

the economic upswing from late 1960 to late 1964 and a 4-percent average rate in the late 1950's. From August to November this year such credit declined at a 2-percent rate.

Strength centered particularly in business loans, which increased 18 percent from August 1965 to August 1966. From August to November these loans increased at only a 7-percent annual rate. Banks purchased municipal securities at a 12-percent rate from September 1965 to June 1966; from June to November these holdings were reduced at a 1-percent rate. Bank real estate loans increased at a 13-percent rate from January 1965 to March 1966 and then at a reduced 8-percent rate from March to November. The rate of increase of bank loans to consumers declined from 14 percent in the year ending in April 1966 to 8 percent in the April-September period and then to 4 percent from September to November.

The rate of increase of consumer instalment credit outstanding both at commercial banks and elsewhere has declined significantly since a year ago. After increasing at a rate of 12 or 13 percent a year in 1964 and 1965, this credit grew at an 11-percent rate from December 1965 to March 1966, at a 10-percent rate from March to August, and at a 7-percent rate from August to October.

The decline in the rate of increase of total installment credit reflected primarily a considerably more marked decline in the rate of increase of automobile credit. After growing about 12 percent in 1964 and 15 percent in 1965, this credit expanded at a 10-percent annual rate from December 1965 to March 1966, at a 7-percent rate from March to September, and at a 5-percent rate from September to October.

