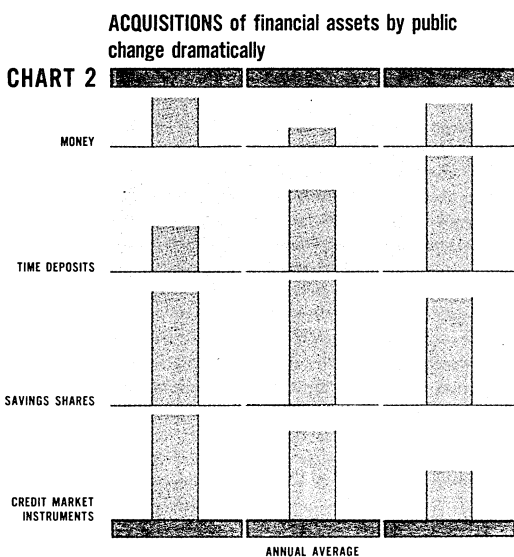


slightly, but that going to nonbank institutions increased as these institutions competed aggressively to maintain their relative position in the market for individual savings.

From 1962 through 1965, however, the further rise in the share devoted to time deposits was accompanied by a relative increase in the money component of the public's financial asset acquisitions, even though corporations were reducing substantially the proportion of their liquid assets held as money balances. For the nonfinancial public as a whole, the rise in its time deposit share



Flow of funds data. Savings shares are claims on savings and loan assns., mutual savings banks, and credit unions. Credit market instruments include all funds supplied directly to credit markets by the private domestic nonfinancial sector.

reflected a sharp decline in its share of funds directed toward other interest-bearing financial assets. Most of the displacement of interest-bearing assets by time deposits during this period came at the expense of market securities, but the continued growth of these deposits also began to bite into the portion taken by nonbank intermediaries.

**Total financial asset flows.** Bank time deposit expansion during the early 1960's also was accompanied by a sharp rise in the rate at which the public acquired total financial assets. Average annual accumulations of money, time deposits, other savings de-