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## MONEY MARKET AND RESERVE RELATIONSHIPS

Recent developments

Money market conditions tightened in the first half of November, despite a shallower level of net borrowed reserves. Net borrowed reserves averaged about \$230 million in the two latest statement weeks, as compared with \$340 million in the previous two weeks. Member bank borrowings edged up over the past four weeks, but at the same time excess reserves moved to a substantially higher level.

In the first half of November, Federal funds traded more frequently at 6 per cent, and reached a new high effective rate of  $6\frac{1}{2}$  per cent on one day early in the month. Dealer borrowing costs at New York City banks rose and generally held within a new high range, including a rate of  $6\frac{7}{8}$  per cent on new loans. Tightening in these markets was communicated to the Treasury bill market, with the 3-month issue moving up some 25 basis points from its late October low to 5.46 per cent in the most recent weekly auction. Bond yields also have risen in recent weeks, mainly in reaction to large actual and prospective additions to the corporate and municipal calendars and to rumors of a possible offering of FNMA participation certificates later in the year.

Most recently, there has been some easing in money market conditions, especially in bill rates. The sharp decline in bill rates has reflected exceptionally strong bill demand from the public and reduced dealer holdings of short-term bills.

FINANCIAL MARKET RELATIONSHIPS IN PERSPECTIVE

(Monthly averages and, where available, weekly averages of daily figures)

Period	Money Market Indicators				Bond Yields			Flow of Reserves, Bank Credit and Money				
	Free Reserves (In millions of dollars)	Borrowings	Federal Funds Rate	3-month Treasury Bill	U.S. Gov't. (20 yr.)	Corporate New Issues (Aaa) <sup>1/</sup>	Municipal (Aaa)	Non-borrowed Reserves (In millions of dollars) <sup>2/</sup>	Total Reserves	Bank Credit Proxy	Money Supply	Time Deposits <sup>3/</sup>
1965--Oct.	-132	490	4.05	4.02	4.32	4.69	3.31	+134	+ 70	+ 2.3	+ 1.1	+ 2.1
Nov.	- 77	418	4.09	4.08	4.40	4.72	3.34	+ 93	+ 11	+ 1.1	+ 0.4	+ 1.8
Dec.	- 22	452	4.28	4.37	4.50	4.85	3.39	+182	+262	+ 1.8	+ 1.6	+ 1.4
6--Jan.	- 51	431	4.32	4.58	4.52	4.81	3.40	+173	+129	+ 1.6	+ 0.8	+ 0.9
Feb.	-117	474	4.58	4.65	4.71	4.96	3.48	+ 58	+ 78	+ 0.7	+ 0.2	+ 0.7
Mar.	-210	545	4.64	4.58	4.72	5.09	3.55	- 88	+ 57	+ 1.1	+ 0.9	+ 1.0
Apr.	-277	638	4.64	4.61	4.65	5.03	3.46	+206	+256	+ 3.1	+ 1.6	+ 1.9
May	-339	653	4.83	4.63	4.69	5.16	3.53	+ 1	+ 6	+ 1.0	- 0.7	+ 1.6
June	-352	722	5.13	4.50	4.73	5.35	3.60	- 16*	+ 3*	+ 0.9*	+ 0.9	+ 1.5*
July	-361	739	5.18	4.78	4.84	5.48	3.77	+135*	+224*	+ 2.1*	- 1.5	+ 1.9*
Aug.	-383	740	5.45	4.95	4.95	5.64	3.91	-302	-400	- 0.7	--	+ 1.4
Sept.	-390	765	5.30	5.36	4.94	5.82	3.93	+ 5	+129	- 0.1	+ 0.9	+ 0.4
Oct. p	-428	766	5.46	5.33	4.83	5.70	3.83	-134	-195	- 0.7	- 0.9	- 0.3
Oct. 5	-514	828	5.90	5.35	4.89	--	3.86			+ 0.4	+ 0.7	- 0.2
12	-515	928	5.44	5.39	4.89	--	3.86			- 0.9	- 0.5	- 0.2
19 p	-311	790	5.50	5.42	4.86	5.82#	3.83			- 0.9	- 0.6	+ 0.1
26 p	-371	518	4.95	5.25	4.76	5.60	3.75			+ 1.8	- 0.7	- 0.4
Nov. 2 p	-316	594	5.90	5.25	4.78	5.60	3.72			- 0.1	--	- 0.1
9 p	-231	646	5.81	5.36	4.84	--	3.72			- 0.3	- 0.2	+ 0.1
16 p	-227	711	5.94	5.43	4.90	5.90	3.81			- 1.3	+ 0.4	+ 0.1
Year 1965	- 90	467	4.05	3.95	4.27	4.69	3.16	+ 4.3	+ 5.3	+ 9.1	+ 4.7	+16.0
First half 1966	-228	576	4.69	4.59	4.67	5.12	3.51	+ 3.0	+ 4.6	+ 7.1*	+ 4.7	+10.3*
<b>Recent variations in growth</b>												
May 11-July 6	-365	719	5.05	4.56	4.72	5.32	3.61			+ 6.3*	+ 2.3	+12.8*
July 6-Aug. 10	-410	738	5.32	4.81	4.85	5.55	3.80			- 3.1	-13.4	+12.7
Aug. 10-Nov. 16	-370	730	5.48	5.28	4.91	5.79	3.87			- 1.3	+ 0.9	+ 0.9

<sup>1/</sup> From January 1966 to date, issues carry a 5-year call protection; # one issue included carries a 7-1/2 year call protection.

<sup>2/</sup> Reserve series revised to reflect reserve requirements effective in mid-September.

<sup>3/</sup> Time deposits adjusted at all commercial banks.

<sup>4/</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, 1966.

p - Preliminary.

The taut atmosphere in the central money market that obtained until the last few days was partly related to a sharp deterioration in the basic reserve positions of major money market banks, notably those in New York. Recently major money market banks have again increased their efforts to tap the Euro-dollar market for funds. In the four weeks ending November 9, the net inflows of such funds totaled about \$750 million, almost as much as the record July inflow. However, in the succeeding week a significant reflow, possibly associated with beginning of year-end window dressing abroad, has occurred.

The reasons for the surge in borrowing abroad in October and early November are not exactly clear, but it was probably related to the higher cost of Federal funds recently, and to current and prospective problems of replacing maturing CD's. The increase in foreign borrowing -- as well as the recent tightening in money market conditions -- is also related to the limited supply of reserve funds made available to banks through open market operations and perhaps to reluctance to borrow from the Federal Reserve. Final figures for October indicate that nonborrowed reserves declined at a 7 per cent annual rate and total reserves at a 10 per cent rate in that month. Such reserves have declined markedly since mid-summer, and as a result they have now increased at rates of only 0.2 and 1.5 per cent, respectively, since the beginning of the year. Indications are that the flow of reserve funds to banks was less restrictive in the first half of November than in October, with nonborrowed reserves rising considerably more than seasonally.

The decline in deposits supported by reserves in October was reflected in rates of decline of almost 6.5 per cent in the money supply and nearly 2.5 per cent in time deposits. With part of these declines offset by increases in U.S. Government deposits, total member bank deposits fell at a 3.5 per cent rate, the third successive month of decline. The decline in bank credit in October (on an average daily basis) was somewhat less than indicated by total deposits; borrowing from abroad would provide a 1 percentage point offset to this decline.

Prospective developments

Money market conditions and marginal reserve levels, as they have developed so far in November, appear consistent with about a 3 per cent rate of decline in total member bank deposits for the month on average. The large borrowing from abroad that developed in late October and continued into early November would, however, largely offset this decline in terms of bank credit effects unless year-end window dressing reflows continue.

Money supply in November is projected to increase at less than a 1 per cent rate, a smaller increase than the 2-3 per cent rate projected for that month in the previous blue book. This weaker money supply performance seems mainly attributable to a smaller growth in loans than was anticipated, including business loans, security loans, and loans to finance companies. Time deposits at all commercial banks are still projected to rise slightly for the month, while U.S. Government deposits are expected to show a somewhat greater decline than anticipated three weeks ago.

Government deposits are expected to show an even larger decline in December (seasonally adjusted), despite the \$1.2 billion bill strip financing to be paid on November 25 and a comparable amount of tax bills assumed to be paid around mid-December. The Government deposit decline reflects mainly our projections of Federal cash payments, which we expect to run several hundred million dollars above a year ago throughout the month. The decline in Government deposits is likely to be associated with a marked resurgence in money supply growth, unless greater than seasonal loan repayments extinguish deposits.

With Treasury deposits in tax and loan accounts reaching low levels before mid-December, it is possible that the Treasury balance at the Federal Reserve will be drawn to near zero and that the Treasury may have to borrow directly from the System. Depending on their timing, such developments could reduce the amount of reserves (currently estimated at about \$1 billion) that would have to be supplied by the System through open market transactions with dealers between now and the first week of December, or they could necessitate offsetting open market sales.

These possibilities suggest that some greater than usual seasonal pressures on bill rates might develop in forthcoming weeks. Dealer positions in longer term bills are fairly sizable at present, and they may be augmented in current and prospective bill financings. On the other hand, the relatively low dealer position in short-term bills and the possibility of sustained bill demand as a result of CD run-offs and of enlarged capital market issues may provide some offset. All in all,

the 3-month bill may fluctuate in a 5.25-5.50 per cent range over the next few weeks if net borrowed reserves remain in the \$200-300 million range.

So long as the bill rate remains near the lower end of this range, the CD run-off in December might be held down to the order of \$600 million or so and this probably would result in a slight further decline in total member bank deposits. On the other hand, if the 3-month bill rises toward the upper part of the 5.25-5.50 range, CD's will come under more pressure and the run-off in December could approach the September-October dimension of \$1.2 billion per month.

It might well be necessary, however, to move net borrowed reserves to a shallower level than has prevailed in the past two weeks in order to keep bill rates from rising much above current levels. Under such conditions, the Federal funds rate would be likely to drop to a level averaging closer to 5 per cent, dealer financing costs should decline further, and dealers would find it more comfortable to finance their inventories -- not only of bills but also of coupon issues. These developments would also tend to moderate rate pressures in long-term markets, as expectations of monetary easing took hold.

It is doubtful that even these money market and net reserve conditions, however, would result in any appreciable expansion in bank credit between now and year-end. While the outlook is quite conjectural at this early date -- given the uncertainties about defense spending and about prospects for a more restrictive fiscal policy -- it looks at

the moment as if encouragement of a moderate bank credit expansion in December in, say, the 2-4 per cent annual rate range, would require a 3-month bill rate moving down close to 5 per cent and a substantially more comfortable net reserve position for banks, perhaps on the order of zero.



Chart 1a

# MEMBER BANK RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

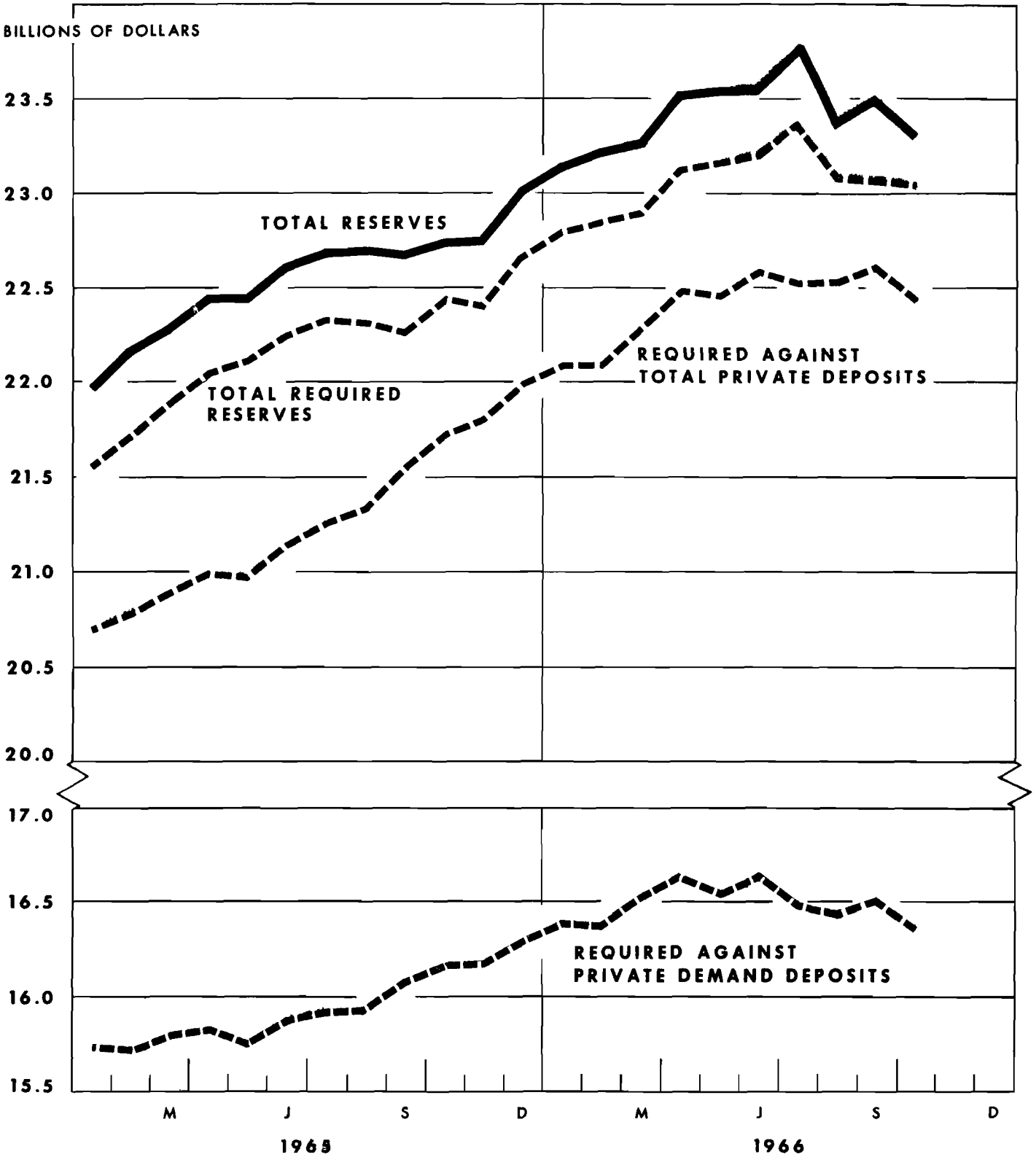


Chart 1b

# MEMBER BANK RESERVES

MONTHLY AVERAGES OF DAILY FIGURES

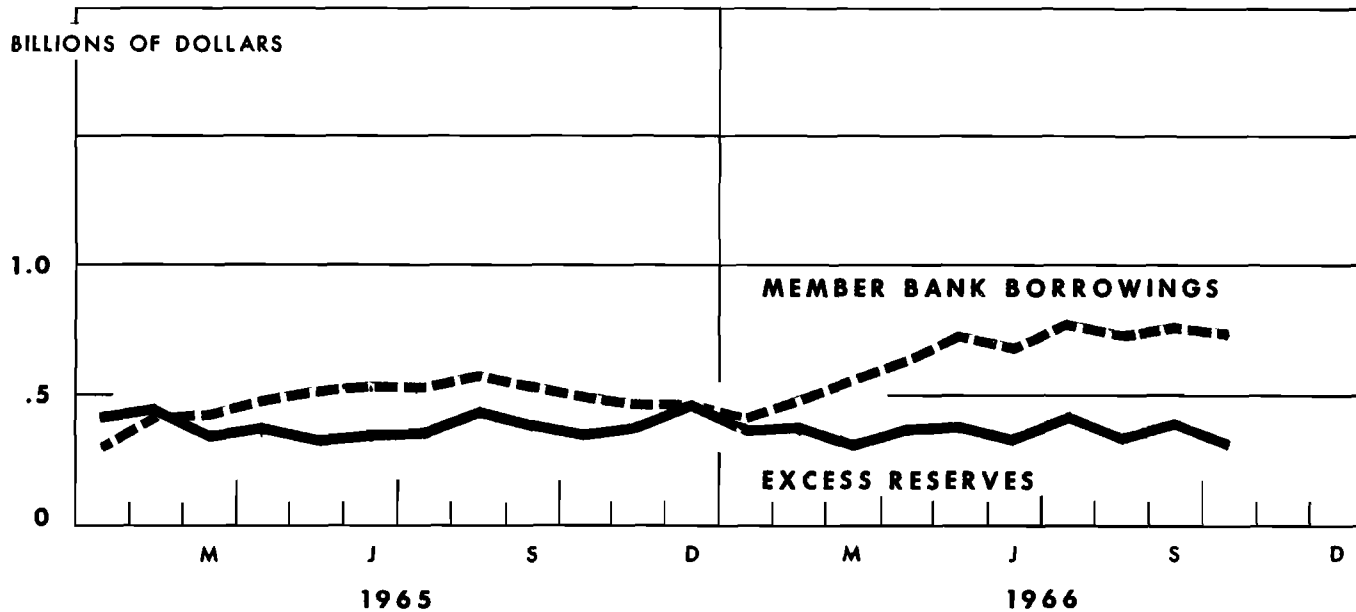
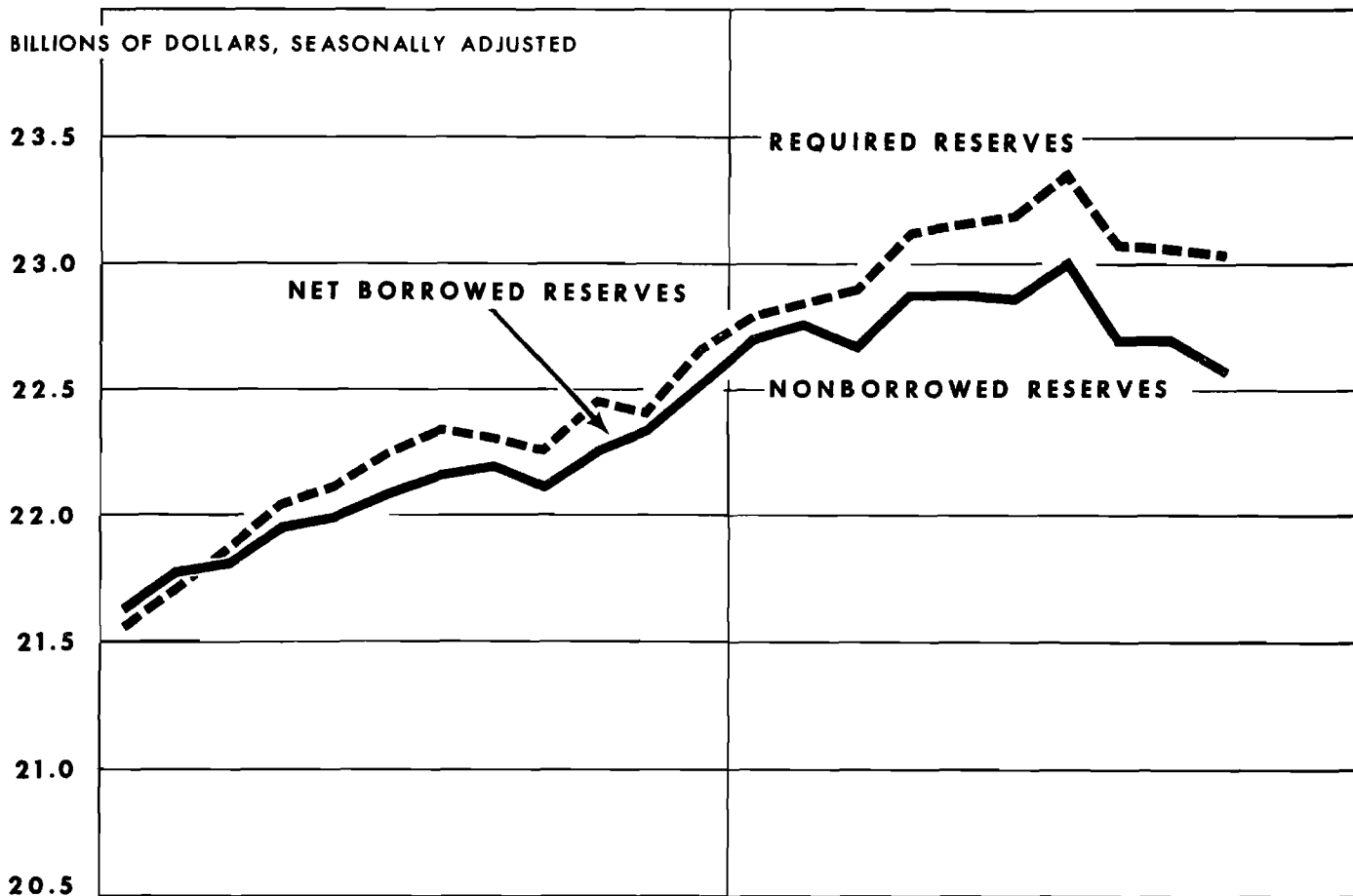
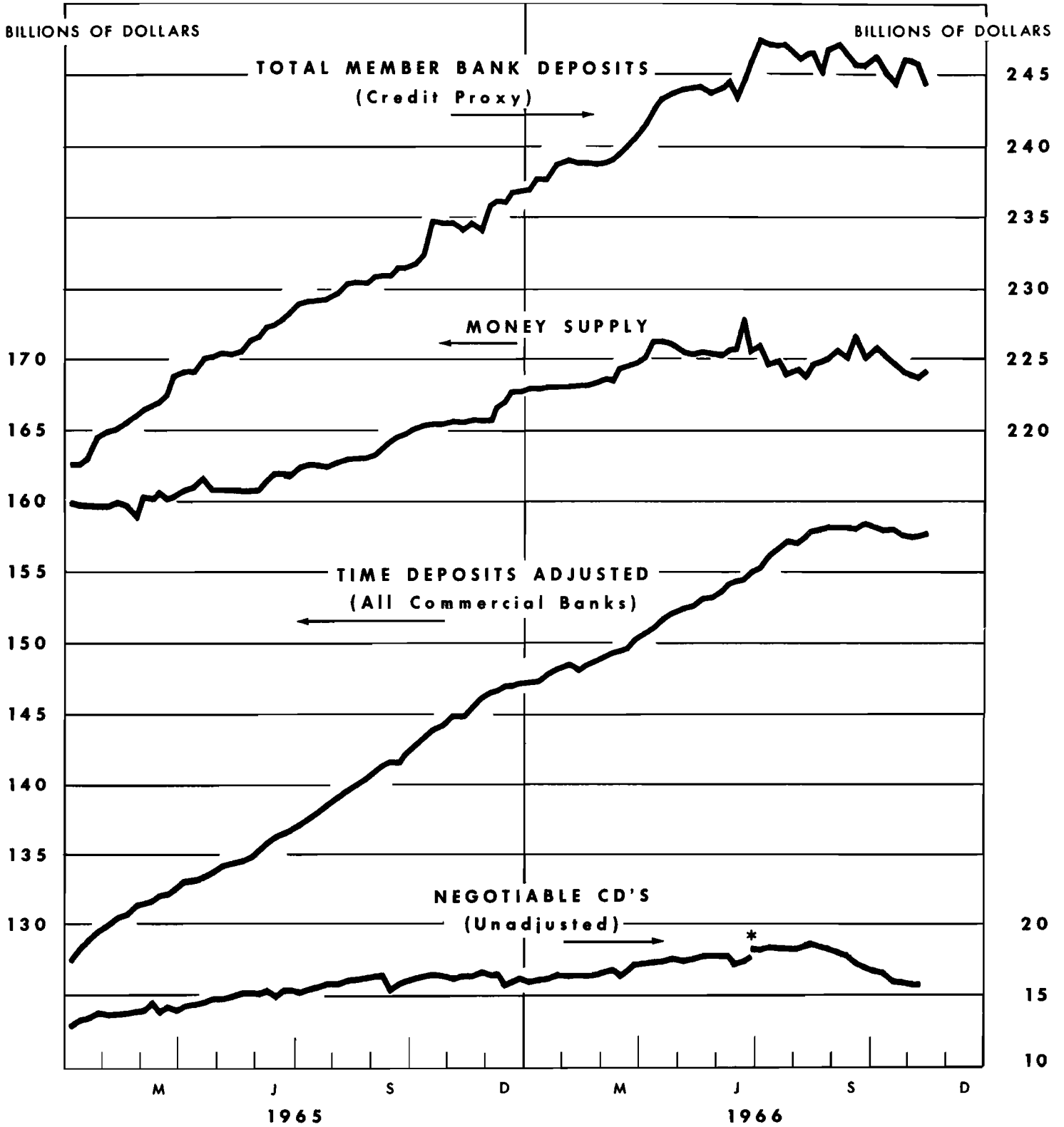


Chart 2

# 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

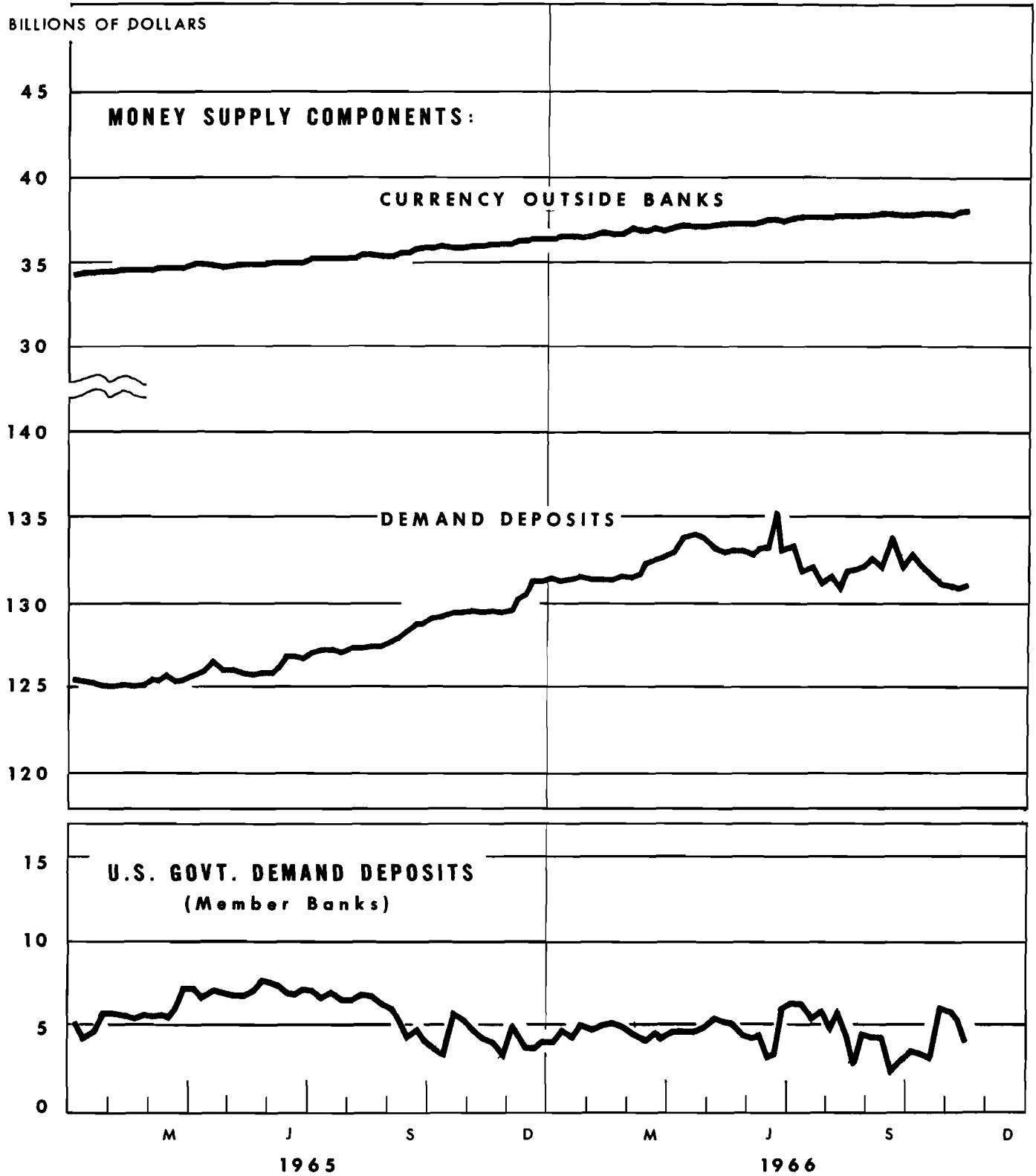


Table A-1

## 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--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	357	740	-383		
September	375	765	-390		
October p	338	766	-428		
<b>Weekly:</b>					
1966--Aug. 3	353	778	-425	-427	-427
10	461	782	-321	-383	-417
17	277	730	-453	-466	-487
24	374	719	-345	-442	-482
31	364	691	-327	-422	-447
Sept. 7	337	749	-412	-419	-440
14	504	888	-384	-410	-439
21	592	771	-179	-198	-206
28	67	650	-583	-568	-542
Oct. 5	314	828	-514	-439	-439
12	413	928	-515	-511	-489
19 p	479	790	-311	-297	-308
26 p	147	518	-371	-366	-376
Nov. 2 p	278	594	-316	-301	-302
9 p	415	646	-231	-249	-224
16 p	484	711	-227	-227	-244

p - Preliminary

TABLE A-2

## AGGREGATE RESERVES AND RELATED MEASURES

Retrospective Changes, Seasonally Adjusted  
(In per cent, annual rates based on monthly averages of daily figures)

	R e s e r v e   A g g r e g a t e s				M o n e t a r y   V a r i a b l e s			
	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>								
1964	+ 4.2	+ 4.6	+ 4.9	+ 3.1	+ 7.6	+12.8	+ 4.3	+ 4.0
1965	+ 5.3	+ 4.3	+ 5.3	+ 2.3	+ 9.1	+16.0	+ 4.7	+ 4.4
<b>Monthly:</b>								
1965--July	+ 3.7	+ 4.1	+ 4.8	- 2.0	+ 7.3	+15.0	+ 5.2	+ 4.7
August	+ 0.4	+ 1.5	- 1.8	- 4.0	+ 7.0	+18.3	+ 4.4	+ 2.8
September	- 1.2	- 3.9	- 2.2	- 6.8	+ 3.9	+13.7	+ 8.1	+ 9.4
October	+ 3.7	+ 7.3	+ 9.7	+ 5.1	+12.2	+17.8	+ 8.0	+ 7.5
November	+ 0.6	+ 5.0	- 2.0	- 3.9	+ 5.4	+15.0	+ 2.9	+ 1.9
December	+13.8	+ 9.8	+13.7	+ 8.2	+ 9.4	+11.5	+11.6	+13.0
1966--January	+ 6.7	+ 9.5	+ 6.9	+11.3	+ 8.3	+ 7.4	+ 5.7	+ 4.6
February	+ 4.0	+ 3.1	+ 2.9	+ 3.8	+ 3.7	+ 5.7	+ 1.4	--
March	+ 2.9	- 4.6	+ 2.7	+ 4.0	+ 5.3	+ 8.1	+ 7.8	+ 8.2
April	+13.2	+10.9	+11.9	+11.7	+15.6	+15.3	+11.3	+12.7
May	+ 0.3	+ 0.1	+ 2.1	- 4.8	+ 4.7	+12.7	- 4.9	- 7.2
June <sup>2/</sup>	+ 0.2	- 0.8	+ 1.6	+ 1.3	+ 4.5	+11.8	+ 6.3	+ 7.2
July <sup>2/</sup>	+11.4	+ 7.1	+ 8.4	+ 2.5	+10.7	+14.8	-10.5	-16.2
August <sup>2/</sup>	-20.2	-15.8	-14.8	-16.9	- 3.2	+10.7	--	- 0.9
September <sup>2/</sup>	+ 6.6	- 0.3	- 0.2	- 3.0	- 0.2	+ 3.0	+ 6.4	+ 7.3
October <sup>2/</sup> p	-10.0	- 7.1	- 1.3	- 1.8	- 3.4	- 2.3	- 6.3	- 8.1

<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 and September.

p - Preliminary.

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 in total reserves	= Bank use of reserves	
	Federal Reserve credit (excl. float) 1/	Gold stock	Currency outside banks	Technical factors net 2/		Required reserves 3/	Excess reserves
<u>ACTUAL</u>							
<u>Year:</u>							
1964 (1/1/64 - 12/30/64)	+3,127	-125	-2,281	-185	+534	+766	-232
1965 (12/30/64 - 12/29/65)	+4,035	-1,602	-2,143	+798	+1,089	+1,188	- 99
<u>Year-to-date:</u>							
(12/30/64 - 11/17/65)	+3,089	-1,529	-1,446	-228	-113	+132	-245
(12/29/65 - 11/16/66)	+2,670	-527	-1,466	-451	+224	+203	+ 21
<u>Weekly:</u>							
1966--Oct. 5	+692	+ 1	-270	+ 56	+481	+234	+247
12	+110	--	-443	+ 77	-256	-355	+ 99
19 p	-630	- 2	+171	+411	- 51	-117	+ 66
26 p	+ 20	--	+258	-322	- 43	+289	-332
Nov. 2 p	+304	+ 1	+ 15	-204	+114	- 17	+131
9 p	+509	+ 1	-653	+141	- 1	-139	+138
16 p	+ 5	+ 1	+159	+ 82	- 73	-141	+ 68
<u>PROJECTED 4/</u>							
Nov. 23	-230	--	- 75	+325	+ 20	+ 20	--
30	+315	--	+ 50	-225	+140	+140	--
Dec. 7	+665	--	-445	-170	+ 50	+ 50	--
14	-205	--	- 65	+285	+ 15	+ 15	--
21	-320	--	- 50	+915	+545	+545	--
28	+ 85	--	-160	+130	+ 55	+ 55	--
Jan. 4	- 70	--	+555	-225	+260	+260	--
11	- 20	--	- 40	-290	-350	-350	--
18	-670	--	+420	+ 50	-200	-200	--
25	-235	--	+245	-225	-215	-215	--

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

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.

p - Preliminary.

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
<b>ACTUAL</b>							
<u>Year:</u>							
1964 (1/1/64 - 12/30/64)	+766	+ 13	+753	-222	- 12	+511	+476
1965 (12/30/64 - 12/29/65)	+1,188	- 89	+1,277	+115	- 4	+499	+667
<u>Year-to-date:</u>							
(12/30/64 - 11/17/65)	+132	-442	+574	-350	+ 5	+303	+616
(12/29/65 - 11/16/66)	+203	-361	+564	-452	+ 10	-134	+1,140 <u>1/</u>
<u>Weekly:</u>							
1966--Oct. 5	+234	+ 67	+167	+135	+ 5	+ 35	- 8
12	-355	-299	- 56	+112	- 5	-162	- 1
19 p	-117	-181	+ 64	+163	- 4	- 84	- 11
26 p	+289	+333	- 44	+ 23	--	- 35	- 32
Nov. 2 p	- 17	-119	+102	+ 84	- 10	+ 25	+ 3
9 p	-139	- 18	-121	- 46	- 9	- 53	- 13
16 p	-141	-180	+ 39	+ 57	- 14	- 12	+ 8
<b>PROJECTED</b>							
Nov. 23	+ 20	- 80	+100	-105	- 5	+210	--
30	+140	+130	+ 10	- 20	+ 5	+ 25	--
Dec. 7	+ 50	-100	+150	+130	- 5	+ 25	--
14	+ 15	-255	+270	+295	- 5	- 20	--
21	+545	+155	+390	+310	- 15	+100	- 5
28	+ 55	+350	-295	-175	+ 5	-125	--
Jan. 4	+260	- 95	+355	+335	+ 25	- 5	--
11	-350	-235	-115	-140	+ 15	+ 10	--
18	-200	- 50	-150	-115	+ 15	- 50	--
25	-215	+ 5	-220	-230	+ 10	--	--

1/ Reflects reserve requirement changes in July and August.

p - Preliminary.



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
<b>ACTUAL</b>					
(Sign indicates effect on reserves)					
<b>Year:</b>					
1964 (1/1/64 - 12/30/64)	-185	-476	+132	- 37	+196
1965 (12/30/64 - 12/29/65)	+798	+294	-171	+ 77	+598
<b>Year-to-date:</b>					
(12/30/64 - 11/17/65)	-228	- 83	-896	+ 43	+708
(12/29/65 - 11/16/66)	-451	+249	-762	- 2	+ 64
<b>Weekly:</b>					
1966--Oct. 5	+ 56	+344	-372	- 5	+ 89
12	+ 77	+ 36	+ 55	- 7	- 7
19	+411	- 23	+275	+ 5	+154
26	-322	-227	-112	+ 21	- 4
Nov. 2	-204	+112	-273	- 28	- 15
9	+141	+ 78	+120	- 7	- 50
16	+ 82	+ 48	+ 61	+ 32	- 59
<b>PROJECTED</b>					
Nov. 23	+325	+ 45	+450	- 15	-155
30	-225	+155	-380	--	--
Dec. 7	-170	--	-170	--	--
14	+285	--	+230	--	+ 55
21	+915	--	+855	--	+ 60
28	+130	--	+130	--	--
Jan. 4	-225	--	-265	--	+ 40
11	-290	--	-385	--	+ 95
18	+ 50	--	+ 50	--	--
25	-225	--	-225	--	--

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				
<b>Year:</b>								
1964 (1/1/64 - 12/30/64)	+3,217	+3,281	+1,985	+1,022	+274	-100	- 54	
1965 (12/30/64 - 12/29/65)	+4,035	+3,916	+3,145	+ 916	-145	+ 77	+ 42	
<b>Year-to-date:</b>								
(12/30/64 - 11/17/65)	+3,089	+3,112	+2,562	+ 916	-366	- 8	- 15	
(12/29/65 - 11/16/66)	+2,670	+2,563	+2,195	+ 439	- 71	- 58	+165	
<b>Weekly:</b>								
1966--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	
14	+ 96	- 41	- 82	--	+ 41	- 2	+139	
21	- 526	- 411	- 370	--	- 41	+ 2	-117	
28	- 155	- 32	- 32	--	--	- 2	-121	
Oct. 5	+ 692	+ 506	+ 496	--	+ 10	+ 8	+178	
12	+ 110	- 30	- 20	--	- 10	+ 40	+100	
19	- 630	- 448	- 448	--	--	- 44	-138	
26	+ 20	+ 273	+ 194	--	+ 79	+ 19	-272	
Nov. 2	+ 304	+ 225	+ 243	--	- 18	+ 3	+ 76	
9	+ 509	+ 455	+ 323	--	+132	+ 2	+ 52	
16	+ 5	- 59	- 16	--	- 43	- 1	+ 65	

Chart Reference Table C-1

TOTAL, NONBORROWED AND REQUIRED RESERVES

Seasonally Adjusted

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

Period	Total reserves	Nonborrowed reserves	Required reserves		
			Total	Against private deposits	
				Total	Demand
1964--January	20,964	20,673	20,542	19,679	15,295
February	20,996	20,711	20,601	19,748	15,321
March	21,179	20,875	20,754	19,796	15,344
April	21,209	20,931	20,783	19,855	15,364
May	21,105	20,911	20,765	19,910	15,371
June	21,385	21,135	20,972	19,993	15,409
July	21,436	21,150	21,015	20,118	15,495
August	21,551	21,256	21,172	20,247	15,575
September	21,776	21,422	21,333	20,387	15,665
October	21,739	21,409	21,346	20,486	15,709
November	21,872	21,487	21,499	20,547	15,713
December	21,843	21,585	21,526	20,634	15,746
1965--January	21,960	21,625	21,563	20,702	15,730
February	22,157	21,771	21,713	20,765	15,717
March	22,279	21,814	21,868	20,881	15,789
April	22,449	21,953	22,036	20,985	15,831
May	22,436	21,994	22,109	20,962	15,750
June	22,612	22,082	22,243	21,138	15,877
July	22,682	22,158	22,332	21,247	15,912
August	22,689	22,186	22,299	21,331	15,916
September	22,667	22,114	22,259	21,553	16,071
October	22,737	22,248	22,439	21,720	16,151
November	22,748	22,341	22,402	21,803	16,168
December	23,010	22,523	22,657	21,970	16,285
1966--January	23,139	22,701	22,788	22,075	16,364
February	23,217	22,759	22,844	22,084	16,356
March	23,274	22,671	22,896	22,269	16,510
April	23,530	22,877	23,123	22,477	16,625
May	23,536	22,878	23,163	22,453	16,534
June <u>1/</u>	23,539	22,862	23,193	22,582	16,626
July <u>1/</u>	23,763	22,997	23,355	22,511	16,468
August <u>1/</u>	23,363	22,695	23,067	22,517	16,428
September <u>1/</u>	23,492	22,700	23,064	22,598	16,498
October p <u>1/</u>	23,297	22,691	23,039	22,429	16,352

p - Preliminary.

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

Table C-2

## DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally Adjusted

(Dollar amounts in billions, 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	202.8	93.5	104.4	4.9
February	203.8	94.4	104.6	4.8
March	205.1	94.9	104.7	5.4
April	206.0	95.8	104.9	5.3
May	206.6	96.8	104.9	4.9
June	208.7	97.7	105.2	5.8
July	209.3	98.6	105.8	5.0
August	211.3	99.6	106.3	5.4
September	213.1	100.8	106.9	5.5
October	214.1	101.9	107.2	5.0
November	216.1	103.1	107.3	5.7
December	216.7	104.2	107.5	5.0
1965--January	218.4	106.0	107.4	5.0
February	220.4	107.6	107.3	5.5
March	222.5	108.6	107.8	6.1
April	224.6	109.9	108.1	6.7
May	225.8	111.1	107.5	7.2
June	227.7	112.2	108.4	7.1
July	229.1	113.8	108.6	6.7
August	230.4	115.5	108.6	6.3
September	231.1	116.9	109.7	4.6
October	233.5	118.7	110.2	4.5
November	234.5	120.2	110.4	4.0
December	236.4	121.2	111.2	4.0
1966--January	238.0	121.8	111.7	4.5
February	238.7	122.1	111.6	5.0
March	239.8	122.8	112.7	4.3
April	242.9	124.8	113.5	4.7
May	243.9	126.2	112.9	4.8
June <u>3/</u>	244.8	127.0	113.5	4.3
July <u>3/</u>	246.9	128.8	112.4	5.6
August <u>3/</u>	246.2	129.8	112.1	4.2
Sept. <u>3/</u>	246.2	130.1	112.6	3.5
Oct. <u>3/</u> p	245.5	129.6	111.6	4.3

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, 1966.

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--May 4	243.9	125.6	113.0	5.3
11	244.0	126.0	113.0	5.1
18	244.1	126.2	112.9	5.0
25	243.6	126.4	112.8	4.4
June 1	244.0	126.6	113.1	4.2
8	244.4	126.8	113.2	4.3
15*	243.3	126.7	113.4	3.2
22*	244.7	126.4	115.0	3.3
29*	245.8	127.1	112.8	5.9
July 6*	247.3	127.9	113.0	6.3
13*	247.1	128.7	112.2	6.2
20*	247.0	129.0	112.6	5.4
27*	247.1	129.2	112.1	5.8
Aug. 3*	246.1	129.2	112.1	4.8
10*	246.3	129.4	111.1	5.7
17*	246.5	129.9	112.3	4.3
24*	245.0	130.1	112.1	2.8
31*	246.8	130.3	112.2	4.4
Sept. 7*	247.0	130.2	112.5	4.3
14*	246.5	130.2	112.1	4.2
21*	245.7	129.8	113.7	2.2
28*	245.7	130.0	112.8	2.9
Oct. 5*	246.2	129.8	112.8	3.5
12*	245.2	129.8	112.1	3.3
19*	244.3	129.8	111.5	3.0
26*	246.1	129.3	111.0	5.9
Nov. 2p*	246.0	129.3	111.1	5.6
9p*	245.7	129.3	111.1	5.3
16p*	244.3	129.3	111.0	4.0

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 of individuals, partnerships and corporations and net interbank balances.

\* - Deposits have been adjusted for redefinition of time deposits effective June 9, 1966.

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--October	158.8	34.0	124.8	123.5
November	159.0	34.1	124.8	125.1
December	159.7	34.2	125.4	126.6
1965--January	159.7	34.5	125.3	128.7
February	159.8	34.6	125.2	130.7
March	160.3	34.7	125.6	132.0
April	161.0	34.8	126.2	133.3
May	160.7	34.9	125.8	134.6
June	161.7	35.0	126.7	136.2
July	162.4	35.3	127.2	137.9
August	163.0	35.5	127.5	140.0
September	164.1	37.7	128.5	141.6
October	165.2	36.0	129.3	143.7
November	165.6	36.1	129.5	145.5
December	167.2	36.3	130.9	146.9
1966--January	168.0	36.6	131.4	147.8
February	168.2	36.8	131.4	148.5
March	169.3	36.9	132.3	149.5
April	170.9	37.2	133.7	151.4
May	170.2	37.3	132.9	153.0
June <u>3/</u>	171.1	37.4	133.7	154.5
July <u>3/</u>	169.6	37.7	131.9	156.4
August <u>3/</u>	169.6	37.8	131.8	157.8
September <u>3/</u>	170.5	37.9	132.6	158.2
October <u>3/p</u>	169.6	37.9	131.7	157.9

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, 1966.

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--May 4	170.4	37.2	133.2	152.4
11	170.3	37.3	133.0	152.5
18	170.5	37.3	133.1	153.1
25	170.3	37.3	133.1	153.2
June 1	170.2	37.3	132.9	153.7
8	170.6	37.4	133.2	154.1
15	170.7	37.5	133.3	154.3*
22	172.7	37.5	135.3	154.4*
29	170.5	37.4	133.1	155.0*
July 6	170.9	37.6	133.3	155.5*
13	169.6	37.7	132.0	156.1*
20	169.8	37.7	132.1	156.6*
27	168.9	37.7	131.2	157.1*
Aug. 3	169.2	37.7	131.6	157.0*
10	168.7	37.8	130.9	157.4*
17	169.7	37.8	131.9	157.9*
24	169.8	37.8	132.0	158.0*
31	170.0	37.7	132.2	158.2*
Sept. 7	170.5	37.8	132.6	158.2*
14	170.1	38.0	132.1	158.2*
21	171.7	38.0	133.7	158.1*
28	170.0	37.9	132.1	158.4*
Oct. 5	170.7	37.9	132.8	158.2*
12	170.2	38.0	132.2	158.0*
19	169.6	37.9	131.7	158.1*
26	168.9	37.9	131.0	157.7*
Nov. 2 p	168.9	37.8	131.0	157.6*
9 p	168.7	38.0	130.8	157.7*
16 p	169.1	38.1	131.0	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 of Federal Reserve Banks.

\* - Deposits have been adjusted for redefinition of time deposits effective June 9, 1966.

p - Preliminary