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August 11, 1967.

MONEY MARKET AND RESERVE RELATIONSHIPS

Recent developments

Spurred by large business tax payment financing needs and a sizable Treasury tax bill financing, the pace of bank credit expansion accelerated in June and July and continued relatively high in early August. In July, bank credit (as measured by the daily average bank credit proxy) expanded at a 15.2 per cent annual rate. This was at the top of the 13-15 per cent range for the month projected at the last FOMC meeting. (After including borrowing abroad through foreign branches, bank credit rose by 16 per cent in July). The slightly higher growth rate in bank credit reflected a somewhat longer lasting expansion in private demand deposits than had been projected, as the tax bills banks acquired by crediting tax and loan accounts in the second week of July were sold off more slowly than originally assumed. Time and savings deposits during July expanded in line with projections at a 14.5 per cent annual rate.

The money supply, which had been expanding rapidly since the beginning of May, largely in reflection of a sharp decline in U.S. Government deposits, grew 11.5 per cent in July on average.^{1/} Most of last month's growth in the money supply occurred early in the month,

^{1/} The money supply and other deposit and reserve series have been revised to reflect new seasonals and benchmark data, as explained in the appendix to the Green Book. The effect of the seasonal revisions was to add 4 percentage points to the annual rate of growth in the money supply in July (as compared with what it would have been with the old seasonals) and to take away almost the same amount from May and June together.

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) ^{1/}	Municipal (Aaa)	Non-borrowed Reserves (In millions of dollars)	Total Reserves	Bank Credit Proxy (In billions of dollars)	Money Supply (In billions of dollars)	Time Deposits ^{2/}	
								(Seasonally Adjusted) (SERIES REVISED)					
1966--July	-359	439	5.18	4.78	4.84	5.48**	3.77	+110*	+154*	+ 1.9*	- 0.7	+ 2.1	
Aug.	-374	740	5.45	4.95	4.95	5.64**	3.91	-240	-290	- 0.2	+ 0.2	+ 1.2	
Sept.	-390	765	5.30	5.36	4.94	5.82**	3.93	- 36	+ 84	- 0.1	+ 0.4	+ 0.7	
Oct.	-425	766	5.46	5.33	4.83	5.70**	3.82	-116	-131	- 0.9	- 0.4	+ 0.2	
Nov.	-235	605	5.75	5.31	4.88	5.71	3.78	+150	- 59	- 0.6	--	- 0.3	
Dec.	-196	529	5.39	4.96	4.76	5.73	3.79	- 13	- 16	+ 0.4	+ 0.3	+ 1.3	
1967--Jan.	- 59	476	4.87	4.72	4.51	5.43	3.50	+475	+359	+ 3.3	- 0.1	+ 2.2	
Feb.	+ 42	366	4.99	4.56	4.61	5.18	3.38	+325	+218	+ 3.3	+ 1.2	2.6	
Mar.	+172	196	4.50	4.26	4.56	5.31	3.47	+555	+415	+ 3.0	+ 1.6	2.6	
Apr.	+199	150	4.03	3.84	4.64	5.38	3.50	+ 92	+ 49	+ 2.1	- 0.3	+ 2.0	
May	+275	94	3.94	3.60	4.90	5.62	3.71	+ 96	- 8	+ 1.2	+ 1.6	+ 1.9	
June	+257	88	3.97	3.53	4.99	5.79	3.80	+ 95	+164	+ 2.0	+ 1.7	+ 2.5	
July p	+309	132	3.78	4.20	5.01	5.78	3.86	+307	+223	+ 3.2	+ 1.7	+ 2.1	
1967--July 12	+574	69	3.98	4.19	4.97	5.74	3.87			+ 1.3	+ 0.5	+ 0.8	
19	+185	51	3.45	4.17	4.96	5.76	3.85			+ 2.2	- 0.4	+ 0.4	
26 p	+370	54	3.90	4.26	5.05	5.88	3.85			+ 0.6	+ 0.4	+ 0.2	
Aug. 2 p	+175	116	3.75	4.15	5.07	5.82	3.75			+ 1.2	+ 0.2	+ 0.7	
9 p	+324	91	4.02	4.17	5.10	5.82	3.75			+ 0.7	+ 0.1	+ 0.9	
			<u>Averages</u>						<u>Annual rates of increase ^{3/}</u>				
Year 1966	-283	672	5.06	4.85	4.77	5.41	3.67	+ 0.8*	+ 1.2*	+ 3.7*	+ 2.2	+ 8.8	
Second Half 1966	-338	763	5.39	5.12	4.87	5.74	3.83	- 1.3*	- 2.3*	+ 0.3*	- 0.2	+ 6.5	
First Half 1967	+153	222	4.38	4.09	4.70	5.45	3.56	+15.0	+10.7	+12.1	+ 6.8	+17.3	
<u>Recent variations in growth</u>													
July 6-Nov. 16	-346	732	5.43	5.13	4.89	5.72	3.85			- 2.1	- 0.6	+ 4.2	
Nov. 16-Mar. 29	- 23	397	5.01	4.70	4.64	5.36	3.57			+12.4	+ 5.6	+16.4	
Mar. 29-Aug. 9	+259	114	3.94	3.81	4.90	5.68	3.72			+11.0	+ 7.9	+15.8	

^{1/} Includes issues carrying 5-year and 10-year call protection; ** issues carry a 5-year call protection.

^{2/} Time deposits adjusted at all commercial banks.

^{3/} Base is average for month preceding specified period or in case of weekly periods, the first week shown.

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

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as sizable repayments of banks' business loans did not develop as soon as expected following the bulge in such lending over the June tax period. But beginning after mid-July growth in the money supply leveled off, as considerably larger than usual net repayments of business loans occurred and continued into early August.

These demands for credit and money were accommodated almost by a 16 per cent expansion in nonborrowed reserves during July. As a result member bank borrowings remained relatively low. Federal funds and dealer loan rates were mostly at the low end of their recent ranges in the latter part of July, with the Federal funds rate averaging around $3\frac{3}{4}$ per cent and dealer new loan rates in New York around $4\frac{1}{8}$ per cent. In the latest statement week ending August 9, the funds rate has averaged slightly above 4 per cent, and dealer loan rates have moved up some.

In the bill market, rates fluctuated fairly sharply in the second half of July, but since then the 3-month Treasury bill rate has tended to stabilize around its mid-July level. Most recently, the 3-month bill was quoted at 4.17 per cent. Longer-term bills have drifted up in yield on balance, partly in reflection of the flotation of the Treasury's new 15-month note, with the 1-year bill most recently at 5.10 per cent. The President's tax message did not elicit any extensive reaction on interest rates in money and capital markets, but may have contributed to the apparent modest lessening of credit market pressures in private capital markets.

Member bank borrowings have averaged \$78 million during the past four statement weeks, little changed from previous weeks (except for the high borrowings during the week containing the banks' midyear statement date and the July 4 holiday). At the same time excess reserves have averaged \$342 million in the past four statement weeks, down from the previous four weeks which included a seasonal bulge in the second week of July. Free reserves averaged \$264 million during the weeks since the previous meeting.

Prospective developments

Credit expansion is expected to slacken during August, with an annual rate of growth in the bank credit proxy of 5-7 per cent expected from the week ending August 2 to the week ending August 30. But for the month on average the bank credit proxy is expected to grow by a 14-16 per cent annual rate, in large part reflecting the carry-over effect on the August average of the bank credit growth in July.

In the previous Blue Book the bank credit projection for the month had assumed that the Treasury would raise no new cash in connection with the mid-August refunding and that the next cash financing would be in early September. The current bank credit projection for August includes the effect of the Treasury cash refunding with payment date at midmonth, which raised about \$300 million of new cash and avoided attrition that we had earlier estimated might be as much as \$500 million. In addition, it allows for a \$2½ billion for new cash financing to be paid for at the end of August. This financing may include a note offering, with a coupon attractive to banks.

The new August projection would lead to a July-August average bank credit expansion of 14-16 per cent, as compared with 10-12 per cent shown in the last Blue Book. About half of the difference reflects the different Treasury financing pattern that is emerging. The recent strength in business loans persisted longer than expected, but large repayments have recently developed, as earlier noted.

A slower rate of expansion in the money supply is also expected in August, as loan demands are expected to continue quite moderate over the balance of the month. On average in August, money supply may expand at about a 3-5 per cent annual rate, and shows a smaller increase over the course of the month.

Time deposits in August are expected to rise fairly sharply at a 16-18 per cent annual rate. Recently there was a larger than anticipated growth in outstanding negotiable CD's, as major banks have tapped both the CD and Euro-dollar market to obtain funds perhaps in part in anticipation of increasing loan demands this fall. Consumer time and savings deposits, as best can be judged from the available data, are still showing strength, although perhaps somewhat less buoyancy than in the spring.

With these developments in train for August, maintenance of prevailing money market conditions may be consistent with a more moderate bank credit growth in September than in recent months. Prevailing money market conditions would continue to encompass a Federal funds rate averaging around 4 per cent or below, new dealer loan rates at New York

banks in a $4\frac{1}{8}$ - $4\text{-}3/8$ per cent range, member bank borrowings generally in a \$50-\$100 million range, and free reserves averaging \$200-\$300 million. Such conditions would be consistent with an "even keel" posture, in view of the forthcoming Treasury cash financing assumed to be in the intermediate-term note area, and may keep the 3-month Treasury bill rate in a 4.10-4.35 per cent range. The bill rate may drift up toward the upper end of the range as the September dividend and tax dates approach.

Under these conditions, and with basic economic developments generally consistent with staff projections in the Green Book, bank credit expansion in September might be in the order of 7-9 per cent on average. However, an automobile strike during September could alter the outlook for bank loans, depending on its duration and on the companies' ability to stock the dealers with new models before a strike.

Strike uncertainty also, of course, affects projections for the money supply and time deposits since it could seriously affect corporate cash flows and personal income. Assuming no strike, or one of brief duration or limited scope, money supply in September is likely to decline by about 2-4 per cent on average. Some further increase in U.S. Government deposits can be expected on average in September, in view of the tax payments during the month and the new cash borrowing just prior to the beginning of the month.

A slower rate of growth in time deposits is expected in September. The recent somewhat less buoyant behavior of consumer time

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and savings deposits is expected to continue, but more importantly banks are not expected to increase outstanding negotiable CD's to the extent they did in recent weeks. The new Treasury cash offering may provide some competition for time and savings deposits, especially if it is necessary to use a highly attractive 5½ per cent coupon on an intermediate-term security. In addition, corporations may show less interest in CD's in September when their tax payments--including both income taxes and withheld employee taxes--will be somewhat larger than last year and substantially more than in 1965.

This credit and money picture for September--with Government and private demand deposits taken together showing little net change--would be consistent with a reduction in the annual rate of expansion in nonborrowed reserves from about 13-15 per cent in July-August to about 3-5 per cent in September. Assuming no significant change in free reserve levels and money market conditions, the System would be providing about \$600 million of reserves between now and early September. Subsequently the System would be a moderate net seller until late September and early October.

The foregoing projections lead to annual rates of increase for key monetary variables since last November, as follows:

	June 1967 through Sept. 1967 <u>(4 months)</u>	Dec. 1966 through May 1967 <u>(6 months)</u>
Nonborrowed reserves	9%	14%
Bank credit proxy	12	11
Proxy, including Euro-dollars	(12)	(10)
Money supply	6	5
Time deposits	15	16

The more moderate expansion of bank credit and reserves foreseen for the coming month is not likely in itself to exert upward pressures on long-term interest rates since it basically reflects an expected moderation of private credit demands from their June-July high levels. The tax message has also provided some basis for calming the atmosphere in corporate and municipal markets. However, many uncertainties persist with respect to the timing and ultimate size of tax increases and to the reactions of businesses and consumers to a prospective additional tax bite. Given these uncertainties, as well as those surrounding the strike situation, a shortfall in bank credit expansion below the moderate rates projected for September cannot be ruled out as a possibility. On the other hand, larger than projected bank credit growth could stem from business loan demands associated with a stronger than anticipated turn-around in business inventory policies and somewhat larger than expected tax payments in September.

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
Monthly (reserves weeks ending in):					
1966--July	380	739	-359		
August	366	740	-374		
September	375	765	-390		
October	341	766	-425		
November	370	605	-235		
December	333	529	-196		
1967--January	417	476	- 59		
February	408	366	+ 42		
March	368	196	+172		
April	349	150	+199		
May	364	94	+270		
June	345	88	+257		
July p	441	132	+309		
Weekly:					
1967--Apr. 5	447	180	+267	+339	+300
12	226	145	+ 81	+154	+184
19	478	178	+300	+312	+305
26	246	98	+148	+169	+171
May 3	405	134	+271	+345	+343
10	329	63	+266	+260	+262
17	404	123	+281	+261	+291
24	327	50	+277	+288	+291
31	381	102	+279	+264	+264
June 7	331	77	+254	+284	+290
14	355	43	+312	+325	+339
21	261	91	+170	+198	+229
28	431	141	+290	+304	+292
July 5	462	353	+109	+152	+168
12	643	69	+574	+597	+604
19	236	51	+185	+195	+214
26 p	424	54	+370	+403	+417
Aug. 2 p	291	116	+175	+206	+188
9 p	415	91	+324	+324	+319

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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)
(SERIES REVISED)

	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) <u>1/2/</u>	Time Deposits (comm. banks) <u>2/</u>	Money Supply	
			Total	Against Demand Deposits			Total	Private Demand Deposits
Annually:								
1965	+ 5.2	+ 4.2	+ 5.1	+ 2.3	+ 9.1	+16.0	+ 4.7	+ 4.3
1966	+ 1.2	+ 0.8	+ 1.4	+ 0.9	+ 3.7	+ 8.8	+ 2.2	+ 1.2
Monthly:								
1966--Jan.	+ 9.3	+ 9.8	+ 8.0	+12.6	+ 8.1	+ 4.9	+ 7.9	+ 8.3
Feb.	+ 2.3	+ 2.4	+ 1.1	+ 6.3	+ 5.0	+ 6.5	+ 2.9	+ 1.8
Mar.	+ 2.7	- 3.8	+ 2.7	- 2.2	+ 4.0	+12.1	+ 6.4	+ 6
Apr.	+12.1	+ 8.4	+ 9.5	+ 6.7	+12.0	+16.0	+ 9.2	+10.0
May	+ 1.3	- 0.4	+ 3.0	+ 3.9	+ 8.4	+12.6	- 2.1	- 4.5
June	+ 0.2	+ 0.5	+ 1.7	- 4.9	+ 4.4	+11.0	+ 2.8	+ 2.7
Jul.	+ 8.1	+ 6.0	+ 4.9	+ 5.9	+ 9.3	+16.3	- 4.9	- 8.1
Aug.	-15.2	-13.0	- 8.4	-11.5	- 1.0	+ 9.2	+ 1.4	+ 0.9
Sept.	+ 4.5	- 2.0	- 1.0	- 4.5	- 0.5	+ 3.8	+ 2.8	+ 1.8
Oct.	- 6.9	- 6.4	- 3.0	- 7.2	- 4.4	+ 1.5	- 2.8	- 4.5
Nov.	- 3.1	+ 8.3	- 3.1	- 0.5	- 3.4	- 2.3	--	- 0.9
Dec.	- 0.9	- 0.7	+ 1.8	- 6.7	+ 2.0	+ 9.8	+ 2.1	+ 0.9
1967--Jan.	+19.2	+26.0	+14.4	+14.0	+16.1	+16.5	- 0.7	- 2.7
Feb.	+11.5	+17.4	+12.0	+11.6	+15.9	+19.3	+ 8.5	+ 9.1
Mar.	+21.6	+29.4	+15.3	+ 9.8	+14.3	+19.0	+11.2	+12.7
Apr.	+ 2.5	+ 4.7	+ 8.1	+ 5.0	+ 9.9	+14.4	- 2.8	- 5.4
May	- 0.4	+ 4.9	- 1.2	- 2.1	+ 5.6	+13.5	+12.5	+15.3
June	+ 8.4	+ 4.9	+ 4.8	- 2.8	+ 8.8	+17.5	+11.7	+13.3
Jul. p	+11.3	+15.7	+15.5	+16.3	+15.2	+14.5	+11.6	+14

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

2/ Changes in reserves, total deposits and time deposits have been adjusted for redefinition of time deposits effective June 9, 1966.

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Chart 1

MEMBER BANK RESERVES

MONTHLY AVERAGES OF DAILY FIGURES

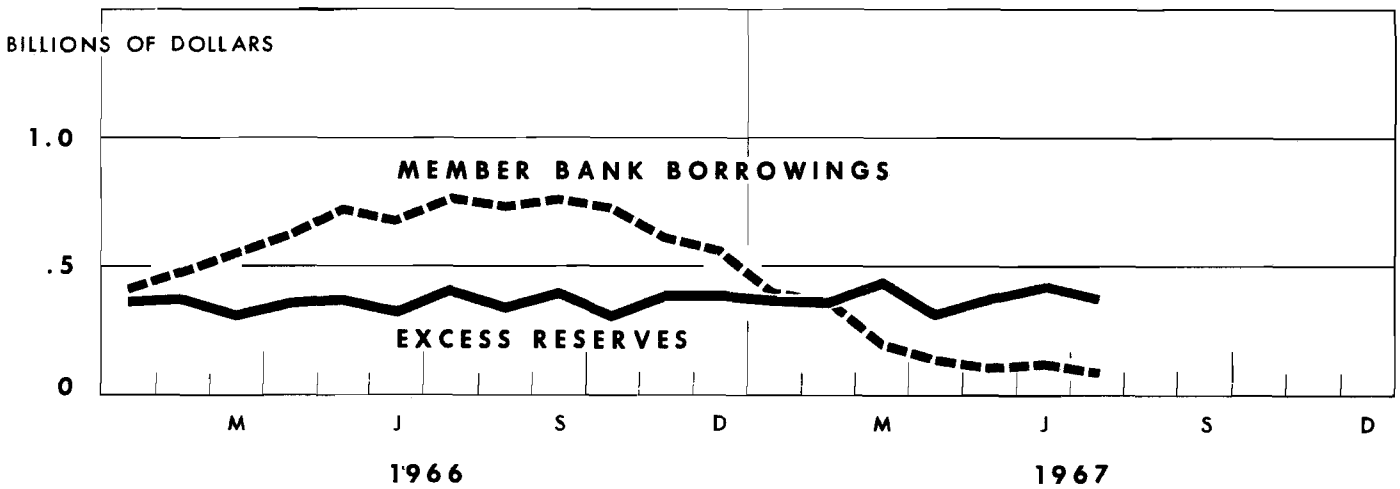
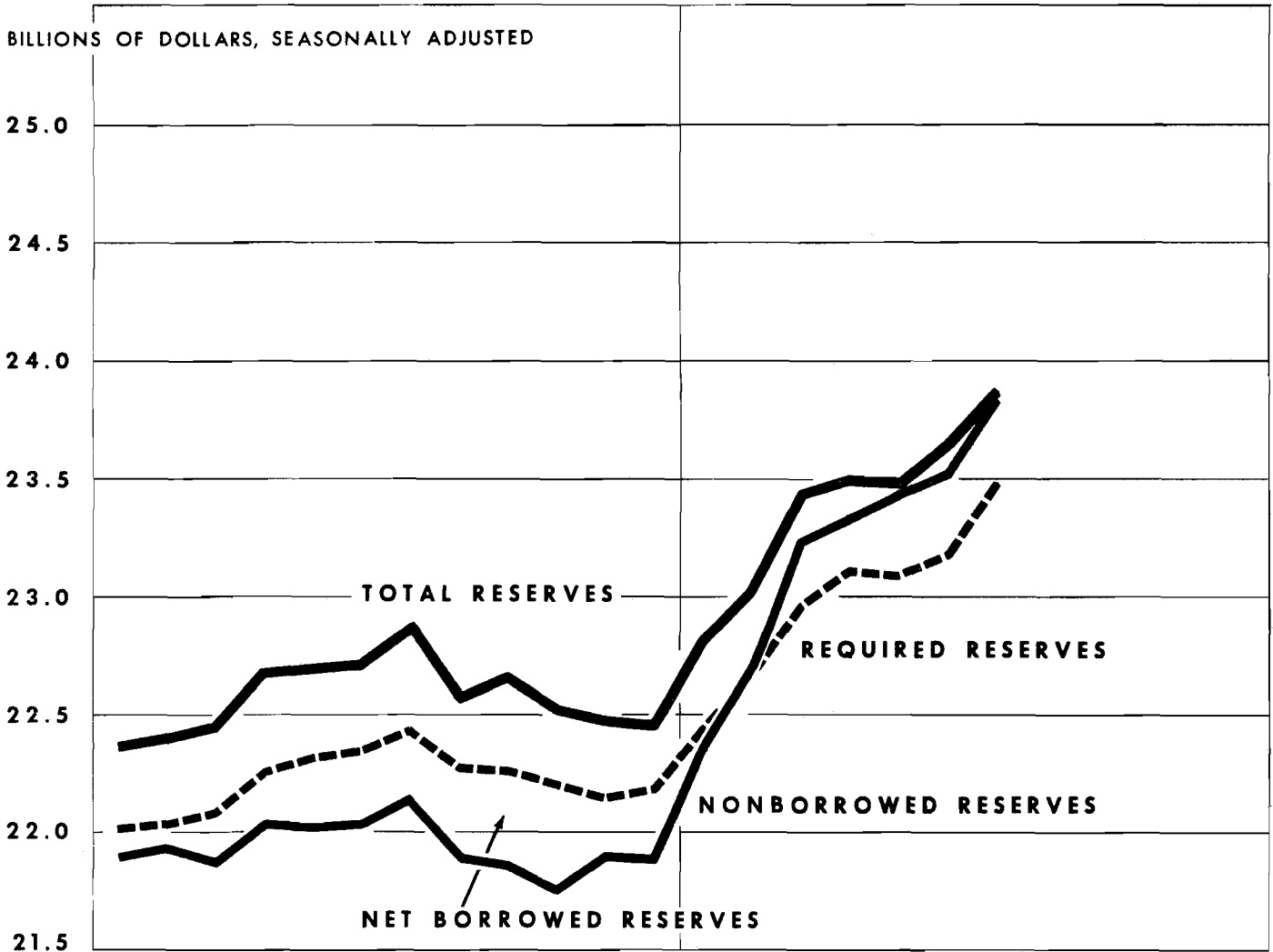


Chart 2

MEMBER BANK DEPOSITS AND LIABILITIES TO OVERSEAS BRANCHES

BILLIONS OF DOLLARS

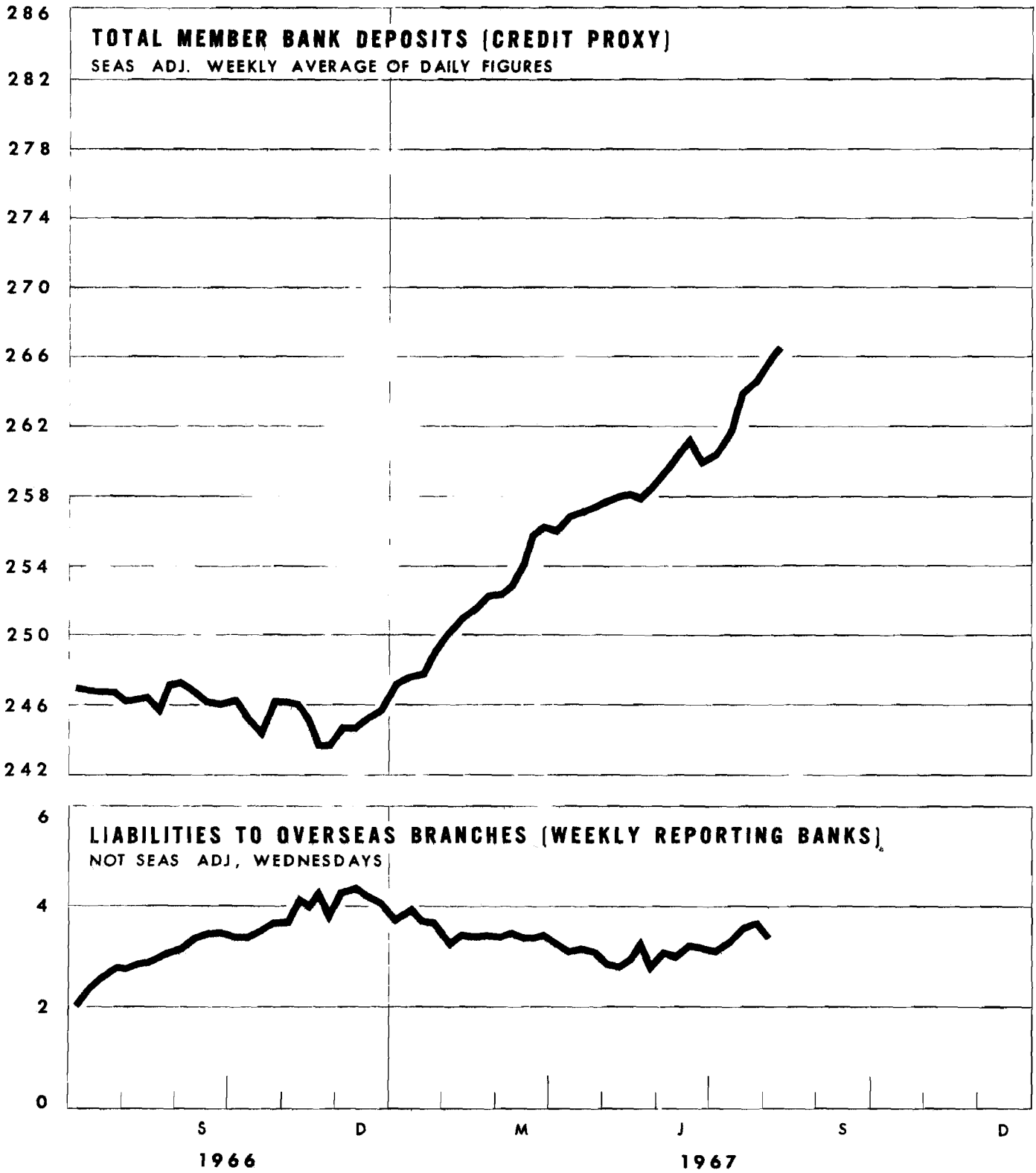
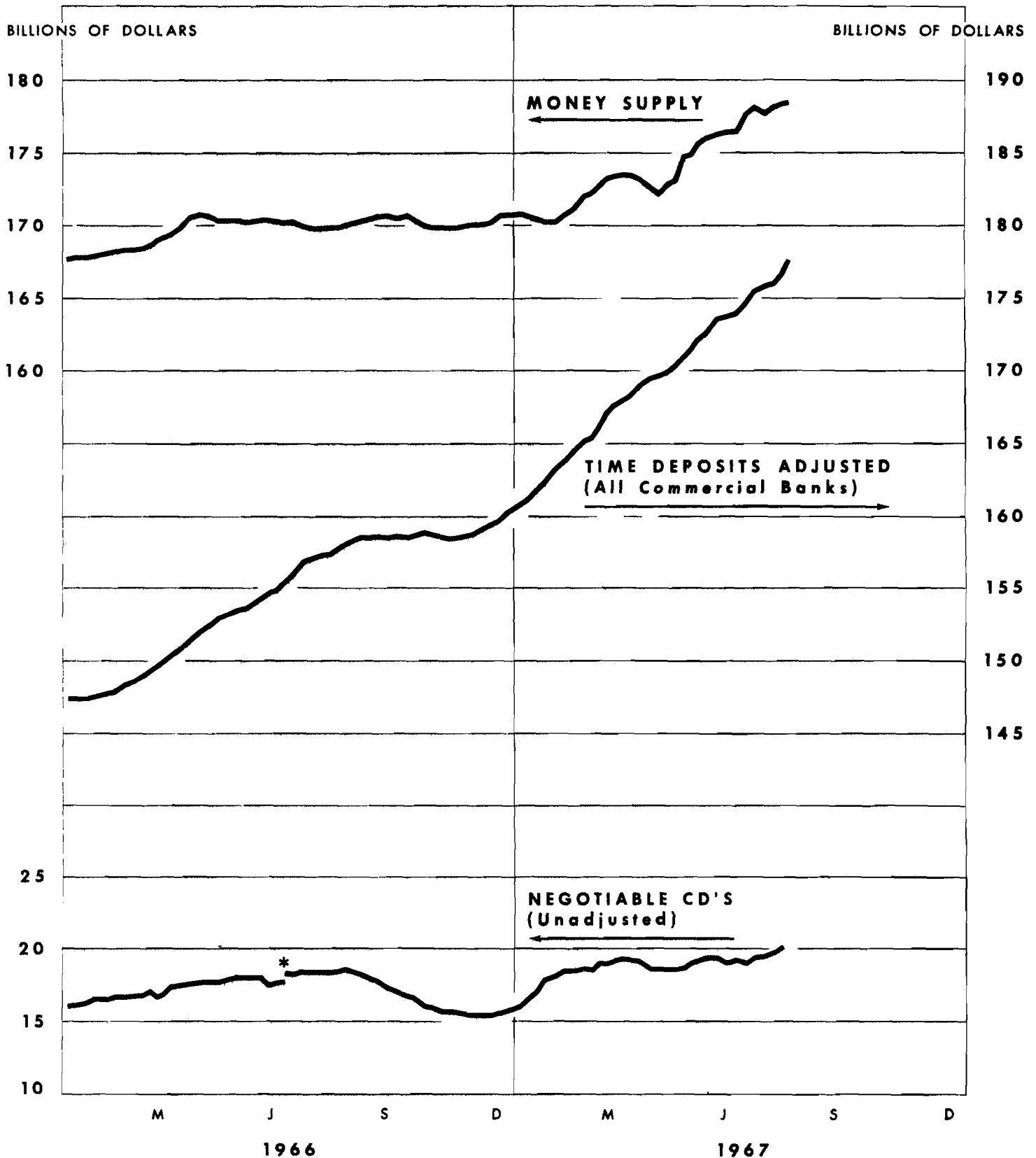


Chart 3

MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES



* CHANGE IN SERIES

Chart 4

DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

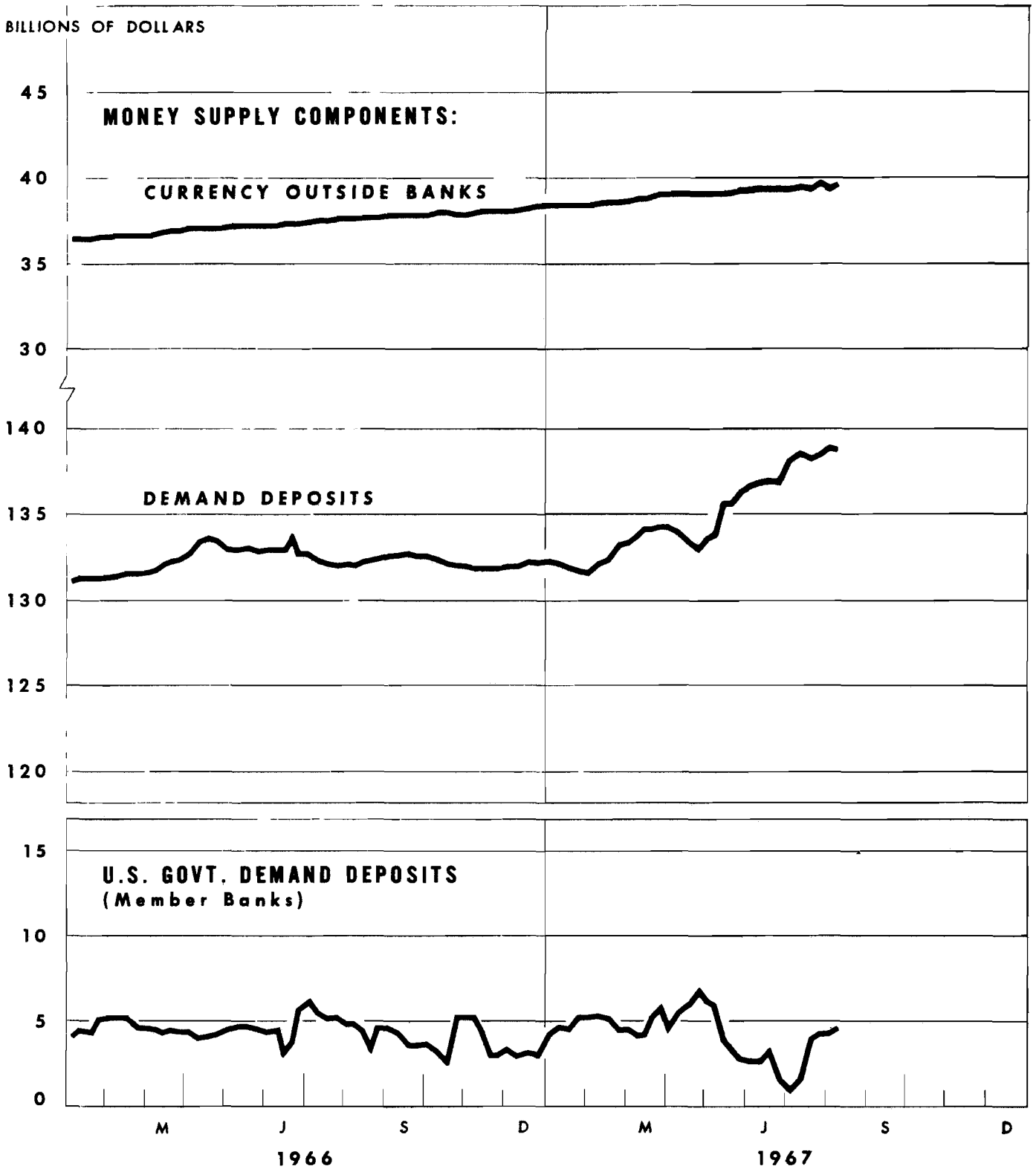


Table B-1

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>Year:</u>									
1965 (12/30/64 - 12/29/65)	+4,035	-1,602	-2,143	+ 798		+1,089		+1,188	- 99
1966 (12/29/65 - 12/28/66)	+3,149	- 627	-2,243	+ 805		+1,085		+1,111	- 26
<u>Year-to-date:</u>									
(12/29/65 - 8/10/66)	+1,884	- 453	- 882	- 753		- 202		- 200	- 2
(12/28/66 - 8/9/67)	+2,472	- 102	- 479	-2,095		- 206		- 184	- 22
<u>Weekly:</u>									
1967--July									
5	+1,090	+ 2	- 488	- 266		+ 337		+ 306	+ 31
12	+ 88	--	- 304	+ 395		+ 182		+ 1	+ 181
19	- 780	- 1	+ 322	+ 283		- 177		+ 230	- 407
26 p	+ 241	--	+ 227	- 339		+ 129		- 59	+ 188
Aug. 2 p	+ 181	- 15	+ 29	- 245		- 51		+ 82	- 133
9 p	+ 122	- 37	- 531	+ 438		- 8		- 132	+ 124
<u>PROJECTED 4/</u>									
1967--Aug. 16	- 220	--	+ 125	- 105		- 200		- 200	--
23	- 150	--	+ 65	+ 15		- 70		- 70	--
30	+ 105	--	+ 155	- 280		- 20		- 20	--
Sept. 6	+ 605	--	- 370	- 30		+ 205		+ 205	--
13	- 170	--	+ 10	+ 230		+ 70		+ 70	--
20	- 615	--	+ 230	+ 675		+ 290		+ 290	--
27	+ 30	--	+ 230	- 160		+ 100		+ 100	--

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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.

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>			(Data reflect revision of seasonal factors)				
<u>Year:</u>							
1965 (12/30/64 - 12/29/65)	+1,188	- 89	+1,277	+ 115	- 4	+499	+ 677
1966 (12/29/65 - 12/28/66)	+1,111	- 87	+1,194	- 14	- 4	- 5	+1,221 <u>1</u>
<u>Year-to-date:</u>							
(12/29/65 - 8/10/66)	- 200	- 6	- 194	+ 885	+ 86	-112	+ 717
(12/28/66 - 8/9/67)	- 184	+ 51	- 235	-1,012	+ 91	+776	- 20 <u>2</u>
<u>Weekly:</u>							
1967--July 5	+ 306	- 16	+ 322	+ 147	+ 10	+145	+ 20
12	+ 1	- 43	+ 44	+ 29	- 10	+ 12	+ 13
19	+ 230	+188	+ 42	+ 88	+ 10	- 92	+ 36
26 p	- 59	+ 69	- 128	- 162	+ 6	+ 11	+ 17
Aug. 2 p	+ 82	-162	+ 244	+ 133	- 6	+ 77	+ 40
9 p	- 132	+ 30	- 162	- 162	--	- 24	+ 24
<u>PROJECTED</u>							
1967--Aug. 16	- 200	-250	+ 50	+ 45	--	- 15	+ 20
23	- 70	+120	- 190	- 190	- 5	- 15	+ 20
30	- 20	-105	+ 85	+ 60	- 10	+ 15	+ 20
Sept. 6	+ 205	+ 70	+ 135	+ 105	- 5	+ 15	+ 20
13	+ 70	-150	+ 220	+ 220	--	- 15	+ 15
20	+ 290	- 25	+ 315	+ 355	+ 25	- 30	+ 15
27	+ 100	+500	- 400	- 410	+ 5	- 15	+ 20

1/ Reflects reserve requirements changes in July and September 1966.

2/ Reflects reserve requirements changes in March 1967.

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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
ACTUAL					
(Sign indicates effect on reserves)					
Year:					
1965 (12/30/64 - 12/29/65)	+ 798	+294	-171	+ 77	+598
1966 (12/29/65 - 12/28/66)	+ 805	+673	+ 64	- 30	+ 98
Year-to-date:					
(12/29/65 - 8/10/66)	- 753	-230	-389	- 22	-112
(12/28/66 - 8/9/67)	-2,095	-512	-1,392	+ 15	-206
Weekly:					
1967--July 5	- 266	-208	-177	- 33	+152
12	+ 395	+ 2	+473	+ 6	- 86
19	+ 283	+ 47	+143	+ 3	+ 90
26	- 339	-162	-215	+ 10	+ 28
Aug. 2	- 245	-178	-193	+ 4	+122
9	+ 438	+477	- 54	- 16	+ 31
PROJECTED					
1967--Aug. 16	- 105	-100	+ 25	--	- 30
23	+ 15	+ 5	+150	--	-140
30	- 280	--	-280	--	--
Sept. 6	- 30	--	- 30	--	--
13	+ 230	--	+185	--	+ 45
20	+ 675	--	+575	--	+100
27	- 160	--	-160	--	--

Table B-4

SOURCE OF FEDERAL RESERVE CREDIT

Retrospective Changes

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

Period	Total Federal Reserve credit (Excl. float)	U.S. Government securities				Federal Agency Securities	Bankers' acceptances	Member banks borrowings
		Total holdings	Bills	Other	Repurchase agreements			
<u>Year:</u>								
1965 (12/30/64 - 12/29/65)	+4,035	+3,916	+3,145	+916	-145	--	+ 77	+ 42
1966 (12/29/65 - 12/28/66)	+3,149	+3,069	+2,158	+474	+437	+ 26	+ 52	+ 2
<u>Year-to-date:</u>								
(12/29/65 - 8/10/66)	+1,884	+1,731	+1,161	+439	+131	--	- 83	+236
(12/28/66 - 8/9/67)	+2,472	+3,010	+2,765	+776	-531	- 55	-457	- 26
<u>Weekly:</u>								
1967--June								
7	+ 228	+ 227	+ 125	+ 87	+ 15	+ 2	+ 24	- 25
14	- 420	- 357	- 315	+ 42	- 84	- 2	- 27	- 34
21	+ 105	+ 58*	- 65	+ 44	+ 67	--	- 1	+ 48
28	+ 391	+ 286*	+ 223	+126	- 51	--	+ 55	+ 50
July								
5	+1,090	+ 866	+ 766	+ 65	+ 35	+ 3	+ 9	+212
12	+ 88	+ 347	+ 346	--	+ 1	+ 2	+ 23	-284
19	- 780	- 682	- 630	--	- 52	- 5	- 75	- 18
26	+ 241	+ 244	+ 244	--	--	--	- 6	+ 3
Aug.								
2	+ 181	+ 118	+ 118	--	--	--	+ 1	+ 62
9	+ 122	+ 98	- 29	--	+127	--	+ 49	- 25

* - Includes effect of change in special certificates of +\$12 million of the week of June 21, 1967 and -\$12 million of the week of June 28, 1967.

Chart Reference Table C-1

TOTAL, NONBORROWED AND REQUIRED RESERVES ^{1/}

Seasonally Adjusted

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

(SERIES REVISED)

Period	Total reserves	Nonborrowed reserves	Required reserves		
			Total	Against private deposits	
				Total	Demand
1965--Jul.	21,857	21,356	21,488	20,626	15,921
Aug.	21,923	21,417	21,533	20,719	15,943
Sept.	21,869	21,318	21,494	20,904	16,065
Oct.	21,986	21,533	21,645	21,073	16,147
Nov.	21,976	21,589	21,671	21,170	16,196
Dec.	22,186	21,722	21,861	21,285	16,266
1966--Jan.	22,358	21,899	22,007	21,411	16,375
Feb.	22,401	21,943	22,028	21,464	16,413
Mar.	22,452	21,873	22,077	21,600	16,506
Apr.	22,679	22,027	22,252	21,771	16,605
May	22,703	22,020	22,308	21,782	16,562
June	22,707	22,030	22,339	21,883	16,606
Jul.	22,861	22,140	22,431	21,841	16,512
Aug.	22,571	21,900	22,274	21,842	16,473
Sept.	22,655	21,864	22,256	21,860	16,475
Oct.	22,524	21,748	22,200	21,741	16,365
Nov.	22,465	21,898	22,142	21,716	16,364
Dec.	22,449	21,885	22,175	21,772	16,378
1967--Jan.	22,808	22,360	22,442	21,803	16,328
Feb.	23,026	22,685	22,666	22,044	16,478
Mar.	23,441	23,240	22,955	22,297	16,647
Apr.	23,490	23,332	23,110	22,293	16,578
May	23,482	23,428	23,086	22,559	16,786
June	23,646	23,523	23,178	22,890	17,024
Jul. p	23,869	23,830	23,477	23,053	17,120

p - Preliminary.

^{1/} Reserves have been adjusted for redefinition of time deposits effective June 9, 1966

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)

(SERIES REVISED)

Monthly	Total member bank deposits (credit) 1/ 2/	Time deposits ^{2/}	Private demand deposits 3/	U.S. Gov't. demand deposits
1965--Jul.	229.1	113.6	108.6	6.8
Aug.	230.4	115.4	108.8	6.3
Sept.	231.4	116.9	109.6	4.9
Oct.	233.5	119.0	110.1	4.4
Nov.	234.8	120.2	110.5	4.1
Dec.	236.4	121.2	111.0	4.2
1966--Jan.	238.0	121.7	111.7	4.7
Feb.	239.0	122.0	112.0	5.0
Mar.	239.8	123.0	112.6	4.2
Apr.	242.2	124.8	113.3	4.1
May	243.9	126.1	113.0	4.8
June	244.8	127.5	113.3	4.0
Jul.	246.7	128.7	112.6	5.3
Aug.	246.5	129.7	112.4	4.4
Sept.	246.4	130.1	112.4	3.9
Oct.	245.5	129.9	111.6	4.0
Nov.	244.8	129.3	111.6	4.0
Dec.	245.2	130.3	111.7	3.2
1967--Jan.	248.5	132.2	111.4	4.9
Feb.	251.8	134.4	112.4	5.0
Mar.	254.8	136.5	113.6	4.8
Apr.	256.9	138.0	113.1	5.8
May	258.1	139.4	114.5	4.1
June	260.0	141.7	116.1	2.2
Jul. p	263.3	143.3	116.8	3.2

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/ Deposits have been adjusted for redefinition of time deposits effective June 9, 1967.

3/ Private demand deposits include demand deposits of individual, partnerships and corporations and net interbank balances.

TABLE C-2a

DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

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

(SERIES REVISED)

Week ending:	Total member bank deposits (credit) 1/ 2/	Time deposits 2/	Private demand deposits 3/	U. S. Gov't. demand deposits
1967--Apr. 5	256.0	137.5	113.9	4.7
12	256.8	137.9	113.5	5.5
19	257.1	138.1	112.9	6.0
26	257.4	138.3	112.4	6.7
May 3	257.7	138.5	113.1	6.1
10	258.0	138.8	113.3	5.9
17	258.1	139.3	114.9	3.9
24	257.9	139.8	114.9	3.2
31	258.4	140.3	115.4	2.7
June 7	259.3	140.9	115.9	2.6
14	260.2	141.6	116.1	2.6
21	261.2	141.8	116.2	3.2
28	259.9	142.1	116.2	1.6
Jul. 5	260.4	142.5	116.9	1.0
12	261.7	142.9	117.2	1.6
19	263.9	143.4	116.6	4.0
26 p	264.6	143.6	116.7	4.3
Aug. 2 p	265.8	144.4	117.1	4.3
9 p	266.5	144.9	117.0	4.6

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/ Deposits have been adjusted for redefinition of time deposits effective June 9, 1967.

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

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)

(SERIES REVISED--For internal use only. To be released after publication of August
Federal Reserve Bulletin only.)

Monthly	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits Adjusted <u>3/</u>
1965--Jul.	162.4	35.3	127.2	137.9
Aug.	163.2	35.5	127.8	139.8
Sept.	164.0	35.7	128.4	141.6
Oct.	165.2	36.0	129.3	143.8
Nov.	165.7	36.1	129.6	145.5
Dec.	166.8	36.3	130.5	146.9
1966--Jan.	167.9	36.6	131.4	147.5
Feb.	168.3	36.7	131.6	148.3
March	169.2	36.9	132.3	149.8
Apr.	170.5	37.1	133.4	151.8
May	170.2	37.3	132.9	153.4
June	170.6	37.4	133.2	154.8
Jul.	169.9	37.7	132.3	156.9
Aug.	170.1	37.8	132.4	158.1
Sept.	170.5	37.9	132.6	158.6
Oct.	170.1	38.0	132.1	158.8
Nov.	170.1	38.1	132.0	158.5
Dec.	170.4	38.3	132.1	159.8
1967--Jan.	170.3	38.5	131.8	162.0
Feb.	171.5	38.7	132.8	164.6
Mar.	173.1	38.9	134.2	167.2
Apr.	172.7	39.1	133.6	169.2
May	174.5	39.2	135.3	171.1
June	176.2	39.3	136.8	173.6
Jul. p	177.9	39.5	138.4	175.7

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 weekly averages of daily figures)(SERIES REVISED--For internal use only. To be released after publication of August
Federal Reserve Bulletin only.)

Week Ending	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits adjusted <u>3/</u>
1967--Apr. 5	173.4	39.1	134.3	168.3
12	173.1	39.1	134.0	169.0
19	172.6	39.1	133.5	169.5
26	172.1	39.1	133.0	169.6
May 3	172.8	39.1	133.7	169.9
10	173.0	39.1	133.9	170.4
17	174.7	39.1	135.6	171.0
24	174.8	39.2	135.6	171.5
31	175.6	39.3	136.3	172.2
June 7	176.0	39.3	136.7	172.6
14	176.3	39.4	136.9	173.6
21	176.4	39.4	137.0	173.7
28	176.4	39.4	136.9	173.9
July 5	177.6	39.4	138.2	174.6
12	178.1	39.5	138.6	175.4
19	177.7	39.4	138.3	175.8
26 p	178.1	39.7	138.5	176.0
Aug. 2 p	178.3	39.4	138.9	176.7
9 p	178.4	39.6	138.8	177.6

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.

3/ Deposits have been adjusted for redefinition of time deposits effective June 9, 1966.

p - Preliminary.