

BANKING AND MONETARY DEVELOPMENTS IN AUGUST 1967

Summary. Bank credit increased substantially further in August following an unusually sharp rise in July. Acquisitions of new Treasury issues and the financing of Government security dealers accounted for a very large part of the expansion in both months. Growth in other securities continued at a reduced rate compared with that earlier in the year. Business loans declined sharply in August following heavy borrowing in June and July. The money stock increased somewhat less rapidly than in the late spring and early summer but time and savings deposits rose at a faster pace. Total, required and nonborrowed reserves continued to expand substantially.

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

	Annual rate (per cent)								
	1967				1966				1965
	Aug.	Jul. - Aug.	1st 8 mos.	1st half	1st. 8 mos.	2nd half	1st half	Year	Year
Total loans and investments	12.6	20.0	13.2	10.6	8.9	1.6	9.8	5.7	10.2
U.S. Govt. sec.	56.9	57.3	21.0	8.1	-4.2	-2.9	-9.0	-5.9	-5.6
Other sec.	16.9	17.2	27.1	29.6	7.7	0.4	12.5	6.5	15.8
Total loans	-1.1	10.9	8.0	6.9	13.0	3.1	14.7	9.0	14.7
Business loans	-15.8	0.7	8.8	11.5	18.2	5.0	20.2	12.9	18.5
Money supply	8.8	10.2	7.7	6.8	3.0	-0.2	4.6	2.2	4.7
Time and savings deposits at all commercial banks	17.9	16.7	17.6	17.4	11.3	6.5	10.8	8.8	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 balances accumulated for the payment of personal loans excluded on June 9, as a result of a change in Federal Reserve regulations affecting reserve requirements.

Bank credit. Loans and investments at all commercial banks increased \$3.5 billion in August; this was much below the very large July rise but somewhat above the average expansion over the first half of the year. While credit expansion (on an unadjusted basis) appeared relatively moderate at weekly reporting banks, it was exceptionally large at nonweekly reporting banks--over twice the volume of any previous August. The entire credit increase at small banks was in investments; their loans, which often increase in this month, remained unchanged. Smaller banks generally were much more interested in acquiring the new intermediate-term Treasury notes than were larger banks, and they also were heavy purchasers of municipal issues. Business loan repayments were concentrated at the weekly reporting banks following the sharp early-summer rise.

Over the first eight months of 1967, total credit at all commercial banks increased at an annual rate of about 13 per cent or almost half again as fast as last year's substantial January-August expansion. Growth was substantial at both weekly reporting and nonweekly reporting banks, but changes in the distribution of earning assets were markedly different at the two classes of banks. At the larger banks, holdings of U.S. Government securities rose contraseasonally, holdings of other securities rose much more than usual, and total loans showed little net change in contrast with sizable increases in other recent years. On the other hand, at the smaller banks, loans rose in almost the same substantial volume as in the corresponding periods of the two previous years; while "other securities" rose somewhat more than usual and U.S. Government securities increased contraseasonally, the differences in each case between the 1967 period and corresponding periods of past years were much less pronounced than at city banks.

U.S. Government security holdings at all commercial banks increased \$2.8 billion in August following a \$2.6 billion rise in July--thus accounting for half the increase in total credit over the two months. In addition, loans to Government security dealers rose substantially as dealer inventories were built up over the summer. Banks are estimated to have made net acquisitions of around \$400 million of 15-month 5-1/4 per cent notes in the August 15 Treasury refunding, and they were allotted \$1.9 billion of the \$2.5 billion 3-1/2 year 5-3/8 per cent Treasury note issued August 30. As noted earlier, smaller banks took a substantial part of the longer issue. Beginning in the latter part of July and continuing over most of August, city banks reduced their bill holdings following heavy acquisitions of tax bills on July 11, when commercial banks were allotted all of a new \$4 billion issue. Late in August, however, these banks made substantial bill purchases, offsetting about one-third of the previous reduction.

Holdings of "other securities" increased \$800 million in August--the same as in June and July but below the high average expansion of \$1.3 billion per month earlier in the year. The slowdown occurred at weekly reporting banks; at other banks, purchases continued heavy. At banks in New York City, purchases in August were limited to short-term issues but other weekly reporting banks acquired principally longer-term securities.

Business loans declined \$1.1 billion in August offsetting almost half of the sharp June-July expansion. The August reduction probably reflected not only repayments of borrowings for accelerated tax payments in the previous two months, but also some delayed response to this year's inventory turnaround and heavy capital market financing by businesses. Reductions occurred in most industry categories and were especially large for the machinery, petroleum, and mining groups. So far this year, business loans have increased at an annual rate of about 9 per cent, or half as fast as in the January-August period last year.

Growth in consumer loans in August was estimated to have continued at the moderate pace of other recent months while that in real estate loans picked up somewhat. Loans to nonbank financial institutions declined further. These loans had reached a peak level in mid-summer 1966 but since then have been declining. This decline reflects not only refinancing of bank debt by finance companies through issuance of their open market paper at favorable rates, but also repayments by other financial institutions (mortgage bankers, insurance companies, and thrift institutions) out of their improved flows of funds since that time.

Money stock and time deposits. The money stock rose \$1.3 billion in August; at an annual rate of about 9 per cent, this was somewhat slower expansion than in the three previous months. Early in August, growth had continued close to the July pace, but then leveled off around the midmonth. U.S. Government deposits, on balance, also increased further in August. The money stock increased at an annual rate of almost 8 per cent over the January-August period, and in August, it was 5.3 per cent above the year-ago level.

Time and savings deposits at commercial banks increased in August at an annual rate of almost 18 per cent, the most rapid pace since March. So far this year, growth has been at the unusually high rate of 17.6 per cent--above that for the year 1965 and approaching the postwar record 18.3 per cent in 1962. In August, a large part of the growth was associated with an over \$1 billion increase in CD's at weekly reporting banks; over July and August, CD increased about \$1.6 billion following little change in the second quarter. (In contrast, last year in July and August, CD's had leveled off and begun a decline that lasted through late 1966.) Savings deposits and time deposits other than CD's also continued to show substantial expansion in August. Over July and August, in fact, inflows in this combined category were larger than in the corresponding periods of both 1966 and 1965.

Bank reserves. Member bank total, required, and nonborrowed reserves increased further in August at about the same substantial rates as in July. Excess reserves dropped more than borrowings over the five weeks ending August 30 and free reserves declined to an average of \$260 million, about \$50 million below the average of the previous four weeks.

Banking Section,
Division of Research and Statistics.
Board of Governors of the Federal Reserve System.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted

Billions of dollars

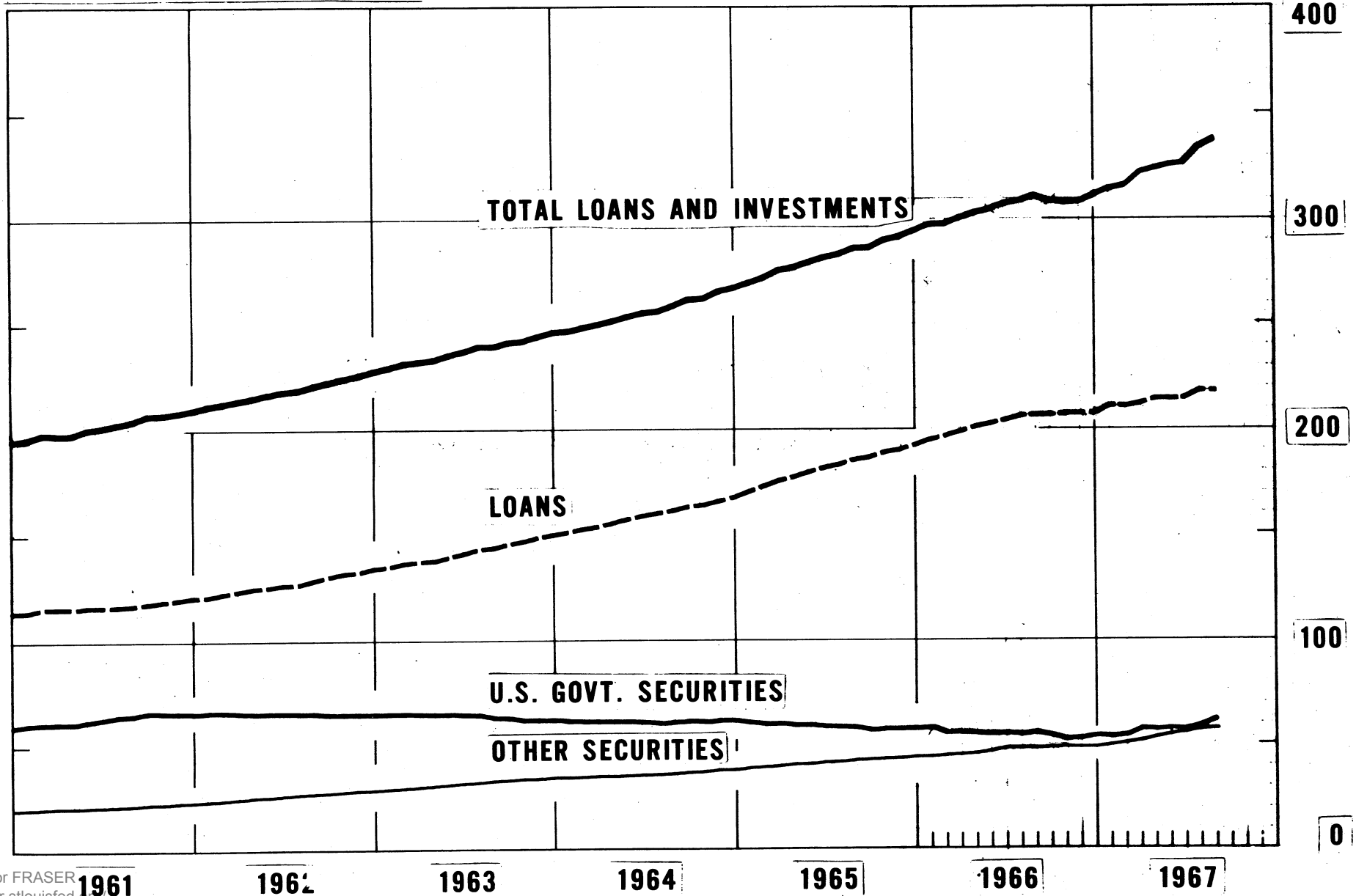


Exhibit A - Part II

Date	Total <u>1/</u>	Loans <u>1/</u>	U.S. Gov't. securities	Other securities
(In 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--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	308.1	207.2	52.5	48.4
Nov. 30	308.6	207.2	53.0	48.4
Dec. 31	310.2	207.2	54.3	48.7
1967--Jan. 25	314.9	211.0	54.0	49.8
Feb. 22	316.5	210.4	55.1	51.0
Mar. 29	321.9	211.8	57.8	52.3
Apr. 26	324.1	213.8	56.6	53.7
May 31 p	326.4	213.8	57.6	55.1
June 30 <u>4/</u>	326.7	214.3	56.5	55.9
July 26 p	334.1	218.4	59.1	56.7
Aug. 30 p	337.6	218.2	61.9	57.5

1/ Adjusted to exclude interbank loans.

2/ Estimated as of December 31.

3/ Beginning June 9, loan data exclude \$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/ Estimated as of June 30.

LOANS AT ALL COMMERCIAL BANKS

Last Wednesday of month, seasonally adjusted

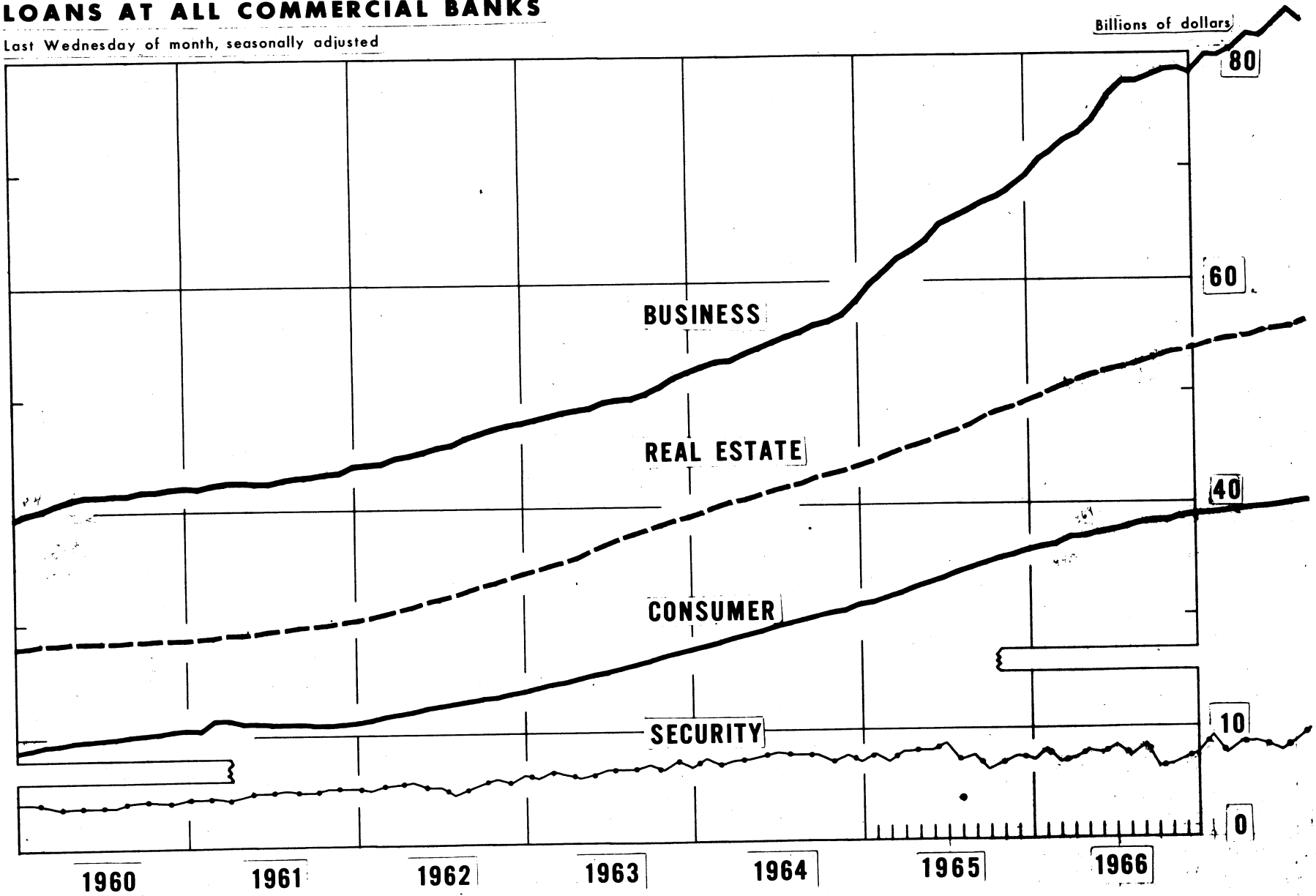


Chart revised for business loans beginning July 1966.

Exhibit B - Part II

Date	Business	Real Estate	Consumer	Security
(In 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--June 30	76.2	51.9	37.5	8.3
July 27	77.6	52.1	37.8	7.4
Aug. 31	77.6	52.6	38.1	8.4
Sept. 28	78.0	53.0	38.3	6.6
Oct. 26	78.6	53.3	38.3	6.8
Nov. 30	78.7	53.5	38.7	7.1
Dec. 31	78.1	53.8	38.9	7.6
1967--Jan. 25	79.8	54.1	39.0	9.0
Feb. 22	79.7	54.4	39.1	7.6
Mar. 29	80.4	54.7	39.2	8.5
Apr. 26	81.7	54.8	39.3	8.5
May 31 p	81.4	55.2	39.4	8.2
June 30 p <u>2/</u>	82.6	55.4	39.6	7.8
Jul. 26 p	83.8	55.6	39.8	8.5
Aug. 30 p	82.7	56.1	40.0	9.6

1/ Estimated as of December 31.

p - Preliminary

2/ Estimated as of June 30.

These data are not for publication.

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

Item	1966						1967							
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May p	June p 5/	July p	Aug. p
Loans and Investments 2/	+1.5	+1.6	-2.1	-0.6	+0.5	+1.6	+4.7	+1.6	+5.4	+2.2	+2.3	+0.3	+7.4	+3.5
U. S. Gov't. securities	-0.7	+1.7	-1.8	-1.8	+0.5	+1.3	-0.3	+1.1	+2.7	-1.2	+1.0	-1.1	+2.6	+2.8
Other securities	-0.1	-0.4	+0.2	+0.1	<u>1/</u>	+0.3	+1.1	+1.2	+1.3	+1.4	+1.4	+0.8	+0.8	+0.8
Loans 2/	+2.4	+0.2	-0.5	+1.1	<u>1/</u>	<u>1/</u>	+3.8	-0.6	+1.4	+2.0	<u>1/</u>	+0.5	+4.1	-0.2
Business	+1.4	<u>1/</u>	+0.4	+0.6	+0.1	-0.6	+1.7	-0.1	+0.7	+1.3	-0.3	+1.2	+1.2	-1.1 ^{4/}
Real estate	+0.2	+0.5	+0.4	+0.3	+0.2	+0.3	+0.3	+0.3	+0.3	+0.1	+0.4	+0.2	+0.2	+0.5
Consumer	+0.3	+0.3	+0.2	<u>1/</u>	+0.4	+0.2	+0.1	+0.1	+0.1	+0.1	+0.1	+0.2	+0.2	+0.2
Security	-0.9	+1.0	-1.8	+0.2	+0.3	+0.5	+1.4	-1.4	+0.9	<u>1/</u>	-0.3	-0.4	+0.7	+1.1
Nonbank financial	-0.8	-0.9	+0.3	+0.1	<u>1/</u>	-0.5	+0.2	-0.4	+0.1	+0.4	-0.1	+0.3	-0.6	-0.4
Agriculture	+0.3	+0.5	<u>1/</u>	-0.3	<u>1/</u>	-0.2	-0.1	<u>1/</u>	+0.2	+0.2	+0.3	<u>1/</u>	+0.1	+0.5
All other	<u>1/</u>	-0.5	-0.1	-0.3	-0.2	<u>1/</u>	+0.3	-0.2	+0.3	-0.1	+0.1	+0.3	<u>1/</u>	+0.1
Total loans excluding security 3/	+1.4	-0.1	+1.2	+0.4	+0.5	-0.8	+2.5	-0.3	+1.7	+2.0	+0.5	+2.2	+1.1	-0.2
Total loans excluding security and non-bank financial 3/	+2.2	+0.8	+0.9	+0.3	+0.5	-0.3	+2.3	+0.1	+1.6	+1.6	+0.6	+1.9	+1.7	+0.2

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/ At large banks, bankers' acceptances increased \$60 million in August 1967, compared with declines of \$61 million in August 1966, and \$49 million in August 1965 (see Exhibit E).

5/ Estimated as of June 30.

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 July to last Wednesday of August						
	1967	1966	1965	1964	1963	1962	1961
All commercial banks							
Total loans	- 0.6	- 0.3	+ 1.9	+ 0.8	+ 0.3	+ 1.2	<u>1/</u>
U. S. Gov't. securities	+ 2.1	+ 1.0	- 0.8	+ 0.5	- 1.7	- 0.3	- 0.5
Other securities	+ 1.0	- 0.2	+ 0.8	+ 0.6	+ 0.8	+ 0.4	+ 0.2
Total	+ 2.5	+ 0.6	+ 2.0	+ 1.9	- 0.7	+ 1.2	- 0.3
Weekly reporting banks 5/							
Total loans	- 0.6	- 0.3	+ 1.3	+ 0.4	+ 0.1	+ 0.9	- 0.3
U. S. Gov't. securities	+ 0.7	+ 0.9	- 0.8	+ 0.3	- 1.4	- 0.7	- 0.6
Other securities	+ 0.4	- 0.3	+ 0.5	+ 0.4	+ 0.4	+ 0.1	+ 0.2
Total	+ 0.5	+ 0.3	+ 1.1	+ 1.0	- 0.9	+ 0.4	- 0.7
Other banks 5/							
Total loans	<u>1/</u>	<u>1/</u>	+ 0.6	+ 0.4	+ 0.2	+ 0.3	+ 0.3
U. S. Gov't. securities	+ 1.4	+ 0.1	<u>1/</u>	+ 0.2	- 0.3	+ 0.4	+ 0.1
Other securities	+ 0.6	+ 0.1	+ 0.3	+ 0.2	+ 0.4	+ 0.3	<u>1/</u>
Total	+ 2.0	+ 0.3	+ 0.9	+ 0.9	+ 0.2	+ 0.8	+ 0.4
Item	End of December to last Wednesday of August						
	1967	1966	1965	1964 2/	1963 2/	1962	1961
All commercial banks							
Total loans	+ 4.1	+10.2 ^{3/4/}	+12.2	+ 6.1	+ 4.6	+ 3.4	- 0.4
U. S. Gov't. securities	+ 3.1	- 5.9	- 7.5	- 4.7	- 5.6	- 2.7	+ 3.2
Other securities	+ 9.1	+ 2.6 ^{3/}	+ 4.6	+ 2.1	+ 4.4	+ 4.0	+ 1.6
Total	+16.4	+ 7.0 ^{4/}	+ 9.3	+ 3.5	+ 3.5	+ 4.6	+ 4.5
Weekly reporting banks 5/							
Total loans	- 0.9	+ 4.8 ^{34/}	+ 6.8	+ 1.9	+ 1.0	+ 0.5	- 2.3
U. S. Gov't. securities	+ 1.7	- 3.7	- 5.4	- 3.1	- 4.6	- 3.2	+ 2.9
Other securities	+ 6.1	+ 0.6 ^{3/}	+ 2.9	+ 1.1	+ 3.1	+ 2.9	+ 1.1
Total	+ 6.8	+ 1.8 ^{4/}	+ 4.4	- 0.1	- 0.4	+ 0.2	+ 1.7
Other banks 5/							
Total loans	+ 5.0	+ 5.4 ^{34/}	+ 5.4	+ 4.2	+ 3.6	+ 2.9	+ 1.9
U. S. Gov't. securities	+ 1.4	- 2.2	- 2.1	- 1.6	- 1.0	+ 0.5	+ 0.3
Other securities	+ 3.0	+ 2.0 ^{3/}	+ 1.7	+ 1.0	+ 1.3	+ 1.1	+ 0.5
Total	+ 9.6	+ 5.2 ^{4/}	+ 4.9	+ 3.6	+ 3.9	+ 4.4	+ 2.8

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 all commercial banks on December 31, 1963, and December 31, 1962, and for large commercial banks on December 31, 1962.

3/ 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 in late June 1966: \$700 million at large banks and \$300 million at other banks.

4/ Allowance has been made in monthly changes in total credit and in total loans for the \$1.1 billion of balances accumulated for the payment personal loans excluded from time deposits and from loans on June 9, 1966; \$400 million at large banks and \$700 million at other banks.

5/ 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 July to late August 1/					Late December to late August 2/				
	1967 p	1966	1965	1964	1963	1967 p	1966	1965	1964	1963
Food processors	- 21	+ 55	+ 62	+ 115	+ 77	- 618	- 212	- 484	- 595	- 598
Commodity dealers	+ 76	+ 32	+ 54	+ 15	+ 135	- 323	- 261	- 388	- 462	- 107
Trade concerns	- 194	- 209	+ 30	+ 39	- 58	- 229	+ 399	+ 777	+ 20	- 80
Retail trade	- 130	- 164	+ 27	+ 12	- 36	- 231	+ 247	+ 493	- 39	- 51
Wholesale trade	- 64	- 44	+ 3	+ 27	- 22	+ 2	+ 152	+ 284	+ 59	- 29
Metals	- 463	+ 130	+ 139	+ 25	- 63	+ 924	+1,887	+1,248	+ 223	- 131
Primary metals	- 39	+ 18	+ 22	- 25	- 4	+ 289	+ 233	+ 165	+ 16	- 43
Machinery	- 283	- 16	+ 16	- 21	+ 40	+ 532	+ 799	+ 526	+ 80	+ 125
Transportation equipment	- 44	+ 142	+ 78	+ 62	- 92	- 107	+ 545	+ 198	- 23	- 251
Other fabricated metals	- 97	- 14	+ 23	+ 9	- 7	+ 210	+ 310	+ 359	+ 149	+ 38
Textiles, apparel, etc.	+ 26	+ 111	+ 166	+ 89	+ 100	+ 323	+ 709	+ 607	+ 318	+ 420
Petroleum	- 275	- 15	+ 65	+ 14	- 2	- 42	+ 165	+ 247	- 150	- 14
Chemicals	- 69	+ 19	- 29	+ 31	+ 30	+ 143	+ 328	+ 232	+ 166	+ 15
Other durable manufacturing	+ 6	- 1	+ 79	+ 46	+ 40	+ 132	+ 437	+ 319	+ 157	+ 86
Other nondurable manufacturing	+ 40	+ 34	+ 82	+ 33	+ 31	+ 236	+ 408	+ 282	+ 131	+ 135
Mining	- 224	- 72	- 24	+ 78	- 11	- 89	+ 410	+ 198	+ 257	+ 235
Public Utilities, total	- 133	- 98	- 40	+ 76	- 19	+ 399	+ 287	+ 482	- 251	- 423
Transportation 3/	- 35	n.a.	n.a.	n.a.	n.a.	+ 257	n.a.	n.a.	n.a.	n.a.
Communication 3/	--	n.a.	n.a.	n.a.	n.a.	+ 235	n.a.	n.a.	n.a.	n.a.
Other public utilities	- 98	n.a.	n.a.	n.a.	n.a.	- 93	n.a.	n.a.	n.a.	n.a.
Construction	- 62	- 27	+ 22	+ 73	+ 31	+ 45	+ 170	+ 295	+ 407	+ 166
All other types of business	- 58	- 146	+ 63	- 54	- 18	+ 639	+ 33	+ 359	+ 514	+ 143
Bankers acceptances	+ 60	- 61	- 49	+ 6	n.a.	+ 281	- 347	- 302	n.a.	n.a.
Services 3/	- 38	n.a.	n.a.	n.a.	n.a.	- 131	n.a.	n.a.	n.a.	n.a.
Other	- 80	- 85	+ 112	- 60	n.a.	+ 489	+ 380	+ 661	n.a.	n.a.
Foreign business concerns 3/	+ 13	n.a.	n.a.	n.a.	n.a.	- 116	n.a.	n.a.	n.a.	n.a.
Classified	-1,338	- 186	+ 669	+ 580	+ 275	+1,334	+4,760	+4,174	+ 735	- 150
Unclassified	- 195	- 235	+ 36	+ 13	- 18	+ 62	+ 409	+ 604	+ 498	+ 188
Total Change	-1,533	- 421	+ 705	+ 593	+ 257	+1,396	+5,169	+4,778	+1,233	+ 38

1/ Five most comparable weeks used throughout.

2/ Changes are compiled from December 28, 1966; December 29, 1965; December 30, 1964; December 25, 1963; and December 26, 1962. 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--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--Mar. 30	298.5	55.4	45.4	197.6	72.6	50.3	7.2	8.6	36.4	12.5	14.1
Apr. 27	301.7	55.5	46.5	199.8	72.8	50.8	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/	207.9 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	52.3	7.2	8.6	38.1	12.8	13.7
Aug. 31	307.7	53.7	48.4	205.5	76.7	52.8	7.7	8.6	38.5	12.0	13.2
Sept. 28	309.3	53.6	48.8	206.9	77.9	53.2	7.0	8.6	38.5	12.5	13.2
Oct. 26	308.4	53.6	48.7	206.2	78.0	53.6	6.8	8.6	38.5	11.9	12.9
Nov. 30	309.5	54.4	47.9	207.2	78.6	53.8	6.8	8.7	38.7	11.9	12.7
Dec. 31	318.0	56.2	48.8	213.0	80.6	54.0	9.0	8.6	38.9	13.3	13.0
1967--Jan. 25	314.2	56.0	49.4	208.9	78.9	54.1	8.5	8.6	38.7	11.7	12.8
Feb. 22	314.9	56.6	50.7	207.6	79.1	54.1	7.6	8.7	38.6	11.3	12.5
Mar. 29	320.6	57.8	52.0	210.7	80.9	54.2	8.3	8.9	38.7	11.5	12.6
Apr. 26	322.8	56.2	54.0	212.7	81.5	54.5	8.3	9.2	39.1	11.7	12.6
May 31 p	323.8	55.9	54.8	213.2	81.2	54.9	8.0	9.3	39.4	11.5	13.1
June 30 4/	329.3	54.8	56.1	218.4	83.8	55.4	8.1	9.4	39.8	12.5	13.6
July 26 p	331.8	57.2	56.9	217.7	83.3	55.8	8.3	9.5	40.2	11.6	13.3
Aug. 30 p	334.3	59.3	57.9	217.1	81.7	56.3	8.8	9.5	40.4	11.3	13.4

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.

p - Preliminary. r - Revised.

- 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 \$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."
- 4/ Estimated on June 30.

Individual loans 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
			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--Dec. 31	63.7	65.4	75.9	70.2	68.7	57.9	7.3
1966--May 25	66.0	67.6	79.3	70.4	70.9	60.1	5.4
June 30 <u>2/</u>	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
Sept 28	66.8	68.6	81.8	75.3	71.9	60.2	5.6
Oct 26	66.5	68.4	82.9	74.2	71.4	60.1	5.8
Nov 30	66.5	68.5	82.7	77.7	71.2	60.1	5.6
Dec 31	65.8	67.9	83.5	77.0	70.2	59.2	6.1
1967--Jan 25	65.8	67.7	81.8	75.8	70.5	59.5	6.1
Feb. 22	65.4	67.3	81.8	74.8	69.6	59.3	5.4
Mar 29	65.2	67.0	81.2	73.4	68.9	59.5	5.5
Apr. 26	65.2	66.9	80.9	72.1	68.5	59.9	5.1
May 31 p	65.1	66.8	80.0	70.9	68.4	60.2	4.6
June 28 p	66.0	67.7	82.1	73.9	69.2	60.5	r 4.2
July 26 p	65.0	66.7	81.5	72.3	67.5	59.9	n.a.
Aug. 30 p	64.8	66.5	81.0	71.4	68.0	59.5	n.a.

NOTE: Comparability of figures affected by changes in Federal Reserve membership, mergers, and by changes in the reserve classification of cities or individual banks.

P - Preliminary. r - revised.

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/ 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 June the ratio for all commercial banks would be 66.3.

DEPOSITS AND CURRENCY AND TURNOVER OF DEMAND DEPOSITS

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

Annual rate

Billions of dollars

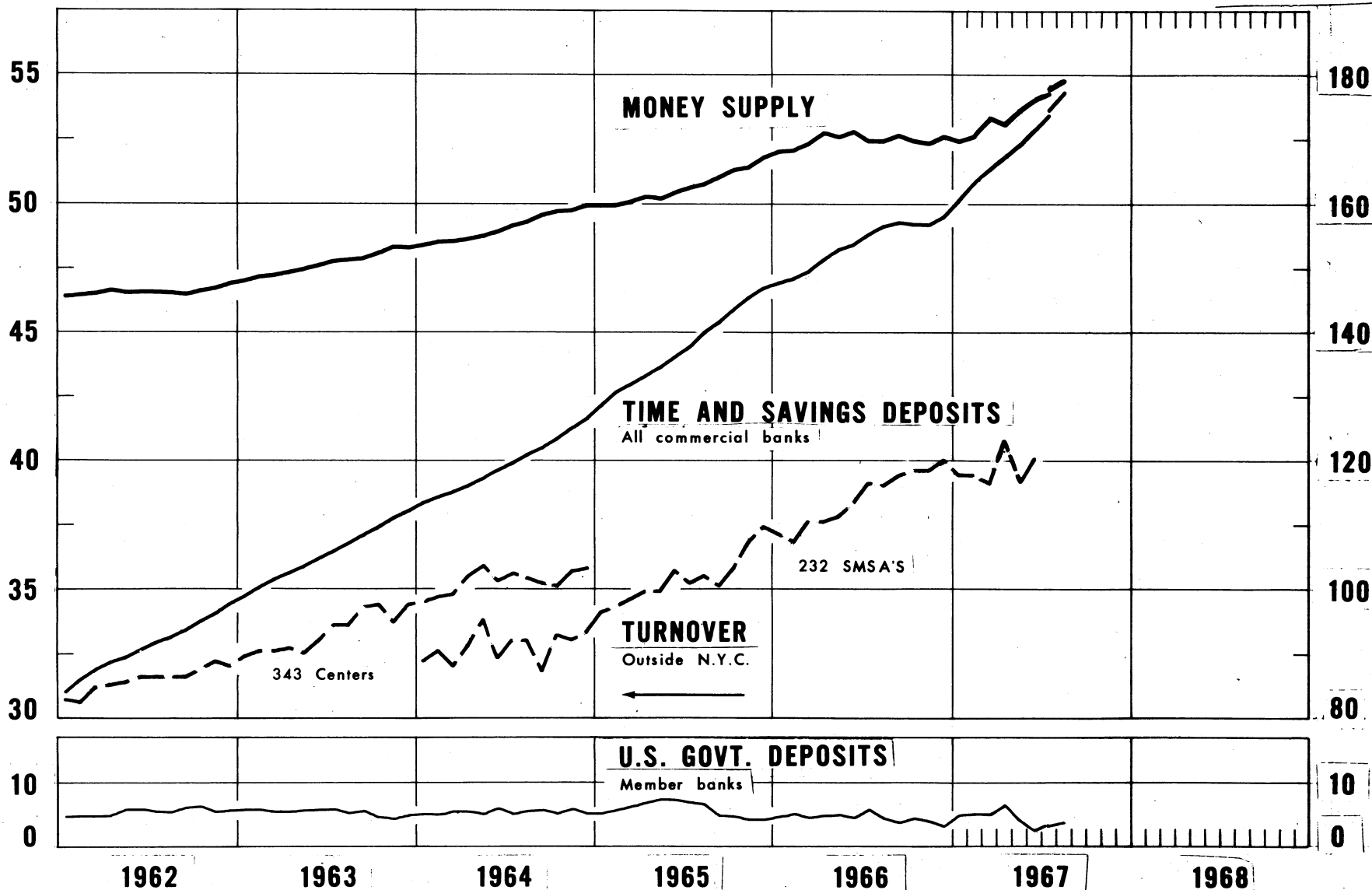


Chart on revised basis for Money Supply, Time and Savings Deposits, and U.S. Govt. Deposits beginning July 1967.

Exhibit H - Part II

Period	Seasonally Adjusted Data					
	Money Supply ^{1/}			Time and savings deposits ^{1/ 2/} (all commercial)	U.S. Govt. deposits ^{3/} (all member)	Turnover outside N.Y. City * (per cent)
	Total ^{1/}	Demand deposits ^{1/}	Currency ^{1/}			
1964--December	159.3	125.1	34.2	126.6	5.1	33.3
1965--December	166.8	130.5	36.3	146.9	4.2	37.4
1966--December	170.4	132.1	38.3	158.6	3.2	40.0
1966--August	170.1	132.4	37.8	156.9	4.4	39.1
1967--January	170.3	131.8	38.5	160.8	4.9	39.4
February	171.5	132.8	38.7	163.5	5.0	39.4
March	173.1	134.2	38.9	166.1	4.8	39.1
April	172.7	133.6	39.1	168.1	5.8	40.8
May	174.5	135.3	39.2	170.0	4.1	39.2
June	176.2	136.8	39.3	172.4	2.2	40.1
July p	177.9	138.4	39.4	174.6	3.2	40.7
August p	179.1	139.6	39.6	177.2	3.7	n.a.
<u>Week ending:</u>						
August 2	178.3	138.9	39.4	175.6	4.3	n.a.
9 p	178.8	139.3	39.5	176.6	4.4	n.a.
16 p	179.2	139.6	39.6	177.1	3.9	n.a.
23 p	179.2	139.7	39.6	177.4	3.4	n.a.
30 p	179.2	139.5	39.6	178.1	3.0	n.a.

NOTE: Dollar amounts in billions.

p - Preliminary. r - Revised.

^{1/} Revised series. Revised data beginning in 1959 published in August 1967 Bulletin.

^{2/} Beginning on June 9, 1966, time deposit data exclude \$1.1 billion of balances accumulated for the payment of personal loans.

^{3/} Revised series. Back data available from Division of Research and Statistics.

* - Beginning January 1964, data for 232 metropolitan centers outside New York City.

TIME AND SAVINGS DEPOSITS AT LARGE COMMERCIAL BANKS

Wednesday figures

Billions of dollars

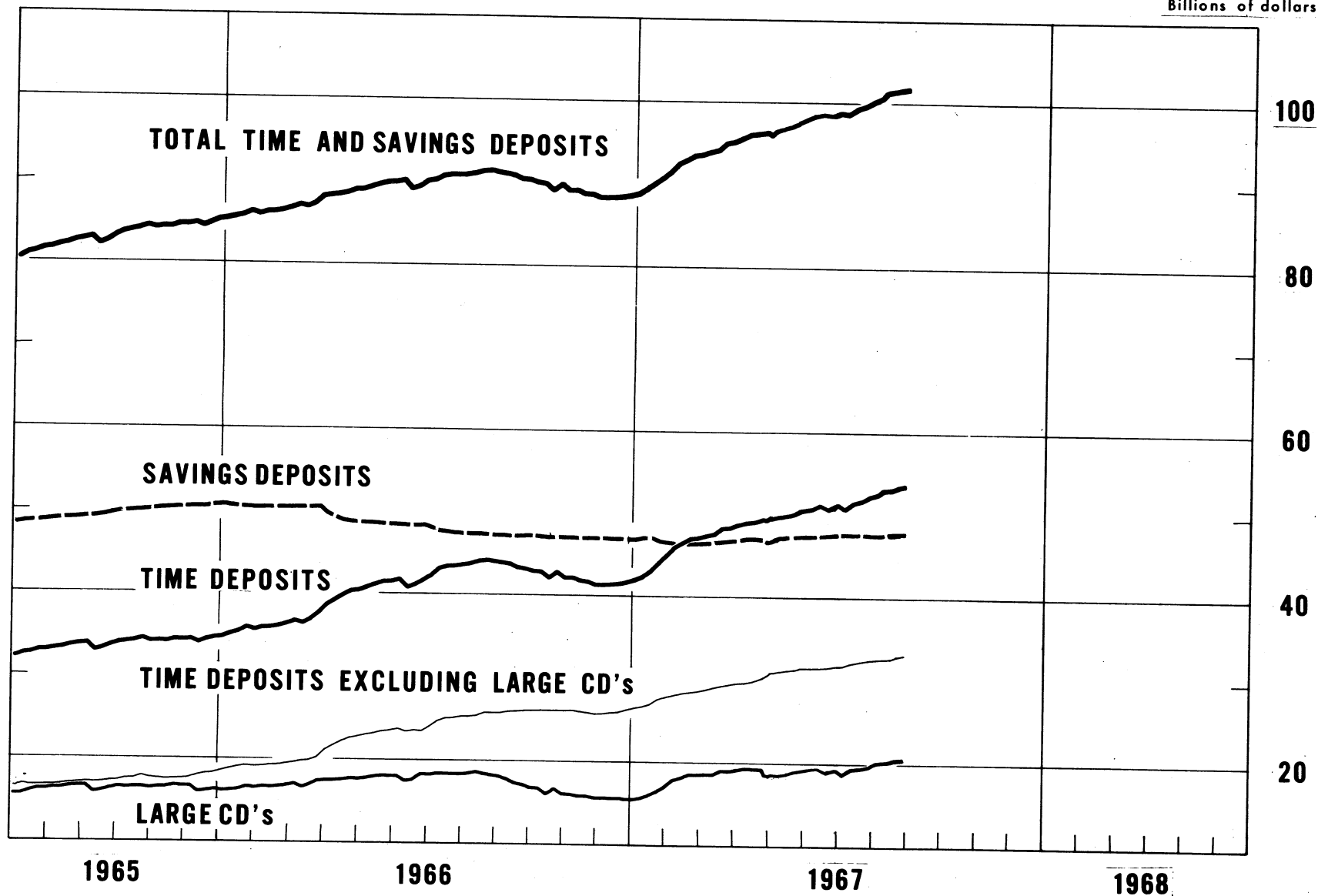


Exhibit I - Part II

Large Commercial Banks

Period	Time and Savings Deposits				Time other ^{1/} than large certificates of deposit
	Total ^{1/}	Savings	Time ^{1/}	Large certificates of deposit ^{2/}	
(In millions of dollars)					
1961--Dec. 27	41,472	30,082	11,390	^{3/} 2,782	8,608
1962--Dec. 26	50,011	34,712	15,299	^{4/} 5,442	9,857
1963--Dec. 31	59,227	38,083	21,144	9,579	11,565
1964--Dec. 30	66,881	40,698	26,183	12,585	13,598
1965--July 7 (Old)	73,672	43,137	30,535	15,203	15,332
^{5/} July 7 (New)	80,467	48,314	32,153	15,587	16,566
1965--Dec. 29	85,298	50,694	34,604	16,251	18,353
1966--August 31	91,254	47,228	44,026	18,194	25,832
Dec. 28 (Old)	89,495	47,099	42,396	15,659	26,737
^{5/} Dec. 28 (New)	89,639	47,213	42,426	15,642	26,784
1967--May 31	97,829	47,285	50,544	19,077	31,467
June 28	98,848	47,739	51,109	19,153	31,956
July 26	100,200	27,817	52,383	19,696	32,687
Aug. 2	100,731	47,836	52,895	20,117	32,778
9	101,081	47,899	53,182	20,314	32,868
16	101,159	47,908	53,251	20,328	32,923
23	101,516	47,931	53,585	20,570	33,015
30	101,762	47,954	53,808	20,637	33,171

^{1/} Beginning June 15, 1966, data exclude \$400 million of balances accumulated for the payment of personal loans.

^{2/} Negotiable certificates of deposit issued in denominations of \$100,000 or more.

^{3/} Estimated.

^{4/} As of December 5, 1962.

^{5/} Revised series.

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 ^{1/}			
	All member	Reserve City Banks							All member	All member	All member
		New York City	City of Chicago	Other							
Monthly Averages:											
1958--December	- 41	- 80	- 32	-197	268	516	557	17,866			
1959--December	-424	-109	-104	-449	237	482	906	17,903			
1960--December	669	10	- 4	80	583	756	87	18,223			
1961--December	419	- 50	- 22	20	471	568	149	18,961			
1962--December	268	- 62	- 11	- 52	394	572	304	19,596			
1963--December	209	19	- 21	-122	334	536	327	20,259			
1964--December	168	- 14	- 31	-103	315	411	243	21,096			
1965--December	- 2	- 70	- 8	-161	238	452	454	22,186			
1966--June	-352	-143	- 12	-223	27	322	674	22,683 ^{2/}			
July	-362	- 6	- 54	-312	9	404	766	22,827			
Aug.	-390	- 26	- 24	-279	-61	338	728	22,537			
Sept.	-368	- 93	- 64	-217	6	398	766	22,621			
Oct.	-431	-124	- 95	-246	34	302	733	22,490			
Nov.	-222	- 71	- 24	-245	118	389	611	22,431			
Dec.	-165	- 95	- 50	-159	140	392	557	22,415			
1967--Jan.	- 16	- 46	-123	- 80	233	373	389	22,774			
Feb.	- 4	- 67	- 64	- 84	211	358	362	22,992			
Mar.	236	- 68	- 15	13	306	435	199	23,407			
Apr.	175	- 10	- 20	- 38	242	309	134	23,456			
May	269	12	1	- 9	266	370	101	23,448			
June p	297	7	- 3	33	258	420	123	23,612			
July p	272	20	- 15	12	254	359	87	23,841			
August p	280	6	4	14	256	369	89	24,094			

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/} Series revised due to change in reserve requirements on March 16, 1967.

^{2/} Break in series due to redefinition of time deposits effective June 9, 1966, which reduced member bank reserves by \$24 million in June 1966, and \$34 million thereafter.

Exhibit K
Liquid Assets Held by the Public - Seasonally Adjusted Series 1/
 (Amounts in billions of dollars; ratios expressed as percentages)

End of year or month	Total	Demand deposits and currency 2/	Time deposits		Postal Savings System	Savings and loan shares 4/	U. S. Gov't. savings bonds 5/	U. S. Gov't. securities maturing within one year 6/	Ratios:		
			Commercial banks 3/	Mutual savings banks					Liquid assets to gross national product 7/	Demand deposits and currency to gross national product 7/	Commercial bank deposits and currency to liquid assets (2 + 3 ÷ 1)
	1	2	3	4	5	6	7	8	9	10	11
1954	320.2	130.2	48.2	26.3	2.1	27.2	55.6	30.6	85.3	34.7	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	79.7	31.3	54.4
1957	356.0	133.5	57.5	31.6	1.3	41.7	51.6	38.8	80.5	30.4	53.6
1958	373.1	138.8	65.4	33.9	1.1	47.7	50.5	35.6	79.5	29.7	54.8
1959	393.9	139.7	67.4	34.9	0.9	54.3	47.9	48.8	80.2	28.6	52.6
1960	399.2	138.4	73.1	36.2	0.8	61.8	47.0	41.9	79.0	27.5	53.0
1961	424.6	142.6	82.5	38.3	0.6	70.5	47.4	42.6	78.4	26.4	53.0
1962	459.0	144.8	98.1	41.4	0.5	79.8	47.6	46.8	79.5	25.1	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	81.5	24.1	53.5
1965	572.9	164.0	147.1	52.6	0.3	109.7	50.5	48.6	80.0	22.8	54.3
1966											54.2
May	585.7	163.7	153.6	53.3	0.3	111.2	50.4	53.3			54.4
June	589.3*	166.5	153.9*	53.6	0.2	111.4	50.4	53.4	79.7	22.5	54.5
July	588.5	164.3	156.1	53.7	0.2	110.7	50.6	52.8			54.6
Aug.	592.8	167.0	156.6	53.9	0.2	111.3	50.6	53.3			54.3
Sept.	594.3	166.1	156.7	54.2	0.2	112.2	50.5	54.5	79.0	22.2	54.1
Oct.	596.1	166.0	156.6	54.6	0.2	112.1	50.6	56.0			54.3
Nov.	600.4	168.0	158.3	54.8	0.1	112.8	50.6	55.8			54.6
Dec.	601.5	168.6	159.6	55.1	0.1	113.4	50.9	53.9	78.5	21.9	54.6
1967											54.6
Jan.	605.1	166.9	163.6	55.5	0.1	113.7	51.0	54.2			54.8
Feb.	604.7	165.8	165.3	55.9	0.1	114.8	50.9	51.7			55.0
Mar.	615.1	171.0	167.6	56.3	0.1	116.3	51.0	52.9	79.2	21.9	55.5
Apr.	613.0	168.5	168.6	56.8	0.1	117.1	51.1	50.9			55.5
May p	619.3	172.8	170.7	57.1	0.1	118.0	51.1	49.5			55.8
June p	620.7	173.8	172.4	57.8	0.1	118.9	51.2	46.5	79.6	22.1	55.7
July p	623.2	172.2	174.7	58.4	0.1	119.9	51.3	46.7			55.8
August p	630.4	174.4	177.1	58.6	0.1	121.1	51.3	47.8			55.8

For footnotes see next page.

* - 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. p - Preliminary.

NOTE: Revised data for total liquid assets and savings and loan shares beginning December 1966. Small corrections in ratios to GNP beginning in 1954.

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).