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MONEY MARKET AND RESERVE RELATIONSHIPS

Money markets

Recent developments. Treasury bill rates have continued to rise in recent weeks. The 3-month bill has risen nearly 20 basis points since late August to 5.21 per cent, which represents an investment yield of almost 5.35 per cent. Some of the longer maturities currently are trading at an investment yield equivalent of around 6 per cent. Other short-term rates have remained stable or have advanced only slightly further.

The bill market has reflected continued bank selling of the March and April tax bills which were auctioned by the Treasury on August 18. Upward pressure on bill rates also has stemmed from dealers who have resisted adding to their inventories in light of current high financing costs and the difficulty encountered in securing financing even at these high rates. In addition, bill rates have recently been influenced by expectations that additional Governmental cash financing will be more concentrated in the bill area if there is a delay or curtailment in previously expected financing through sales of participation certificates and Agency issues.

Money market tightness also reflected the development of sizable reserve needs at major New York City banks at a time when other major reporting banks were running large basic reserve deficiencies. As New York banks needed funds, they became aggressive buyers in the Federal

FINANCIAL MARKET RELATIONSHIPS IN PERSPECTIVE

(Monthly averages and, where available, weekly averages of daily figures; amounts in millions of dollars)

Period	Money Market Indicators				Bond Yields			Flow of Reserves, Bank Credit and Money					
	Free Reserves	Borrowings	Federal Funds Rate	3-month Treasury Bill	U.S. Gov't. (20 yr.)	Corporate New Issues (Aaa)	Municipal (Aaa)	Non-borrowed Reserves	Total Reserves	Bank Credit Proxy	Money Supply	Time Deposits <sup>1/</sup>	
1965--Aug.	-162	549	4.11	3.84	4.25	4.63	3.16	+ 27	- 14	+1,608	+ 200	+2,500	
Sept.	-139	552	3.95	3.92	4.30	4.67	3.25	- 73	- 26	+ 249	+1,600	+1,500	
Oct.	-132	490	4.05	4.02	4.32	4.69	3.31	+132	+ 68	+2,592	+1,300	+2,000	
Nov.	- 77	418	4.09	4.08	4.40	4.72	3.34	+ 84	+ 3	+ 759	+ 100	+1,900	
Dec.	- 22	452	4.28	4.37	4.50	4.85	3.39	+191	+270	+2,147	+1,700	+1,500	
1966--Jan.	- 51	431	4.32	4.58	4.52	4.81	3.39	+165	+115	+1,793	+1,000	+1,000	
Feb.	-117	474	4.58	4.65	4.71	4.96	3.48	+ 58	+ 81	+ 820	- 400	+ 800	
Mar.	-210	545	4.64	4.58	4.72	5.09	3.55	- 97	+ 45	+ 787	+1,200	+ 800	
Apr.	-277	638	4.64	4.61	4.65	5.03	3.46	+205	+256	+3,587	+1,900	+2,000	
May	-339	653	4.83	4.63	4.69	5.16	3.53	- 5	+ 1	+ 465	-1,600	+1,300	
June	-352	722	5.13	4.50	4.73	5.35	3.60	- 33*	- 14*	+ 970*	+1,600	+1,300*	
July	-361	739	5.18	4.78	4.84	5.48	3.77	+ 82*	+171*	+2,091*	-1,600	+1,800*	
Aug. p	-382	740	5.45	4.95	4.95	5.64	3.93	-166	-264	- 502	- 400	+1,800	
July 27	-411	680	5.45	4.78	4.83	5.47	3.78			+ 142	-1,100	+ 400	
Aug. 3	-429	778	5.58	4.77	4.86	5.56	3.79			- 401	+ 700	+ 300	
10	-331	782	5.70	4.82	4.86	--	3.87			- 174	-1,200	+ 400	
17 p	-460	730	5.15	5.00	4.90	5.65	3.94			- 54	+1,200	+ 800	
24 p	-362	719	5.65	5.03	4.99	5.92	4.04			-1,349	+ 200	--	
31 p	-329	691	5.28	5.05	5.08	5.98	4.02			+1,666	+ 100	+ 100	
Sept. 7 p	-419	749	5.91	5.12	4.96	5.91	4.05			+ 483	+ 600	- 100	
					<u>Averages</u>				<u>Annual rates of increase <sup>2/</sup></u>				
Year 1964	107	295	3.47	3.53	4.19	4.44	3.09	+ 4.5	+ 4.2	+ 7.6	+ 4.3	+12.8	
1965	- 90	467	4.05	3.95	4.27	4.58	3.16	+ 4.3	+ 5.2	+ 9.1	+ 4.8	+16.1	
Recent variations in growth													
Dec. 1-Mar. 16	- 85	464	4.43	4.55	4.61	4.99	3.46			+ 5.8	+ 7.3	+ 7.3	
Mar. 16-June 1	-299	644	4.72	4.61	4.67	5.09	3.50			+ 8.1	- 0.8	+13.0	
June 1-Sept. 7	-368	728	5.32	4.77	4.85	5.60	3.80			+ 5.0*	+ 2.7	+10.2*	
Dec. 1-Sept. 7	-247	619	4.82	4.64	4.71	5.23	3.59			+ 6.2*	+ 3.4	+10.1*	

<sup>1/</sup> Time deposits adjusted at all commercial banks.

<sup>2/</sup> Base is average for month preceding specified period or in the case of weekly periods, the first week shown.

\* Changes have been adjusted for redefinition of time deposits effective June 9.

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funds market partly in an attempt to postpone resort to the discount window. The result was that Federal funds rates were pushed to new highs this week when a considerable amount of trading occurred at rates in the 6-6½ per cent range.

Net borrowed reserves averaged \$370 million in the 3 weeks ending September 7 as compared with an average of \$407 million in the previous 3 weeks. In both periods these averages before revisions were about \$425 million. The downward revisions reflected mainly higher vault cash and weaker required reserves than had been projected for country banks. Member bank borrowings averaged \$720 million in the latest 3-week period, down from an average of \$763 million in the previous 3 weeks.

Prospective developments. Banks and other money market participants are approaching the period ahead very cautiously. While business loans have shown little strength over the past few weeks, a resurgence is expected in the coming weeks and months. Most immediately, mid-September tax payments are likely to generate renewed business loan expansion. The relatively limited ability of banks and the market generally to accommodate such needs has already been reflected in the fairly sizable adjustments in sensitive money market rates that have recently taken place.

It is possible that banks will lose about one-third of their maturing CD's in coming weeks. (Some \$5½ billion of CD's matures in September, and \$3.5 billion of October maturities are outstanding at present.) These run-offs will in part be a substitute for direct loan

demand on banks, as businesses use the proceeds to pay taxes and for other purposes. Still, under the circumstances, demand for borrowing from the Federal Reserve is likely to increase, and at the same time individual banks probably will continue to sell assets (and borrow as much as possible from non-Federal Reserve sources) as they attempt to maintain their reserve position in the face of greater loan demand, outflows of time deposit funds, or both.

In view of the new program for administration of the discount window and current seasonal and other strains in the money market, considerably different levels of net borrowed reserves--say, between \$350 and \$600 million--could be consistent with continuation of the current policy of monetary restraint. Where in the range net borrowed reserves are likely to be will depend on the extent to which banks choose to undertake reserve adjustments with or without recourse to the discount window. In any event, bill rates may rise somewhat further in the period immediately ahead. Once pressures associated with the mid-September tax date abate in late September-early October, yields could tend to stabilize as funds that would otherwise go into the CD market may be invested in bills. On the other hand, the Treasury is likely to be financing in the bill market during October, and private loan demands are likely to remain strong. The best guess as of this writing is that the 3-month bill rate will be in a 5.15-5.40 per cent range over the next three weeks, although fluctuations outside the range are not unlikely.

Federal funds may be expected to trade more frequently above 6 per cent, and therefore dealer loan rates should remain high and probably advance somewhat further. Other short-term rates, notably those on commercial paper, finance company paper, and bankers' acceptances, may also move higher.

It is not clear that the current lower level of bond yields can continue in the face of upward rate pressures in the money market. Expectational factors are probably the key to this at the present time. The President's proposed fiscal program and other recent official activities (such as talk of curtailing Agency financing) have reduced expectations of continuously rising long-term interest rates, with the result that long-term investments have become more attractive to investors relative to short-term outlets. Whether this continues will depend importantly on implementation of the tax and expenditure program, and more careful market consideration of their effectiveness, especially in light of any step-up in Federal spending related to Vietnam as it becomes evident to the market. It will depend, in short, on a continuing conviction that monetary policy will not need to become tighter than it is.

Reserve flows, bank credit, and money

Recent developments. Bank credit, deposits, and reserves during recent weeks have for the most part turned out to be weaker than earlier projected. The credit proxy declined from week to week between early July and late August; on a daily average basis for the month of August,

it dropped at an annual rate of 2.5 per cent. This brought the annual rate of expansion in the credit proxy down to 6.2 per cent for the first eight months of the year, compared with 9.1 per cent for the year 1965.

Private demand deposits declined 4.5 per cent in August on a daily average basis, even though U.S. Government deposits were reduced sharply at the same time. On the other hand, rapid expansion in time deposits continued at only slightly below the 14 per cent July rate. However, the rate of expansion in time deposits fell off sharply after mid-August, as major banks began to experience run-offs of CD's.

Prospective developments. As noted earlier, there will be very large CD maturities during the month, with more than a fifth of these maturing on the midmonth tax date. Estimates of the size of CD run-offs for the month as a whole still are conjectural, but it does seem clear from the evidence of recent weeks that a substantial run-off--perhaps \$1.5 to \$2.0 billion over the month--is in prospect. With time deposit growth as a whole already slackening in late August and with a small decline estimated in the first week of September, this range of net CD run-offs would result in virtually no growth or perhaps a small net decline in daily average time deposits for the month.

The end of September will bring another interest-crediting period for financial institutions, with the possibility of a temporary renewal of moderate growth in time deposits as banks pick up consumer-type time deposits. But the potential may be more limited than earlier

since competing savings institutions have higher rates now, and market rates of interest are also more attractive. Thus no significant resurgence in total time deposit growth appears in prospect.

At the same time, projections suggest that banks will continue to lose U.S. Government balances in the September-October period, even though the acceleration program for payments of withholdings will net an estimated \$2.7 billion of receipts in October that would normally have been paid in November. The projected net decline of these deposits assumes that the Treasury will issue \$2.5 billion more of tax bills in the next-to-last week of October.

These large declines in Government deposits, which may accumulate to an unprecedented total of \$3.6 billion more than seasonal from August through October, add to the liquidity problems of major banks. On the other hand, expenditure of these Government balances, along with CD run-offs, should contribute to renewed expansion of private demand deposits in the next two months. Growth could be as high as a 10 to 15 per cent annual rate if at the same time money demands are bolstered by strong transactions needs.

Even with a large private demand deposit growth, daily average expansion of the bank credit proxy in September and October is likely to continue substantially below the 6 per cent expansion rate posted for the first 8 months of the year and initially projected for September. In fact, if September CD run-offs are in the range of \$1.5 to \$2.0 billion, it now appears that changes in the credit proxy might fall within a



range of +1 to -1 per cent. Any bank credit growth is likely to be associated with a relatively larger expansion in required reserves because of expected shifts between time and demand deposits.

Table A-1

## MARGINAL RESERVE MEASURES

(Dollar amounts in millions, based on period averages of daily figures)

Period	Excess reserves	Member banks borrowings	Free reserves		
	As revised to date			As first published each week	As expected at conclusion of each week's open market operations
<b>Monthly (reserves weeks ending in):</b>					
1965--June	358	534	-176		
July	349	527	-178		
August	387	549	-162		
September	413	552	-139		
October	358	490	-132		
November	341	418	- 77		
December	430	452	- 22		
1966--January	380	431	- 51		
February	357	474	-117		
March	335	545	-210		
April	361	638	-277		
May	315	653	-339		
June	370	722	-352		
July	379	739	-361		
August p	358	740	-382		
<b>Weekly</b>					
1966--April 6	333	623	-290	-225	-241
13	360	603	-243	-286	-282
20	373	685	-312	-281	-270
27	380	642	-262	-280	-316
May 4	286	617	-331	-280	-280
11	340	780	-340	-324	-310
18	319	663	-344	-315	-341
25	314	653	-339	-351	-370
June 1	436	812	-376	-364	-342
8	207	547	-340	-375	-360
15	465	788	-323	-341	-336
22	282	691	-409	-417	-394
29	459	771	-312	-350	-368
July 6	350	827	-477	-456	-473
13	724	818	- 94	-155	-133
20	171	631	-460	-479	-528
27	269	680	-411	-441	-445
Aug. 3	349	778	-429	-427	-427
10	452	782	-330	-383	-417
17	270	730	-460	-466	-487
24 p	357	719	-362	-442	-482
31 p	362	691	-329	-422	-447
Sept. 7 p	330	749	-419	-419	-440

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TABLE A-2

## AGGREGATE RESERVES AND RELATED MEASURES

Retrospective Changes, Seasonally Adjusted

(In per cent, annual rates based on monthly averages of daily figures)

	Reserve Aggregates				Monetary Variables			
	Total Reserves	Nonborrowed Reserves	Required reserves		Total Member Bank Deposits (credit) <sup>1/</sup>	Time Deposits (comm. banks)	Money Supply	
			Total	Against Demand Deposits			Total	Private Demand Deposits
<b>Annually:</b>	(Series Revised)							
1963	+ 3.5	+ 3.2	+ 3.8	+ 1.7	+ 7.5	+14.7	+ 3.8	+ 3.2
1964	+ 4.2	+ 4.5	+ 4.9	+ 3.1	+ 7.6	+12.8	+ 4.3	+ 4.0
1965	+ 5.3	+ 4.3	+ 5.2	+ 2.4	+ 9.1	+16.1	+ 4.8	+ 4.6
<b>Monthly:</b>								
1965--January	+ 6.1	+ 1.9	+ 1.8	+ 0.2	+10.5	+20.9	+ 2.3	+ 1.0
February	+10.5	+ 7.7	+ 8.1	+ 3.0	+11.1	+20.5	- 2.3	- 3.8
March	+ 6.4	+ 2.1	+ 8.4	+ 9.0	+ 9.7	+10.1	+ 4.5	+ 4.8
April	+ 9.2	+ 7.6	+ 6.4	+14.8	+14.1	+12.7	+ 6.0	+ 7.6
May	- 0.8	+ 2.1	+ 6.7	- 1.3	+ 4.1	+ 9.9	- 8.2	-12.3
June	+ 9.5	+ 4.8	+ 7.2	+ 7.8	+ 9.6	+11.6	+13.5	+16.3
July	+ 4.8	+ 4.1	+ 4.8	+ 0.7	+ 7.5	+15.0	+ 5.2	+ 4.7
August	- 0.8	+ 1.5	- 1.8	- 7.1	+ 8.4	+21.8	+ 1.5	--
September	- 1.4	- 4.0	- 2.4	-11.1	+ 1.3	+12.8	+11.8	+13.2
October	+ 9.9	+ 7.3	+ 9.7	+ 8.1	+13.5	+16.9	+ 9.5	+ 9.3
November	+ 0.2	+ 4.6	- 2.4	- 6.9	+ 3.9	+15.9	+ 0.7	- 0.9
December	+14.5	+10.5	+14.3	+11.2	+11.0	+12.4	+12.3	+14.8
1966--January	+ 6.1	+ 9.0	+ 6.4	+12.0	+ 9.1	+ 8.2	+ 7.2	+ 5.5
February	+ 4.3	+ 3.1	+ 3.1	+ 2.9	+ 4.1	+ 6.5	- 2.9	- 5.5
March	+ 2.4	- 5.2	+ 2.3	+ 1.5	+ 4.0	+ 6.5	+ 8.6	+10.1
April	+13.5	+11.1	+12.2	+17.7	+17.9	+16.0	+13.5	+15.4
May	+ 0.1	- 0.3	+ 1.9	- 6.0	+ 2.3	+10.3	-11.2	-16.1
June <sup>2/</sup>	- 0.7	- 1.8	- 0.6	+ 2.1	+ 4.8	+10.2	+11.3	+14.5
July <sup>2/</sup>	+ 8.9	+ 4.4	+ 5.7	+ 4.9	+10.3	+14.0	-11.2	-17.0
August <sup>2/</sup> p	-14.1	- 9.3	- 7.4	-21.4	- 2.4	+13.8	- 2.8	- 4.5

<sup>1/</sup> Includes all deposits subject to reserve requirements. Movements in this aggregate correspond closely with movements in total member bank credit.

<sup>2/</sup> Changes in reserves, total deposits, and time deposits have been adjusted for redefinition of time deposits effective June 9. Changes in reserves have been adjusted for increases in reserve requirements in July.

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Chart 1a

# MEMBER BANK RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

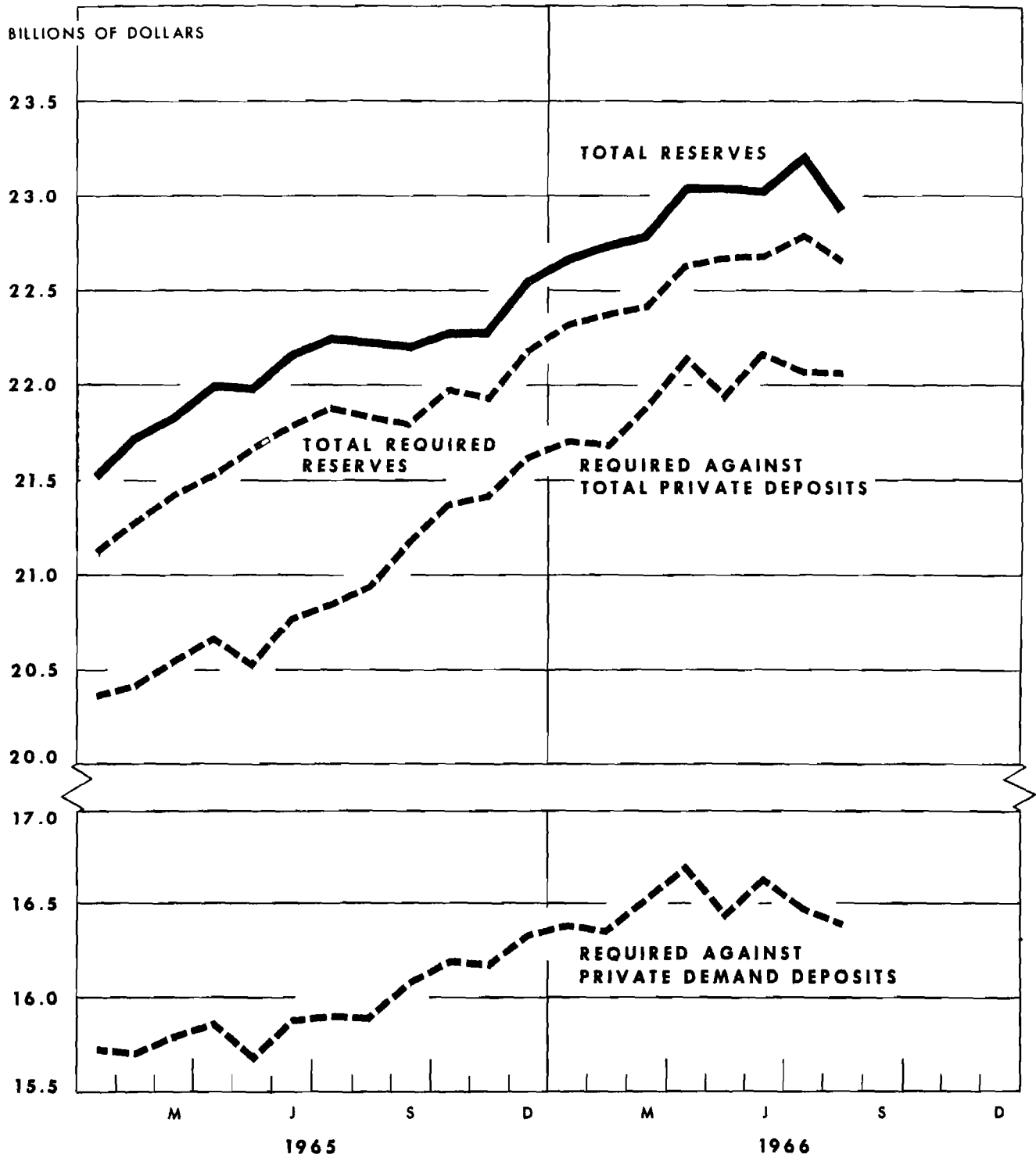


Chart 1b

# MEMBER BANK RESERVES

MONTHLY AVERAGES OF DAILY FIGURES

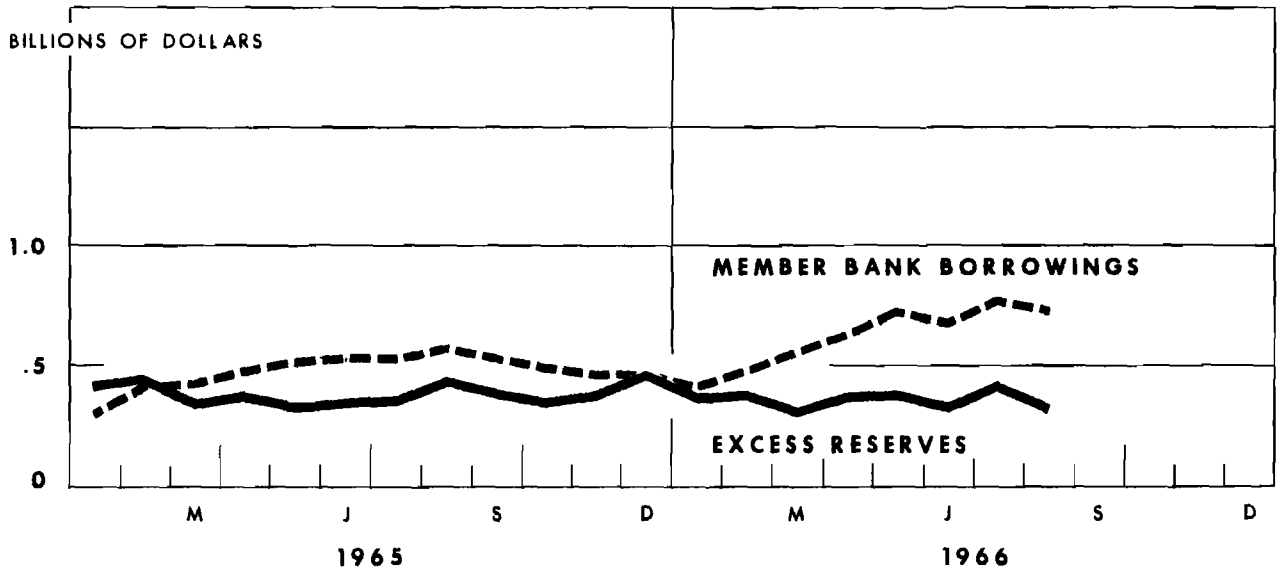
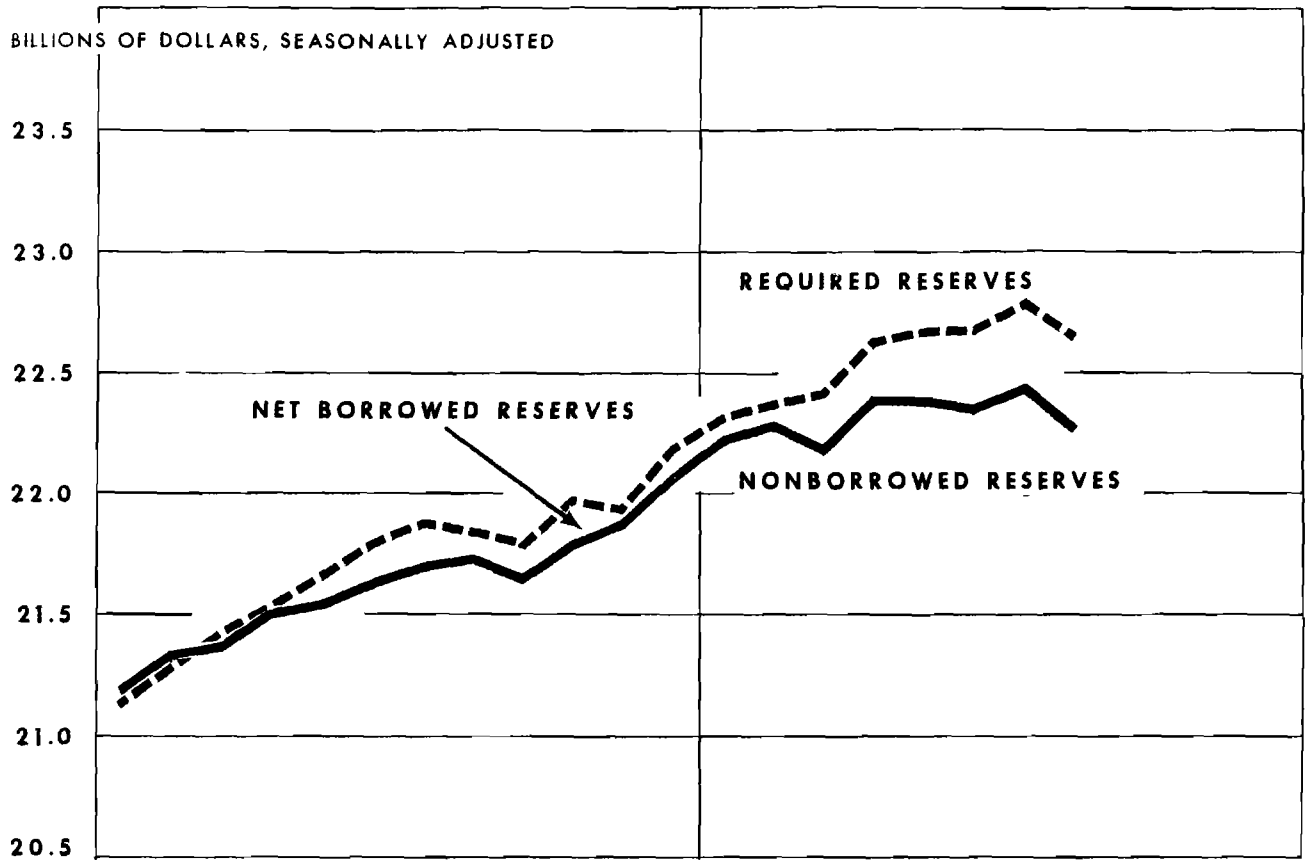
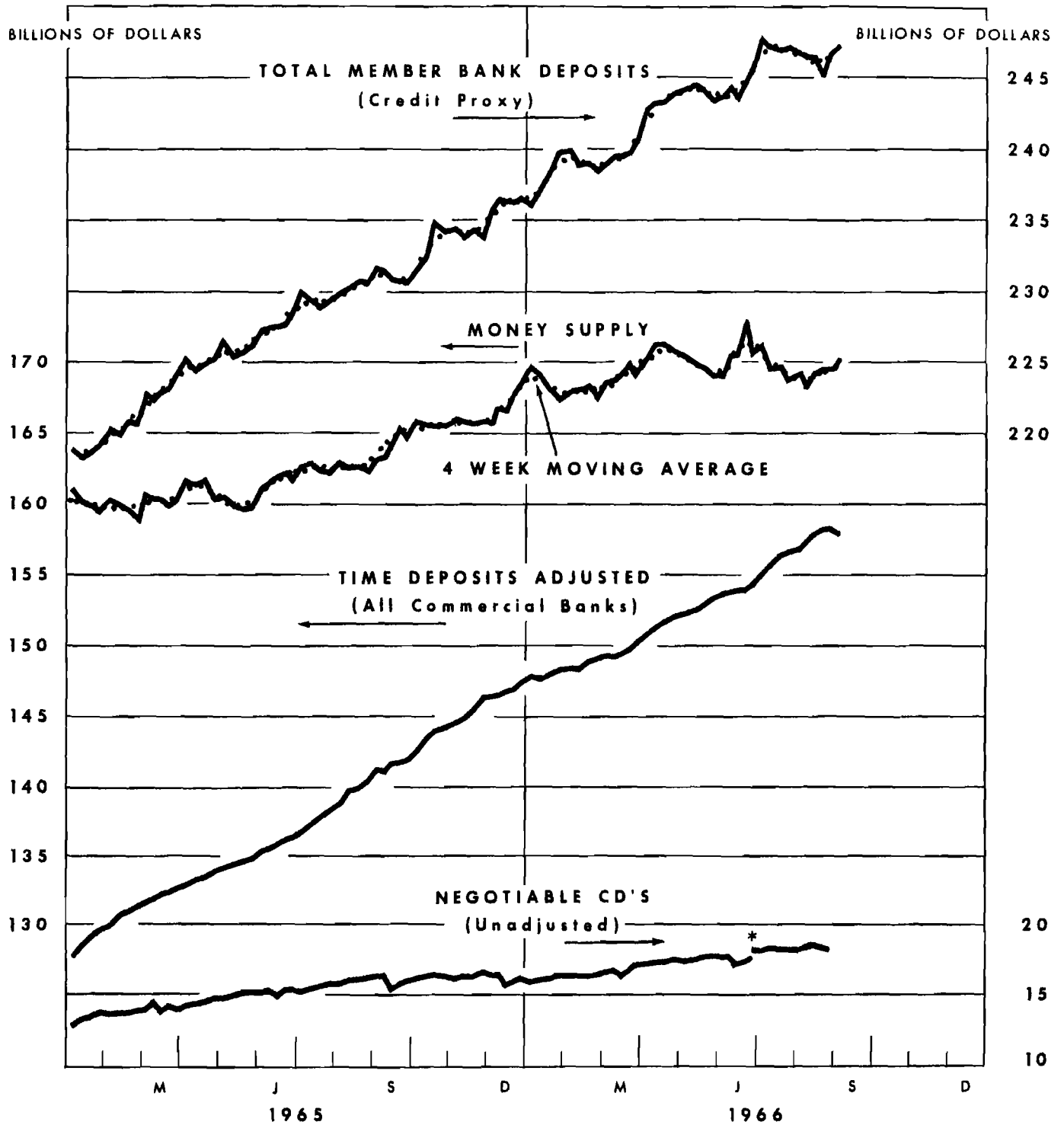


Chart 2

# MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES



\* CHANGE IN SERIES

Chart 3

# DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

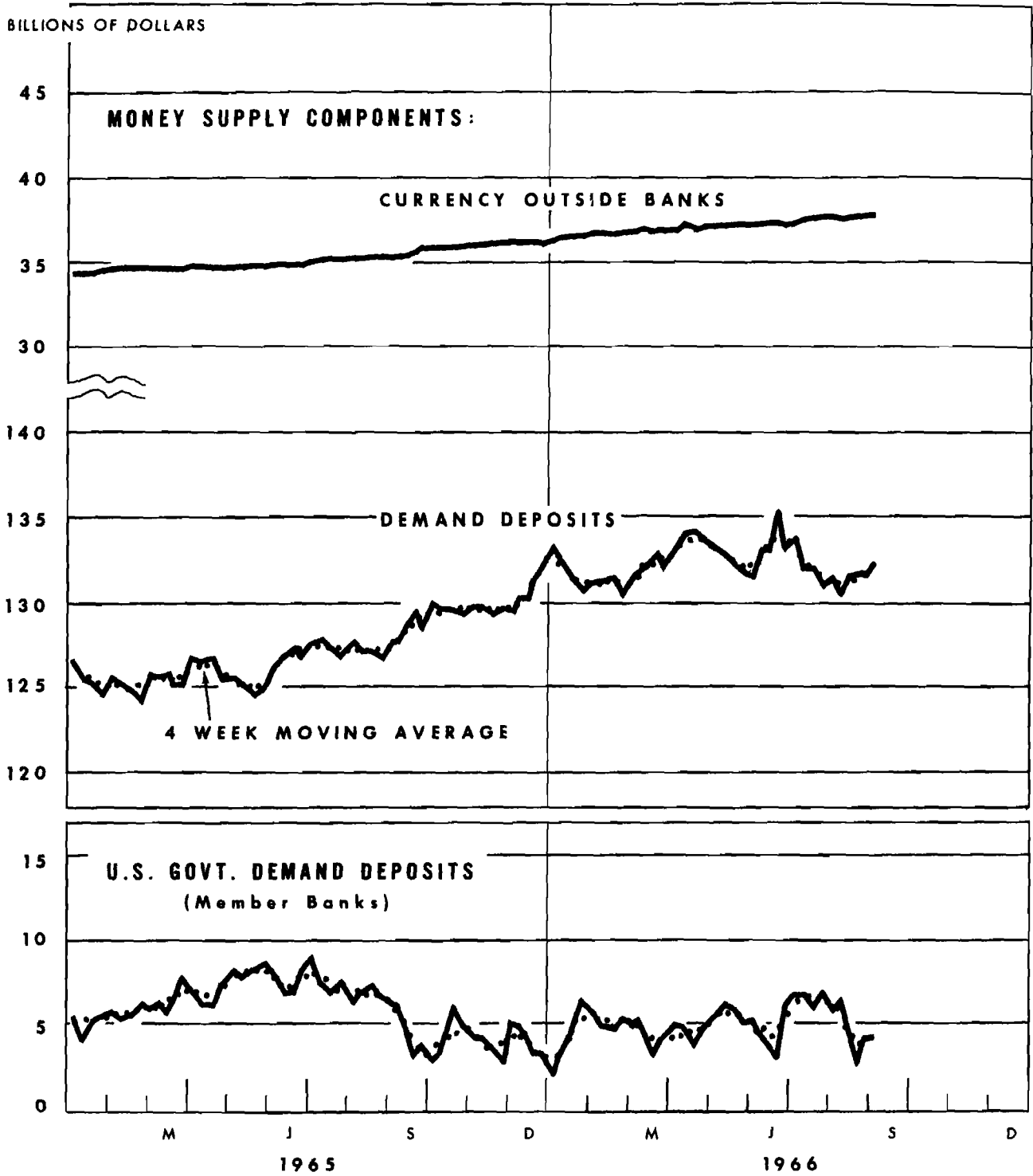


Chart 3

# DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

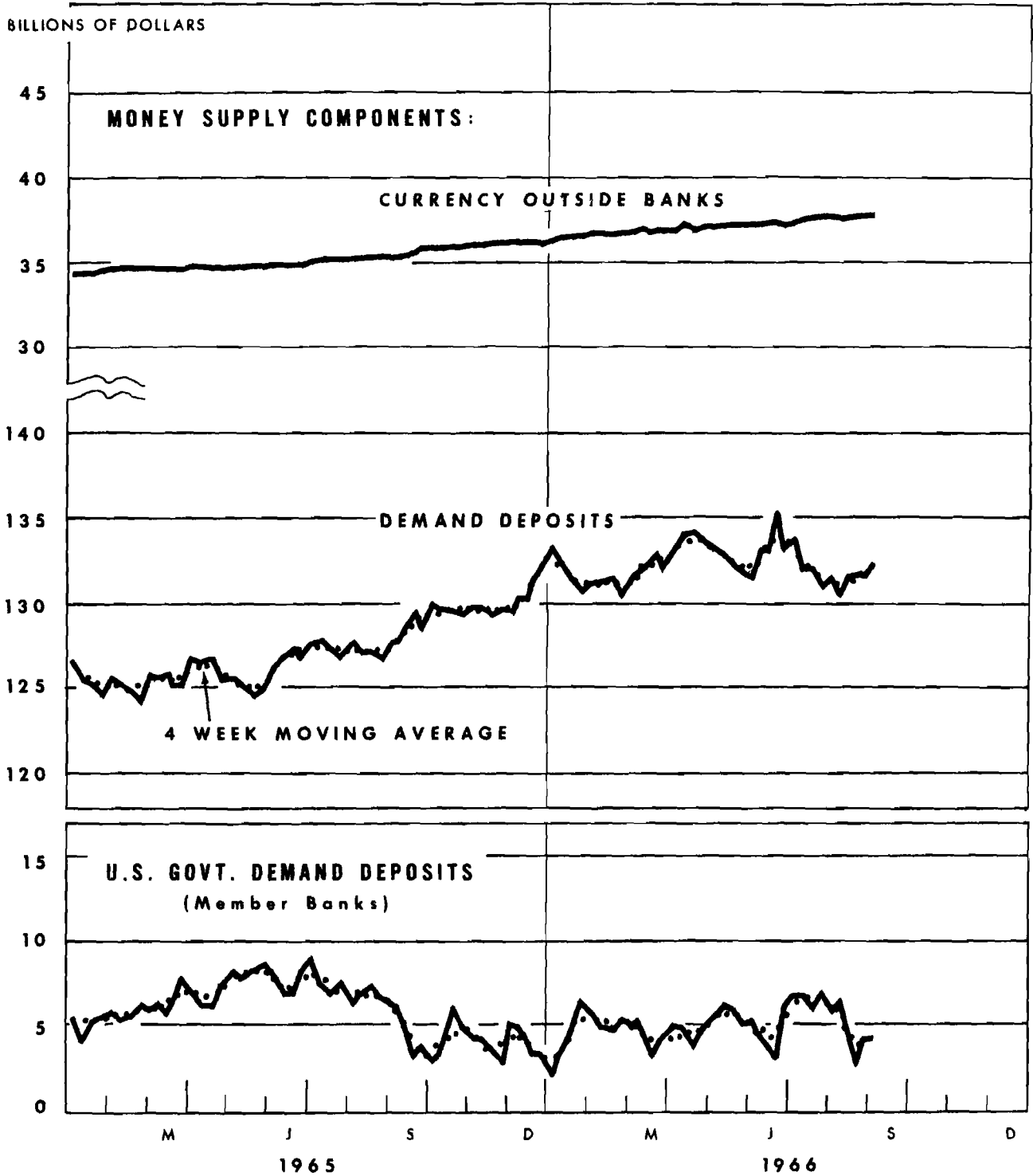




Table B-1

## MAJOR SOURCES AND USES OF RESERVES

Retrospective and Prospective  
(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Factors affecting supply of reserves				= Change	= Bank use of reserves	
	Federal Reserve credit (excl. float) 1/	Gold stock	Currency outside banks	Technical factors net 2/	in total reserves	Required reserves 3/	Excess reserves
<u>ACTUAL</u>							
<u>Year:</u>							
1964 (12/25/63 - 12/23/64)	+3,219	- 165	-1,847	-365	+840	+ 910	- 70
1965 (12/23/64 - 12/22/65)	+3,926	-1,578	-2,228	+845	+966	+1,136	-170
<u>Year-to-date:</u>							
(12/30/64 - 9/8/65)	+2,539	-1,530	- 776	-810	-577	- 388	-189
(12/29/65 - 9/7/66)	+2,245	- 528	- 937	-1,174	-396	- 265	-131
<u>Weekly:</u>							
1966--July 27	+ 228	- 28	+ 221	-408	+ 12	- 86	+ 98
Aug. 3	+ 655	- 174	- 83	-460	+ 40	- 40	+ 80
10	+ 141	+ 1	- 425	+173	-109	- 212	+103
17	- 634	- 1	+ 122	+242	-272	- 90	-182
24 p	- 201	- 20	+ 136	- 73	-159	- 246	+ 87
31 p	+ 758	- 54	+ 256	-772	+188	+ 183	+ 5
Sept. 7 p	+ 438	--	- 569	+182	+ 49	+ 81	- 32
<u>PROJECTED 4/</u>							
Sept. 14	- 95	- 10	- 5	+525	+415	+ 415	--
21	- 850	- 10	+ 210	+1,135	+485	+ 485	--
28	+ 755	- 10	+ 45	-900	-110	- 110	--
Oct. 5	+ 630	- 10	- 265	-300	+ 55	+ 55	--
12	+ 245	- 10	- 405	+ 25	-145	- 145	--
19	- 790	- 10	+ 220	+560	- 20	- 20	--
26	- 180	- 10	+ 120	+ 50	- 20	- 20	--

1/ For retrospective details, see Table B-4.

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2/ For factors included, see Table B-3.

3/ For required reserves by type of deposits, see Table B-2.

4/ See reverse side for explanation of projections.

Table B-2

## CHANGES IN REQUIRED RESERVE COMPONENTS

Retrospective and Prospective Seasonal and Nonseasonal Changes  
(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Total required reserves	Supporting U. S. Gov't. demand deposits	Supporting private deposits				
			Total	Seasonal changes		Other than seasonal changes	
				Demand	Time	Demand	Time
<u>ACTUAL</u>							
<u>Year:</u>							
1964 (12/25/63 - 12/23/64)	+ 910	-115	+1,025	+ 16	--	+542	+467
1965 (12/23/64 - 12/22/65)	+1,136	-170	+1,306	+113	--	+529	+664
<u>Year-to-date:</u>							
(12/30/64 - 9/8/65)	- 388	-150	- 238	-912	+ 55	+143	+476
(12/29/65 - 9/7/66)	- 265	-188	- 77	-996	+ 54	+107	+758
<u>Weekly:</u>							
1966--July 6	+ 346	+121	+ 225	+ 86	+ 10	+115	+ 14
13	- 295	-244	- 51	+167	- 19	-236	+ 37
20 <sup>1/</sup>	+ 236	-291	+ 527	+113	+ 9	+ 37	+368
27 <sup>1/</sup>	- 86	+ 39	- 125	- 69	--	-155	+ 99
Aug. 3	- 40	-161	+ 111	+ 82	- 18	+ 53	+ 4
10	- 212	+ 6	- 218	- 95	--	-131	+ 14
17	- 90	-161	+ 71	-135	- 9	+185	+ 27
24 p	- 246	- 63	- 183	-164	- 9	- 22	+ 21
31 p	+ 183	+123	+ 60	+ 46	- 9	+ 11	+ 12
Sept. 7 p	+ 81	- 82	+ 163	+52	+ 9	+122	- 20
<u>PROJECTED</u>							
Sept. 14 <sup>1/</sup>	+ 415	-240	+ 655	+350	--	- 50	+355
21 <sup>1/</sup>	+ 485	+ 70	+ 415	+215	- 35	+165	+ 70
28	- 110	+365	- 475	-500	+ 20	--	+ 5
Oct. 5	+ 55	- 90	+ 145	+115	+ 10	+ 15	+ 5
12	- 145	-300	+ 155	+150	--	--	+ 5
19	- 20	-245	+ 225	+185	- 10	+ 45	+ 5
26	- 20	- 65	+ 45	+ 30	- 5	+ 15	+ 5

<sup>1/</sup> Increase in percentage reserve requirements against time deposits absorb an estimated \$350 million of reserves at city banks effective July 14 and again September 8 and \$80 million at country banks effective July 21 and again September 15.

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Table B-3

## TECHNICAL FACTORS AFFECTING RESERVES

Retrospective and Prospective Changes

(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Technical factors (net)	Treasury operations	Float	Foreign deposits and gold loans	Other nonmember deposits and F. R. accounts
<u>ACTUAL</u>		(Sign indicates effect on reserves)			
<u>Year:</u>					
1964 (12/25/63 - 1/23/64)	-365	-470	- 84	+ 11	+178
1965 (12/23/64 - 1/22/65)	+845	+232	- 13	- 7	+651
<u>Year-to-date:</u>					
(12/30/64 - 9/8/65)	-810	- 30	-1,322	- 53	+605
(12/29/65 - 9/7/66)	-1,174	- 82	-959	- 12	-121
<u>Weekly:</u>					
1966--July 13	+205	-302	+424	+ 56	+ 27
20	+736	-136	+795	- 13	+ 90
27	-408	- 71	-450	+ 18	+ 95
Aug. 3	-460	- 29	-336	-177	+ 82
10	+173	+203	-115	+184	- 99
17	+242	+ 29	+200	+ 5	+ 8
24	- 73	+ 13	+ 17	+ 5	-108
31	-772	- 18	-776	- 11	+ 23
Sept. 7	+182	+124	- 21	+ 11	+ 68
<u>PROJECTED</u>					
Sept. 14	+525	+210	+230	+ 5	+ 80
21	+1,135	+370	+766	--	+ 65
28	-900	-500	-400	--	--
Oct. 5	-300	--	-300	--	--
12	+ 25	--	- 40	--	+ 15
19	+560	--	+450	--	+110
26	+ 50	--	+ 50	--	--

Table B-4

## SOURCES OF FEDERAL RESERVE CREDIT

## Retrospective Changes

(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Total Federal Reserve credit (excl. float)	U. S. Government securities				Repurchase agreements	Bankers' acceptances	Member bank borrowings
		Total holdings	Outright					
			Bills	Other				
<u>Year:</u>								
1964 (12/25/63 - 12/23/64)	+3,219	+3,340	+2,086	+1,022	+232	- 61	- 60	
1965 (12/23/64 - 12/22/65)	+3,926	+3,898	+3,226	+ 916	-244	+ 67	- 39	
<u>Year-to-date:</u>								
(12/30/64 - 9/8/65)	+2,249	+2,216	+1,779	+ 25	-288	--	+ 33	
(12/29/65 - 9/7/66)	+2,245	+2,125	+1,907	+ 439	-221	- 83	+203	
<u>Weekly:</u>								
1966--June 1	+ 627	+ 442	+ 411	+ 31	--	+ 26	+159	
8	- 6	+ 225	+ 166	+ 38	+ 21	+ 34	-265	
15	+ 185	- 23	- 73	+ 13	+ 37	- 33	+241	
22	- 224	- 131	- 72	- 1	- 58	+ 4	- 97	
29	+ 393	+ 267	+ 173	+ 94	--	+ 46	+ 80	
July 6	+ 851	+ 790	+ 706	+ 80	+ 4	+ 5	+ 56	
13	+ 5	+ 71	+ 61	+ 11	- 1	- 57	- 9	
20	-1,264	- 972	- 966	- 3	- 3	-105	-187	
27	+ 228	+ 189	+ 186	+ 3	--	- 10	+ 49	
Aug. 3	+ 655	+ 572	+ 414	--	+158	- 15	+ 98	
10	+ 141	+ 138	- 56	--	+194	- 1	+ 4	
17	- 634	- 580	- 422	--	-158	- 2	- 52	
24	- 201	- 190	+ 4	--	-194	--	- 11	
31	+ 758	+ 784	+ 784	--	--	+ 2	- 28	
Sept. 7	+ 438	+ 380	+ 380	--	--	--	+ 58	

Chart Reference Table C-1

TOTAL, NONBORROWED AND REQUIRED RESERVES

Seasonally Adjusted

(Dollar amounts in millions, based on monthly averages of daily figures)

(Revised series) 2/

Period	Total reserves	Nonborrowed reserves	Required reserves		
			Total	Against private deposits	
				Total	Demand
1964--January	20,561	20,271	20,139	19,385	15,296
February	20,588	20,302	20,192	19,448	15,319
March	20,665	20,463	20,343	19,498	15,346
April	20,794	20,517	20,370	19,570	15,381
May	20,689	20,495	20,350	19,550	15,325
June	20,966	20,716	20,554	19,655	15,392
July	21,017	20,731	20,596	19,792	15,497
August	21,127	20,832	20,748	19,915	15,557
September	21,349	20,996	20,907	20,055	15,656
October	21,319	20,983	20,919	20,187	15,736
November	21,442	21,055	21,068	20,218	15,713
December	21,416	21,158	21,097	20,316	15,762
1965--January	21,525	21,192	21,129	20,364	15,727
February	21,714	21,238	21,271	20,415	15,702
March	21,830	21,366	21,420	20,546	15,792
April	21,997	21,501	21,535	20,665	15,858
May	21,982	21,539	21,656	20,518	15,672
June	22,156	21,626	21,786	20,768	15,876
July	22,245	21,699	21,873	20,846	15,895
August	22,231	21,726	21,840	20,940	15,889
September	22,205	21,653	21,797	21,183	16,074
October	22,273	21,785	21,974	21,375	16,187
November	22,276	21,869	21,930	21,413	16,162
December	22,546	22,060	22,192	21,618	16,321
1966--January	22,661	22,225	22,311	21,702	16,377
February	22,742	22,383	22,368	21,693	16,344
March	22,787	22,186	22,411	21,885	16,508
April	23,043	22,391	22,638	22,145	16,687
May	23,044	22,386	22,673	21,937	16,433
June <u>1/</u>	23,030	22,353	22,684	22,165	16,626
July <u>1/</u>	23,201	22,435	22,792	22,071	16,463
August p <u>1/</u>	22,929	22,261	22,652	22,063	16,385

p - Preliminary.

1/ Reserves have been adjusted for redefinition of time deposits effective June 9.

2/ Revised to reflect current levels of reserve requirements and changes in seasonal factors.

Table C-2

## DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

(Dollar amounts in millions, based on monthly averages of daily figures)

Monthly	Total member bank deposits (credit) <u>1/</u>	Time deposits	Private demand deposits <u>2/</u>	U. S. Gov't. demand deposits
1964--January	202,981	93,563	104,407	5,011
February	203,759	94,495	104,569	4,695
March	205,068	95,011	104,749	5,308
April	206,176	95,852	104,987	5,337
May	206,613	96,677	104,609	5,327
June	208,669	97,542	105,066	6,061
July	209,312	98,273	105,783	5,256
August	211,506	99,725	106,189	5,592
September	212,906	100,670	106,868	5,368
October	214,109	101,850	107,410	4,849
November	215,849	103,090	107,259	5,500
December	216,738	104,215	107,591	4,932
1965--January	218,640	106,107	107,353	5,180
February	220,663	107,843	107,178	5,642
March	222,445	108,778	107,795	5,872
April	225,068	109,996	108,243	6,829
May	225,840	110,898	106,975	7,967
June	227,642	111,955	108,372	7,315
July	229,056	113,306	108,497	7,253
August	230,664	115,594	108,456	6,614
September	230,913	116,900	109,717	4,296
October	233,505	118,718	110,489	4,298
November	234,264	120,152	110,327	3,785
December	236,411	121,220	111,409	3,782
1966--January	238,204	121,861	111,787	4,556
February	239,024	122,401	111,562	5,061
March	239,811	123,038	112,684	4,089
April	243,398	124,898	113,905	4,595
May	243,863	125,958	112,170	5,740
June <u>3/</u>	244,833	126,750	113,488	4,595
July <u>3/</u>	246,924	128,333	112,373	6,218
August p <u>3/</u>	246,422	129,942	111,842	4,638

1/ Includes all deposits subject to reserve requirements--i.e., the total of time, private demand, and U.S. Government demand deposits. Movements in this aggregate correspond closely with movements in total member bank credit.

2/ Private demand deposits include demand deposits of individuals, partnerships and corporations and net interbank balances.

3/ Deposits have been adjusted for redefinition of time deposits effective

June 9,  
p - Preliminary.

TABLE C-2a

## DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

(Dollar amounts in millions, based on weekly averages of daily figures)

Week ending:	Total member bank deposits (credit) 1/	Time deposits	Private demand deposits 2/	U. S. Gov't. demand deposits
1966--Feb. 2	239,899	122,193	112,050	5,656
9	238,866	122,026	112,003	4,837
16	238,966	122,562	111,715	4,689
23	238,542	122,490	110,694	5,358
Mar. 2	238,958	122,284	111,691	4,983
9	239,366	122,288	111,957	5,121
16	239,559	122,757	112,560	4,242
23	239,710	123,335	113,155	3,220
30	240,437	123,770	113,017	3,650
Apr. 6	242,648	124,508	113,306	4,834
13	243,216	124,684	113,764	4,768
20	243,286	125,042	114,482	3,762
27	243,882	125,311	113,810	4,761
May 4	244,178	125,369	113,407	5,402
11	244,465	125,455	112,952	6,058
18	244,091	125,815	112,372	5,904
25	243,395	126,330	111,954	5,111
June 1	243,664	126,433	112,115	5,116
8	244,274	126,778	113,137	4,359
15*	243,494	126,599	113,152	3,743
22*	244,849	126,816	115,035	2,998
29*	245,878	126,929	112,924	6,025
July 6*	247,539	127,306	113,587	6,646
13*	247,149	128,227	112,265	6,657
20*	246,884	128,378	112,520	5,986
27*	246,986	128,598	111,504	6,884
Aug. 3*	246,585	129,080	111,734	5,771
10*	246,411	129,241	110,915	6,255
17*	246,357	129,808	112,206	4,343
24 p*	245,008	130,201	112,108	2,699
31 p*	246,674	130,501	112,071	4,102
Sept. 7 (proj)	247,156	130,029	112,896	4,231

p - Preliminary.

1/ Includes all deposits subject to reserve requirements--i.e., the total of time, private demand, and U.S. Government demand deposits. Movements in this aggregate correspond closely with movements in total member bank credit.

2/ Private demand deposits include demand deposits on individuals, partnerships and corporations and net interbank balances.

\* - Deposits have been adjusted for redefinition of time deposits effective June 9.

TABLE C-3  
MONEY SUPPLY AND TIME DEPOSITS AT ALL COMMERCIAL BANKS

Seasonally Adjusted

(Dollar amounts in billions, based  
on monthly averages of daily figures)

Monthly	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits Adjusted
1964--January	153.6	32.6	121.0	113.5
February	153.8	32.8	121.1	114.6
March	154.1	32.9	121.2	115.3
April	154.5	33.0	121.4	116.2
May	154.5	33.3	121.2	117.3
June	155.5	33.4	122.1	118.5
July	156.6	33.6	123.0	119.4
August	157.1	33.8	123.3	121.0
September	158.2	33.9	124.3	122.1
October	158.8	34.0	124.8	123.5
November	159.1	34.2	124.8	125.1
December	159.7	34.2	125.4	126.6
1965--January	160.0	34.5	125.5	128.8
February	159.7	34.7	125.1	131.0
March	160.3	34.7	125.6	132.1
April	161.1	34.7	126.4	133.5
May	160.0	34.9	125.1	134.6
June	161.8	35.0	126.8	135.9
July	162.5	35.2	127.3	137.6
August	162.7	35.4	127.3	140.1
September	164.3	35.6	128.7	141.6
October	165.6	35.9	129.7	143.6
November	165.7	36.1	129.6	145.5
December	167.4	36.3	131.2	147.0
1966--January	168.4	36.7	131.8	148.0
February	168.0	36.8	131.2	148.8
March	169.2	36.9	132.3	149.6
April	171.1	37.1	134.0	151.6
May	169.5	37.3	132.2	152.9
June <u>3/</u>	171.1	37.3	133.8	154.2
July <u>3/</u>	169.5	37.6	131.9	156.0
August p <u>3/</u>	169.1	37.7	131.4	157.8

1/ Includes currency outside the Treasury, the Federal Reserve, and the vaults of all commercial banks.

2/ Includes (1) demand deposits at all commercial banks, other than those due to domestic commercial banks and the U.S. Government, less cash items in process of collection and Federal Reserve float; and (2) foreign demand balances at Federal Reserve Banks.

3/ Deposits have been adjusted for redefinition of time deposits effective June 9.  
p - Preliminary.



TABLE C-3a  
MONEY SUPPLY AND TIME DEPOSITS AT ALL COMMERCIAL BANKS  
Seasonally Adjusted  
(Dollar amounts in billions, based  
on monthly averages of daily figures)

Week Ending	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits adjusted
1966--Feb. 2	167.9	36.7	131.2	148.4
9	168.1	36.9	131.3	148.4
16	168.3	36.8	131.5	148.8
23	167.5	36.9	130.6	149.0
Mar. 2	168.5	36.9	131.6	149.2
9	168.7	36.9	131.8	149.2
16	169.2	36.9	132.3	149.5
23	169.8	36.9	132.9	149.8
30	169.1	36.9	132.2	150.2
Apr. 6	160.1	36.9	133.2	150.7
13	171.2	37.2	134.0	151.2
20	171.3	37.0	134.3	151.7
27	170.8	37.1	133.7	152.1
May 4	170.4	37.2	133.2	152.3
11	170.0	37.2	132.8	152.5
18	169.7	37.3	132.3	152.9
25	169.0	37.3	131.7	153.4
June 1	168.9	37.3	131.6	153.6
8	170.5	37.3	133.2	153.8
15	170.6	37.4	133.2	153.9*
22	172.8	37.4	135.4	154.0*
29	160.6	37.4	133.5	154.5*
July 6	171.2	37.4	133.8	155.0*
13	169.6	37.6	132.1	155.8*
20	169.7	37.7	132.1	156.2*
27	168.6	37.7	130.9	156.6*
Aug. 3	169.3	37.7	131.6	156.9*
10	168.2	37.6	130.6	157.3*
17	169.3	37.7	131.7	158.1*
24 p	169.5	37.7	131.8	158.1*
31 p	169.6	37.8	131.8	158.2*
Sept. 7 (proj)	170.2	37.8	132.4	158.1*

1/ Includes currency outside the Treasury, the Federal Reserve, and the vaults of all commercial banks.

2/ Includes (1) demand deposits at all commercial banks, other than those due to domestic commercial banks and the U.S. Government, less cash items in process of collection and Federal Reserve float; and (2) foreign demand balances of Federal Reserve Banks.

\* - Deposits have been adjusted for redefinition of time deposits effective June 9.  
p - Preliminary.