9	50.7

1/ Adjusted to exclude interbank loans.

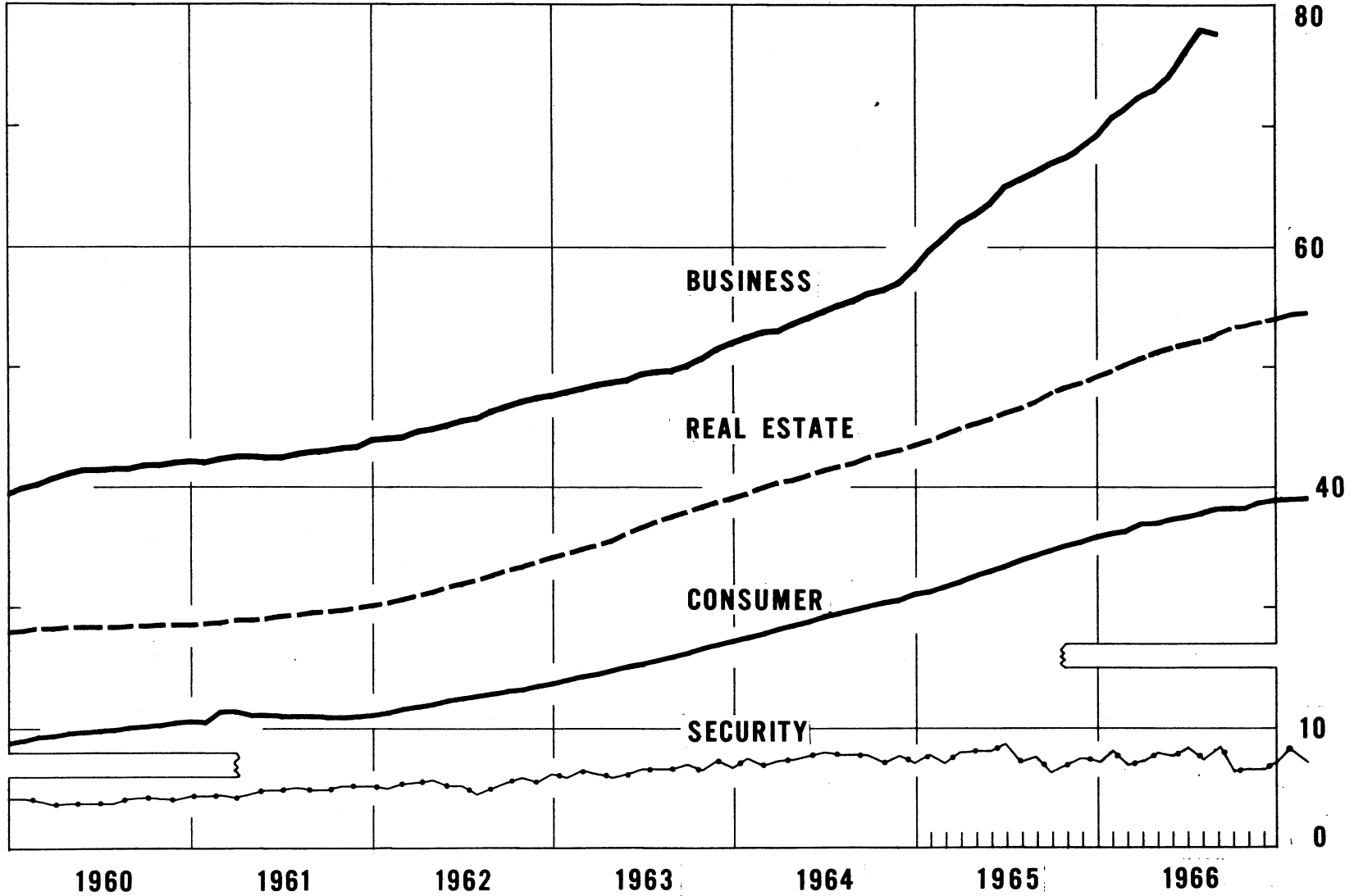
2/ Estimated as of December 31.

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.

LOANS AT ALL COMMERCIAL BANKS

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
(I n b i l l i o n o f d o l l a r s)				
1962--Dec. 31 <u>1/</u>	47.6	34.2	23.7	6.2
1963--Dec. 31 <u>1/</u>	52.0	39.1	27.2	6.7
1964--Dec. 31	58.4	43.5	31.1	7.1
1965--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	50.3	36.3	6.9
Mar. 30	72.2	50.8	36.9	7.2
Apr. 27	72.9	51.2	37.0	7.9
May 25	74.2	51.5	37.3	7.7
June 30	76.2	51.9	37.5	8.3
July 27	77.6	52.2	37.8	7.4
Aug. 31	77.7	52.7	38.1	8.4
Sept. 28	78.2	53.1	38.3	6.5
Oct. 26 p	78.9	53.4	38.3	6.6
Nov. 30 p	79.1	53.7	38.7	6.6
Dec. 31 p <u>1/</u>	79.1	54.0	38.9	7.1
1967--Jan. 25 p	80.5	54.3	r 39.0	8.4
Feb. 22 p	80.6	54.6	39.1	7.2

1/ Estimated as of December 31.

p - Preliminary

r - revised

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

Item	1965	1966												1967	
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. p	Nov. p	Dec. p	Jan.p	Feb. p
<u>Loans and Investments</u> ^{2/}	+2.9	+3.0	+0.1	+2.8	+2.6	+2.0	+3.9 ^{4/}	+1.5	+1.6	-2.1	-0.6	+0.3	+2.3	+3.8	+1.7
U. S. Gov't. securities	+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	-0.5	+1.1
Other securities	+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>	+1.2	+1.2
<u>Loans</u> ^{2/}	+2.2	+2.5	+1.7	+2.4	+2.2	+1.5	+3.8 ^{4/}	+2.4	+0.2	-0.5	+1.2	<u>1/</u>	+0.9	+3.1	-0.6
Business	+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>	+1.4	+0.1
Real estate	+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	+0.3	+0.3
Consumer	+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	+0.2	+0.1	+0.1
Security	-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	+1.3	-1.2
Nonbank financial	+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	-0.2	-0.5
Agriculture	<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>	-0.1	<u>1/</u>
All other	+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	+0.1	+0.1	-0.2
Total loans excluding security ^{3/}	+2.3	+1.9	+1.7	+3.3	+1.5	+2.0	+4.2	+1.5	<u>1/</u>	+1.2	+0.5	+0.6	+0.4	+1.6	-0.2
Total loans excluding security and non-bank financial ^{3/}	+2.2	+1.8	+1.7	+2.6	+1.2	+2.5	+3.0	+2.3	+0.9	+0.9	+0.5	+0.6	+0.6	+1.8	+0.3

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 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 January to last Wednesday of February						
	1967	1966	1965	1964	1963	1962	1961
All commercial banks							
Total loans	-1.1	+0.9	+2.0	+1.1	+1.8	+1.5	+1.6
U. S. Gov't. securities	+0.6	-2.3	-1.0	-0.6	-0.9	-1.2	-0.6
Other securities	+1.3	+0.7	+0.6	+0.5	+0.4	+0.4	+0.4
Total	+0.8	-0.8	+1.6	+1.0	+1.3	+0.7	+1.4
Large banks ^{3/}							
Total loans	-1.0	+0.6	+1.5	+0.7	+1.2	+1.0	+1.4
U. S. Gov't. securities	+0.7	-1.8	-0.8	-0.2	-0.5	-1.0	-0.4
Other securities	+1.1	+0.4	+0.5	+0.4	+0.3	+0.4	+0.3
Total	+0.8	-0.8	+1.1	+1.0	+1.0	+0.4	+1.3
Other banks ^{3/}							
Total loans	-0.1	+0.3	+0.5	+0.3	+0.6	+0.5	+0.2
U. S. Gov't. securities	-0.1	-0.5	-0.2	-0.4	-0.4	-0.2	-0.2
Other securities	+0.2	+0.3	+0.1	+0.1	+0.1	1/	+0.1
Total	1/	1/	+0.5	1/	+0.3	+0.3	+0.1
Item	End of December to end of February						
	1967 ^{2/}	1966	1965	1964 ^{2/}	1963 ^{2/}	1962	1961
All commercial banks							
Total loans	-6.0	-3.8	-1.6	-3.3	-2.7	-2.8	-2.3
U. S. Gov't. securities	+0.3	-2.2	-2.5	-1.9	-1.1	-0.6	+0.3
Other securities	+1.9	+0.2	+0.9	1/	+0.6	+0.6	+0.4
Total	-3.8	-5.8	-3.2	-5.2	-3.2	-2.8	-1.5
Large banks ^{3/}							
Total loans	-4.9	-2.9	-1.6	-3.0	-2.7	-2.5	-1.9
U. S. Gov't. securities	+0.4	-2.4	-2.1	-1.4	-0.9	-0.7	1/
Other securities	+1.5	+0.1	+0.7	1/	+0.4	+0.4	+0.4
Total	-2.9	-5.2	-3.1	-4.5	-3.1	-2.8	-1.5
Other banks ^{3/}							
Total loans	-1.1	-0.9	1/	-0.3	1/	-0.3	-0.4
U. S. Gov't. securities	-0.1	+0.1	-0.4	-0.5	-0.2	+0.1	+0.3
Other securities	+0.4	+0.2	+0.2	1/	+0.2	+0.2	1/
Total	-0.9	-0.6	-0.1	-0.7	-0.1	1/	1/

NOTE--Data exclude all interbank loans; call report data for large 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 large banks.

^{3/} Based on revised coverage beginning July 1966 and January 1967.

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

Business of borrower	Late January to late February 1/					Late December to late February 2/				
	1957	1966	1965	1964	1963	1967	1966	1965	1964	1963
Food processors	-104	+ 24	- 76	-126	- 99	-322	- 26	-196	-427	-304
Commodity dealers	- 71	- 5	+ 54	-104	- 5	-104	--	+135	-136	+ 14
Trade concerns	+ 59	+ 82	+100	+109	+ 91	-202	-246	+202	-293	-197
Retail trade	+ 71	+ 56	+ 33	+ 72	+ 59	-143	-172	+215	-206	-121
Wholesale trade	- 12	+ 26	+ 67	+ 37	+ 32	- 59	- 74	- 13	- 87	- 76
Metals	+220	+117	+239	+185	+140	+271	+166	+307	+270	+ 11
Primary metals	+ 15	- 9	+ 14	+ 28	- 1	+ 56	+ 56	+ 20	+ 11	- 4
Machinery	+ 84	+ 79	+122	+ 98	+ 84	+126	+ 48	+164	+264	+ 28
Transportation equipment	+104	+ 53	+ 47	+ 25	+ 25	+ 89	- 19	+ 68	- 9	- 33
Other fabricated metals	+ 17	- 6	+ 56	+ 34	+ 33	--	+ 81	+ 55	+ 4	+ 20
Textiles, apparel, etc.	+145	+190	+115	+191	+121	+ 80	+145	+100	+ 89	+ 83
Petroleum	- 48	+ 24	+179	- 43	- 21	+ 61	+140	+128	+ 45	- 45
Chemicals	+121	+123	+101	+ 21	+ 13	+ 97	+141	+ 69	+ 50	- 15
Other durable manufacturing	+ 24	+ 24	+ 43	+ 20	+ 35	- 30	+ 53	+ 47	- 30	- 13
Other nondurable manufacturing	- 24	+ 26	+ 49	+ 21	+ 27	- 16	+ 17	+ 29	- 28	+ 12
Mining	- 79	- 36	+110	- 33	- 13	+243	+ 92	+155	+ 92	+219
Public Utilities, total	-115	- 1	+19	-135	- 67	-136	-212	- 67	-241	-250
Transportation <u>3/</u>	+ 39	n.a.	n.a.	n.a.	n.a.	--	n.a.	n.a.	n.a.	n.a.
Communication <u>3/</u>	- 21	n.a.	n.a.	n.a.	n.a.	+ 41	n.a.	n.a.	n.a.	n.a.
Other public utilities	-133	n.a.	n.a.	n.a.	n.a.	-177	n.a.	n.a.	n.a.	n.a.
Construction	+ 1	+ 1	+ 47	+ 26	+ 2	- 99	- 2	+ 16	+ 21	- 65
All other types of business	-223	+ 36	+ 54	+161	+ 18	+100	-143	- 10	+255	- 27
Bankers acceptances	-114	+ 6	- 67	+ 43	n.a.	+ 82	- 33	-277	n.a.	n.a.
Services <u>3/</u>	- 60	n.a.	n.a.	n.a.	n.a.	-157	n.a.	n.a.	n.a.	n.a.
Other	- 49	+ 30	+121	+118	n.a.	+175	-110	+267	n.a.	n.a.
Foreign business concerns <u>3/</u>	+ 30	n.a.	n.a.	n.a.	n.a.	+ 38	n.a.	n.a.	n.a.	n.a.
Classified	- 64	+605	+1,034	+293	+244	- 19	+345	+915	-332	-577
Unclassified	+139	+132	+158	+102	+ 25	- 72	+ 85	+ 7	+ 64	- 25
Total Change	+ 75	+737	+1,192	+395	+269	- 91	+430	+922	-268	-602

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.

3/ Prior to 1967, transportation, communication, services, and foreign loans were not reported separately.

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	296.0	57.3	45.1	193.6	70.7	50.0	6.9	8.5	35.9	11.7	13.9
Mar. 30	298.5	55.4	45.4	197.6	72.6	50.3	7.0	8.6	36.4	12.5	14.2
Apr. 27	301.7	55.5	46.5	199.8	72.8	50.9	7.7	8.7	36.8	12.6	14.4
May 25	302.4	53.6	47.1	201.7	74.0	51.2	7.5	8.8	37.3	11.9	15.1
June 30	310.1 ^{2/}	53.5	48.8 ^{3/}	207.5 ^{2/3/}	77.2	51.9	8.6	8.5 ^{3/}	37.8	13.9	14.0 ^{2/3/}
July 27	307.1	52.7	48.6	205.8	77.1	52.4	7.2	8.6	38.1	12.8	13.7
Aug. 31	307.7	53.7	48.4	205.5	76.8	52.9	7.7	8.6	38.5	12.0	13.2
Sept. 28	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	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	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	r 38.9	13.5	r 13.0
1967--Jan. 25 p	313.9	55.8	49.0	209.1	79.6	54.3	7.9	8.8	r 38.7	11.5	r 12.5
Feb. 22 p	314.7	56.4	50.3	208.0	80.0	54.3	7.2	8.9	38.6	11.1	12.2

p - Preliminary.

^{1/} Structure changes in 1959, on balance through August, added almost \$1 billion total credit: \$600 million in loans; \$300 million in U.S. Government securities; and \$100 million in other securities. Real estate loans increased about \$300 million; business loans \$100 million; consumer loans \$100 million; and other loans \$100 million.

^{2/} 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 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.

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
- 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	5.6
p- Dec. 28	66.4	68.3	84.0	75.8	70.5	59.9	6.2
1967-p- Jan. 25	65.9	67.7	81.8	75.8	70.3	59.7	6.1
p- Feb. 22	65.6	67.3	81.8	74.8	69.5	59.6	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.

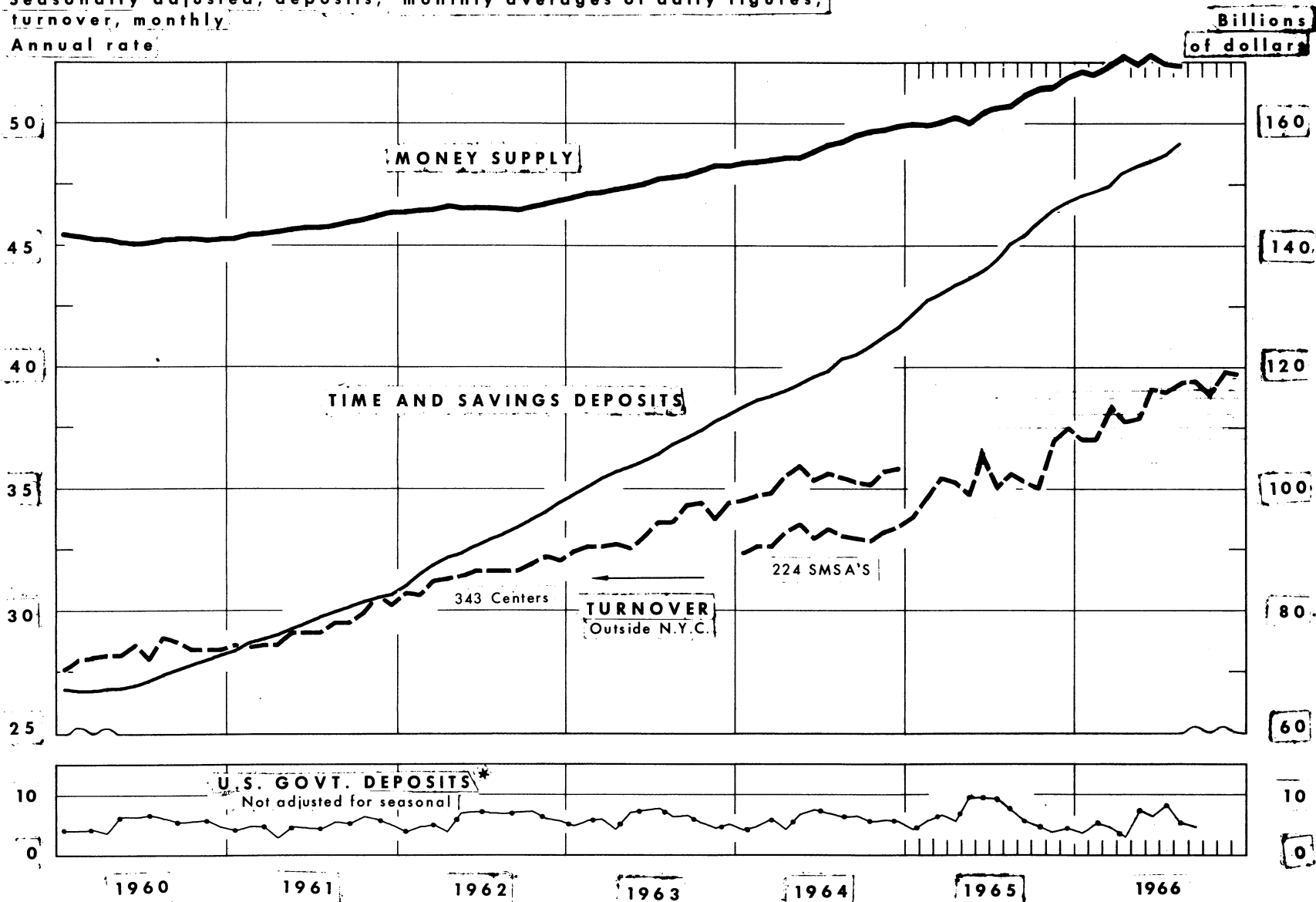
3/ Beginning in June, loans at all commercial banks exclude about \$1 billion of participation certificates now reported in other securities. If the \$1 billion were included in loans in July, the ratio for all commercial banks would be 66.3.

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.

DEPOSITS AND CURRENCY AND TURNOVER OF DEMAND DEPOSITS

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



All commercial banks.

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

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--December	170.3	132.1	38.3	158.0	39.7	3.5
1966--February	168.2	131.4	36.8	148.5	37.0	5.2
1967--January p	169.6	131.1	38.5	160.5	n.a.	4.2
February p	170.5	131.7	38.7	163.2	n.a.	5.1
<u>Week ending:</u>						
Feb. 1	168.7	130.2	38.5	162.0	n.a.	4.6
8	169.5	130.9	38.6	162.5	n.a.	5.3
15	170.1	131.3	38.8	163.0	n.a.	4.7
22	172.0	133.2	38.8	163.5	n.a.	5.0

1/ Beginning on June 9, 1966, time deposit data exclude \$1.1 billion of balances accumulated for the payment of personal loans.

p - Preliminary

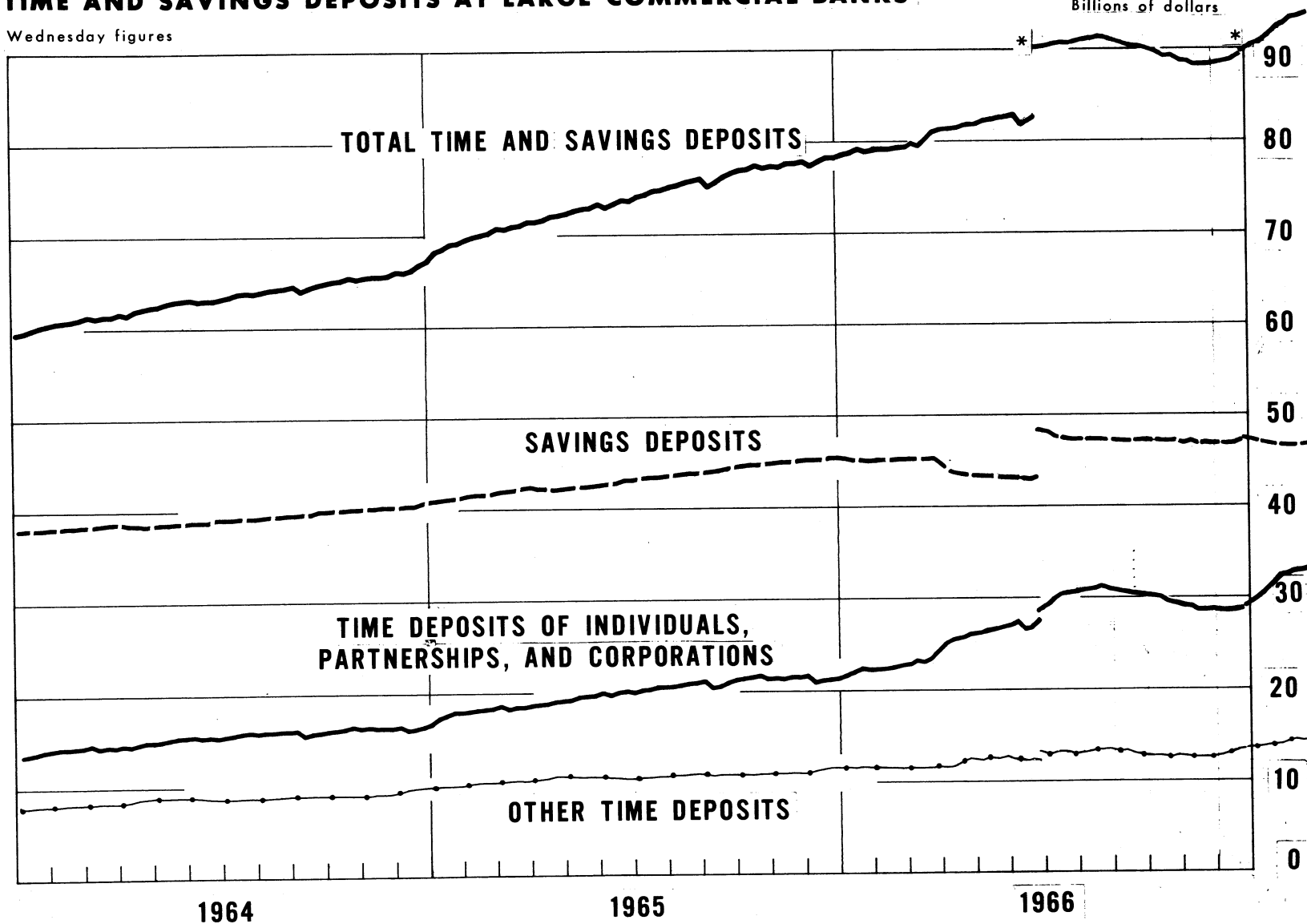
* - Beginning January 1964, data are for 224 metropolitan centers outside New York City. Figure for December 1964 on old basis is 35.3.

NOTE: Dollar amounts in billions.

TIME AND SAVINGS DEPOSITS AT LARGE COMMERCIAL BANKS

Wednesday figures

Billions of dollars



* CHANGE IN SERIES.

Exhibit I - Part II

Period	Time and Savings Deposits			
	Total	Savings	Individuals, partnerships, and corporations	Other time deposits <u>1/</u>
	(In m i l l i o n s o f d o l l a r s)			
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--Feb. 23	79,324	45,064	22,716	11,544
June 29 (old)	82,868	43,104	27,515	12,249
<u>3/</u> June 29 (new)	90,185	48,413	28,687	13,085
Dec. 28 (old)	89,495	47,099	28,979	13,417
<u>3/</u> Dec. 28 (new)	89,639	47,213	29,002	13,424
1967--Jan. 25	92,545	46,520	32,119	13,906
Feb. 1	92,985	46,459	32,425	14,101
8	93,524	46,466	32,762	14,296
15	93,658	46,506	32,889	14,263
22	93,986	46,574	33,013	14,399

- 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.
- 3/ Series revised.

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				
	All member	All member	All member	All member	All member	All member	All member <u>1/</u>	
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.	-222	- 71	- 24	-245	118	389	611	23,262
Dec.	-165	- 95	- 50	- 99	139	392	557	23,283
1967--Jan. p	- 24	- 46	-122	- 79	224	365	389	23,608
Feb. p	- 5	- 67	- 61	- 80	203	357	362	23,882

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.

r - revised.

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 <u>2/</u>	Time deposits		Postal Savings System	Savings and loan shares <u>4/</u>	U. S. Gov't. savings bonds <u>5/</u>	U. S. Gov't. securities maturing within one year <u>6/</u>	Ratios:		
			Commercial banks <u>3/</u>	Mutual savings banks					Liquid assets to gross national product <u>7/</u>	Demand deposits and currency to gross national product <u>7/</u>	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	572.9	764.0	147.1	52.6	0.3	109.7	50.5	48.6	80.5	22.9	54.3
1966											
Jan.	578.4	164.8	149.2	52.8	0.3	109.8	50.5	51.1			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.	587.0	166.4	152.5	53.1	0.3	111.0	50.4	53.3			54.3
May	585.7	163.7	153.6	53.3	0.3	111.2	50.4	53.3			54.2
June	589.2*	166.5	153.9*	53.4	0.2	111.4	50.4	53.4	80.1*	22.7	54.4*
July	588.5	164.3	156.1	53.7	0.2	110.7	50.6	52.8			54.5
Aug.	592.8	167.0	156.6	53.9	0.2	111.3	50.6	53.3	79.3	22.3	54.6
Sept.	594.3	166.1	156.7	54.2	0.2	112.2	50.5	54.5			54.3
Oct. p	596.0	166.0	156.6	54.6	0.2	112.1	50.6	56.0			54.1
Nov. p	600.2	167.8	158.2	54.8	0.1	112.8	50.6	55.8			54.3
Dec. p	601.0	168.2	159.4	55.1	0.1	113.3	50.9	53.9	78.7	22.0	54.5
1967											
Jan. p	604.7	166.7	163.4	55.5	0.1	113.8	51.0	54.3			54.6
Feb. p	604.8	165.6	165.1	55.9	0.1	114.9	50.9	52.2			54.7

For footnotes see next page.

p - Preliminary r - revised.

* - 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).