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MONETARY AGGREGATES AND
MONEY MARKET CONDITIONSRecent Developments

(1) In the first three weeks of May, figures for both the money supply and the adjusted credit proxy appear, on balance, to have run significantly above the paths targeted in the last blue book. As a result, for the month of May the money supply is now estimated to grow at about a 9-1/2 per cent annual rate on average, and the adjusted credit proxy to decline at only about a 1-1/2 per cent annual rate, compared with rates of plus 3-1/2 and minus 7-1/2 per cent specified earlier. The higher May growth rates reflect in some part, and particularly for the money supply, shortfalls of the aggregates in April from their targets. Still, taking April and May together, the growth in both the money supply and bank credit is running about 2 - 3 percentage points (annual rate) more rapidly than targeted. It should be pointed out, however, that this estimate is based on data for May which are relatively firm for only the first half of the month, with figures partial for the third week.

Weekly Path of Monetary Aggregates
 Compared with Estimated Results
 (Daily average levels in billions of dollars)

| | <u>Adjusted Credit Proxy</u> | | <u>Money Supply</u> | |
|--------------------------------|------------------------------|----------------------------|------------------------|----------------------------|
| | <u>May 5</u> Target | <u>Current</u> Estimate | <u>May 5</u> Target | <u>Current</u> Estimate |
| <u>Week ending</u> | | | | |
| April 29 | 308.6 | 308.0 | 203.0 | 201.7 |
| May 6 | 308.3 | 309.0 | 203.0 | 203.8 |
| May 13 | 307.6 | 307.7 | 203.9 | 203.4 |
| May 20 | 307.5 | 309.4 (est.) | 204.6 | 206.3 (est.) |
| May 27 | 307.9 | 310.1 (proj.) | 205.0 | 205.7 (proj.) |
| <u>Monthly averages</u> | | | | |
| March | 306.2 | 306.1 | 201.5 | 201.5 |
| April | 309.8 | 309.6 | 203.6 | 203.3 |
| May | 307.8 | 309.2 (proj.) | 204.2 | 204.9 (proj.) |
| <u>Annual rates of change:</u> | | | | |
| March to May | 3.0 | 6.0 (proj.) | 8.0 | 10.0 (proj.) |
| April to May | -7.5 | -1.5 (proj.) | 3.5 | 9.5 (proj.) |

(2) The faster-than-expected increase in the money supply for May has reflected a considerably stronger than targeted performance of private demand deposits. Consumer cash balances have probably been augmented by the receipt of lump-sum retroactive increases in social security benefits and Federal pay, and probably also by a build-up in liquidity associated with the sharp decline of the stock market. But this may also have been partly due to the active reserve supplying operations undertaken by the System to lend support to the Treasury's May financing. With respect to the adjusted credit proxy, its smaller-than-targeted decline

in May has also been influenced by the fact that the Treasury received more cash than expected in its mid-May refunding, partly paid through credits to tax and loan accounts.

(3) Commercial bank time deposits rose moderately in the last half of April, but thus far in May growth has been at a very slow pace, possibly influenced by withdrawals from consumer-type time deposits to pay for the recent AT&T and Treasury offerings. Moreover, at recent relatively high levels of short-term market rates, the earlier fairly rapid net expansion in outstanding CD's has come to a halt. In May, time deposits are now estimated to rise at an 8-1/2 per cent annual rate, on average, mainly reflecting rapid growth in the last half of April. With respect to nondeposit sources of funds, Euro-dollar borrowings through foreign branches have shown little net change on balance over recent weeks, as expected, but growth in bank-related commercial paper has been considerably more than anticipated.

(4) Desk operations since the last meeting were shaped by "even-keel" considerations as the Treasury financing was imperilled by market reactions to Cambodian and related developments. During the statement week ending May 6--when books were open on the financing--net borrowed reserves declined to about \$425 million, about \$400 million below the average of the preceding three statement weeks. In the following two statement weeks net borrowed reserves rose to \$790 million

and \$1,064 million, respectively. In terms of the flow of reserves, there was a sizable \$420 million rise (seasonally adjusted) in the daily average of nonborrowed reserves during the week ending May 6--a period in which the System bought \$1.2 billion of securities (on a daily average basis)--but outstanding nonborrowed reserves were reduced sharply in the ensuing two weeks partly as a result of action to increase substantially the Treasury balance of the Federal Reserve in the week ending May 13. Over the past three statement weeks, the effective weekly average Federal funds rate has fluctuated between 7-7/8 and 8-1/2 per cent, and member bank borrowings have fluctuated between \$770 million and \$1.2 billion.

(5) The Treasury's May financing raised about \$2 billion in new money from the public, or about \$1 billion more than expected. This was almost entirely the result of lower-than-expected cash redemptions of publicly-held "rights" to the exchange. The cash offering of 18-month notes required a highly unusual 100 per cent allotment rate to obtain full coverage. Dealers have been rather reluctant to rebuild their reduced positions from the levels to which they had been reduced after the recent sizable System bill purchases. With the market supply of bills thin, bill rates have fluctuated widely in response to shifting short-run market pressures. The 3-month bill has ranged from 6.56 to 7.09 per cent since the last Committee meeting and was most recently bid at around 6.85 per cent. Long-term interest rates have edged higher in the inter-meeting period, carrying yields on corporate and municipal bonds to levels slightly above their previous highs of late December. And stock market prices have dropped sharply further.

(6) The following table summarizes recent seasonally adjusted annual rates of change in major reserve deposit, and credit aggregates in comparison with selected recent periods:

| | <u>Past Year (May over May)</u> | <u>1970 to date (May over December)</u> | <u>May over April</u> |
|-----------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------|-------------------------------|
| Total Reserves | -2.8 | -0.7 | -15.5 |
| Nonborrowed Reserves | -1.5 | 0.9 | -19.0 |
| Money Supply | 3.3 | 6.4 | 9.5 |
| Time and savings deposits | -1.2 | 6.4 | 8.5 |
| Savings accounts at nonbank thrift institutions | -2.8 ^{1/} | 3.6 ^{2/} | 8.3 ^{3/} |
| <u>Member bank deposits and related sources of funds</u> | | | |
| Total member bank deposits (bank credit proxy) | -2.0 | 2.8 | - 4.0 |
| Proxy plus Euro-dollars | -1.3 | 0.9 | - 4.0 |
| Proxy plus Euro-dollars and other nondeposit sources | n. a. | 2.7 | - 1.5 |
| <u>Commercial bank credit (month end)</u> | | | |
| Total loans and investments of all commercial banks | 1.2 ^{1/} | 1.4 ^{2/} | 6.0 ^{3/} |
| L&I plus loans sold outright to affiliates and foreign branches | n. a. | 3.7 ^{2/} | 6.5 ^{3/} |

NOTE: All items are average of daily figures (with "other nondeposit sources" based on an average for the month of Wednesday data), except the commercial bank credit series which are based on total outstanding on last Wednesday of month. All additions to the total member bank deposit series are seasonally unadjusted numbers, since data have not been available for a long enough time to make seasonal adjustments. Data for May are partly projected.

^{1/} April over April.

^{2/} April over December.

^{3/} April over March.

n. a. Not available.

Prospective

(7) If the Committee decides to aim at a continuation of the policy course adopted at the previous meeting, it may wish to renew the directive issued then, excluding the reference to the Treasury financing, as follows:

To implement this policy, the Committee desires to see moderate growth in money and bank credit over the months ahead. System open market operations until the next meeting of the Committee shall be conducted with a view to maintaining bank reserves and money market conditions consistent with that objective; ~~taking account of the current Treasury financing~~; provided, however, that operations shall be modified as needed to moderate excessive pressures in financial markets, should they develop.

(8) The following table compares the target paths for money supply and the adjusted bank credit proxy adopted at the last FOMC meeting for the second quarter with current estimates and projections. The projections are based on an assumption of a Federal funds rate around the $8\frac{1}{8}$ per cent average of the past three weeks, and also assume a seasonal decline in the 3-month bill rate during the next four weeks into a $6\frac{3}{8}$ -- $6\frac{5}{8}$ per cent range.

| <u>Months</u> | <u>Adjusted Bank Credit Proxy</u> | | <u>Money Supply</u> | | <u>Total Reserves</u> | |
|---------------|-----------------------------------|-----------------------------------------|---------------------|-----------------------------------------|-----------------------|-----------------------------------------|
| | <u>As of</u> | <u>Currently estimated or projected</u> | <u>As of</u> | <u>Currently estimated or projected</u> | <u>As of</u> | <u>Currently estimated or projected</u> |
| | May 5 | | May 5 | | May 5 | |

Daily average levels in billions of dollars

| | | | | | | |
|-------|-------|-------|-------|-------|------|------|
| March | 306.2 | 306.1 | 201.5 | 201.5 | 27.7 | 27.7 |
| April | 309.8 | 309.6 | 203.6 | 203.3 | 28.2 | 28.2 |
| May | 307.8 | 309.2 | 204.2 | 204.9 | 27.9 | 27.8 |
| June | 309.2 | 311.4 | 203.5 | 205.1 | 27.8 | 27.9 |

Week Ending 1/

| | | | | | | |
|---------|-------|-------|-------|-------|------|------|
| June 3 | 307.6 | 309.5 | 204.3 | 205.2 | 27.6 | 27.5 |
| June 10 | 308.9 | 310.7 | 203.7 | 204.6 | 27.7 | 27.9 |
| June 17 | 309.4 | 311.6 | 204.0 | 205.2 | 27.6 | 27.8 |
| June 24 | 309.8 | 311.8 | 203.6 | 205.2 | 27.8 | 28.0 |

1/ Averages for the statement weeks shown may not equal the monthly average for June because changes for the last few days of June are not shown.

(9) The annual rates of change (rounded to the nearest half per cent) which go with the preceding levels are shown below for June and the second quarter:

| | <u>Adjusted Bank Credit Proxy</u> | | <u>Money Supply</u> | | <u>Total Reserves</u> | |
|-------------------------------------|-----------------------------------|-----------------------------------------|---------------------|-----------------------------------------|-----------------------|-----------------------------------------|
| | <u>As of</u> | <u>Currently estimated or projected</u> | <u>As of</u> | <u>Currently estimated or projected</u> | <u>As of</u> | <u>Currently estimated or projected</u> |
| | May 5 | | May 5 | | May 5 | |
| June | 5-1/2 | 8-1/2 | -4 | 1 | -6-1/2 | 2 |
| Second Qtr. (June over March) | 4 | 7 | 4-1/2 | 7-1/2 | 1/2 | 2-1/2 |

1/ March includes 4 days in which transactions through foreign agencies and Edge corporations reduced cash items and thus raised the reported money supply. June will not include such a period. An adjustment to remove the resulting bias in the rate of change over the second quarter would add about 1 percentage point to the quarterly rates shown in table.

Some analysts prefer to view quarterly changes in the money stock as measured by the average daily amount outstanding during the current quarter over the average daily amount outstanding in the preceding quarter. On this basis the second quarter increase in the money stock consistent with the 4 per cent target shown in the table above would be at a 6-1/2 per cent annual rate, while the figure consistent with the 7 per cent projected increase would be around 7-1/2 per cent. The first quarter rise in the money stock on a quarter-over-quarter basis was around 2-1/2 per cent.

(10) An extrapolation into the third quarter of the moderate growth path for the monetary aggregates voted by the FOMC on May 5 might look as follows:

| | <u>Adjusted Bank Credit Proxy</u> | <u>Money Supply</u> | <u>Total Reserves</u> |
|----------------------------------------------------|---------------------------------------|-------------------------|---------------------------|
| June | 309.2 | 203.5 | 27.8 |
| July | 311.0 | 204.3 | 27.7 |
| August | 312.1 | 205.1 | 27.8 |
| September | 314.6 | 205.6 | 27.8 |
| Annual % rate of change: September over June | 7 | 4 | 1/2 |

The path for the adjusted proxy allows for sizable Treasury third quarter cash financing, with about \$8-1/2 billion of new cash raised in July and August. Staying with this path, however, would probably mean that a substantial part of the Treasury cash requirements would have to be financed outside the banking system, assuming that business and other loan demands on banks pick up from their recent depressed pace as would be consistent with staff projections of renewed expansion in real GNP.

(11) Since both the bank credit proxy and the money supply are currently running above target, it seems clear that the Manager would have to provide less reserves and to tighten up money market conditions in order to move back toward the targeted path. One of the factors the Committee may wish to take into account in determining the speed with which the Manager attempts to move back toward the path presumably would be the fragility of market conditions. Assuming the excess of projections over targets shown in paragraph (8) is roughly correct, a gradual movement back toward the moderate growth path might be fostered, between now and the next meeting of the Committee, with a Federal funds rate around 8-1/2 per cent or somewhat above, member bank borrowing averaging about \$1 to \$1-1/4 billion, and net borrowed reserves averaging around \$900 million to \$1 billion. Such a movement in the money market would inhibit, at the least, potential seasonal downward pressures on bill rates during June, and would probably add to upward pressures on long-term rates over the short-run. As the System holds back on the provision of nonborrowed reserves, a slower rate of deposit growth can be expected, with time deposits becoming even less competitive relative to securities and holders of cash balances moving into high-yielding market instruments.

Alternative

(12) Should the Committee--for example, because it wishes to accommodate what appears to be increased liquidity demands in the economy--wish to move onto a path that allows for somewhat greater rates of growth in the monetary aggregates than Alternative A, the following language for the second paragraph might be considered:

To implement this policy, the Committee desires to see moderate SOMEWHAT GREATER growth in money and bank credit over the months ahead THAN PREVIOUSLY SOUGHT. System open market operations until the next meeting of Committee shall be conducted with a view to maintaining bank reserves and money market conditions consistent with that objective, ~~taking account of the current Treasury financing~~; provided, however, that operations shall be modified ~~as needed to moderate~~ IF excessive pressures DEVELOP in financial markets, ~~should they develop~~ OR IF IMPLEMENTING ACTIONS ARE LEADING TO UNDULY EASY MONEY MARKET CONDITIONS.

(13) A target path that fosters somewhat greater growth in money and bank credit over the months ahead might be as follows:

| | <u>Adjusted Credit Proxy</u> | <u>Money Supply</u> | <u>Total Reserves</u> |
|-----------------------------------------------|----------------------------------|-------------------------|---------------------------|
| (Daily average levels in billions of dollars) | | | |
| May | 309.1 | 204.9 | 27.8 |
| June | 310.9 | 204.5 | 27.9 |
| July | 312.8 | 205.5 | 27.9 |
| August | 314.4 | 206.4 | 28.1 |
| September | 317.2 | 207.0 | 28.1 |
| <u>Annual percentage rates of change</u> | | | |
| June | 7 | - 2-1/2 | 1 |
| Second Qtr. (June over March) | 6-1/2 | 6 | 2 |
| Third Qtr. (Sept. over June) | 8 | 5 | 3-1/2 |

Movement onto this path might temporarily--over the next few weeks--require keeping money markets toward the tight end of recently prevailing ranges, although not as tight as in paragraph (11), perhaps with a Federal funds rate averaging around 8-1/4 per cent, member bank borrowings averaging a little under \$1 billion, and net borrowed reserves falling in a \$650 million to \$900 million range. Money market conditions such as contemplated here might well mean that there would be only a quite moderate decline in the 3-month bill rate in June to a level averaging somewhere in a 6-1/2 - 6-3/4 per cent range. As the third quarter progressed, such a policy in relation to the aggregates should help to moderate upward short-term rate pressures resulting from the Treasury's larger-than-usual July-August financing operations. Long-term interest rates also would be under less upward pressure, and might actually decline, as banks were put in a better position to purchase municipal securities and if the size of the corporate calendar were to abate as expectations of rising interest rates faded.

Table 1
MARGINAL RESERVE MEASURES
(Dollar amounts in millions, based on period averages of daily figures)

| Period | Free reserves | Excess reserves | Member Banks Borrowings | | | | |
|--------------------------------------------|---------------|-----------------|-------------------------|--------------|-----|-------|---------|
| | | | Total | Reserve City | | | Country |
| | | | | Major banks | | Other | |
| | | | 8 N.Y. | Outside N.Y. | | | |
| Monthly (reserves weeks ending in): | | | | | | | |
| 1969--January | - 477 | 359 | 836 | 131 | 302 | 149 | 253 |
| February | - 580 | 256 | 836 | 62 | 255 | 215 | 304 |
| March | - 635 | 202 | 837 | 58 | 233 | 254 | 293 |
| April | - 844 | 187 | 1,031 | 85 | 411 | 260 | 275 |
| May | -1,116 | 243 | 1,359 | 123 | 346 | 397 | 493 |
| June | -1,078 | 277 | 1,355 | 57 | 459 | 288 | 550 |
| July | -1,045 | 266 | 1,311 | 89 | 250 | 364 | 608 |
| August | - 997 | 214 | 1,211 | 81 | 253 | 256 | 621 |
| September | - 744 | 282 | 1,026 | 83 | 236 | 222 | 485 |
| October | - 995 | 195 | 1,190 | 106 | 327 | 293 | 464 |
| November | - 975 | 238 | 1,213 | 120 | 387 | 250 | 456 |
| December | - 849 | 278 | 1,127 | 268 | 310 | 220 | 329 |
| 1970--January | - 759 | 169 | 928 | 148 | 287 | 232 | 261 |
| February | - 916 | 210 | 1,126 | 106 | 317 | 289 | 414 |
| March | - 751 | 129 | 880 | 90 | 225 | 287 | 278 |
| April | - 687 | 178 | 865 | 227 | 331 | 119 | 188 |
| Weekly: | | | | | | | |
| 1969- Nov. 5 | -1,032 | 296 | 1,328 | 121 | 422 | 295 | 490 |
| 12 | - 873 | 371 | 1,244 | 350 | 296 | 189 | 409 |
| 19 | - 925 | 146 | 1,071 | -- | 390 | 260 | 421 |
| 26 | -1,072 | 138 | 1,210 | 8 | 438 | 260 | 504 |
| Dec. 3 | - 988 | 203 | 1,191 | 266 | 307 | 241 | 379 |
| 10 | - 903 | 297 | 1,200 | 293 | 264 | 264 | 379 |
| 17 | - 946 | 98 | 1,044 | 164 | 296 | 301 | 296 |
| 24 | - 832 | 264 | 1,096 | 296 | 356 | 150 | 292 |
| 31 | - 576 | 528 | 1,104 | 319 | 334 | 153 | 299 |
| 1970--Jan. 7 | - 567 | 285 | 852 | 196 | 327 | 87 | 243 |
| 14 | - 788 | 77 | 865 | 234 | 281 | 188 | 162 |
| 21 | - 760 | 203 | 963 | 75 | 348 | 296 | 252 |
| 28 | - 918 | 112 | 1,030 | 86 | 200 | 358 | 386 |
| Feb. 4 | -1,047 | 211 | 1,258 | 75 | 383 | 317 | 483 |
| 11 | - 862 | 207 | 1,069 | 130 | 351 | 267 | 321 |
| 18 | - 861 | 249 | 1,110 | 218 | 261 | 246 | 383 |
| 25 | - 892 | 172 | 1,065 | -- | 271 | 329 | 465 |
| Mar. 4 | - 638 | 198 | 836 | 32 | 46 | 419 | 339 |
| 11 | - 861 | 71 | 932 | 169 | 349 | 190 | 224 |
| 18 | - 667 | 150 | 817 | 146 | 216 | 185 | 270 |
| 25 | - 840 | 96 | 936 | 11 | 289 | 357 | 279 |
| Apr. 1 | - 610 | 339 | 949 | 232 | 264 | 161 | 252 |
| 8 | - 317 | 179 | 496 | -- | 269 | 49 | 178 |
| 15 | - 915 | 102 | 1,017 | 322 | 509 | 47 | 139 |
| 22 | - 811 | 158 | 969 | 517 | 252 | 81 | 119 |
| 29 | - 783 | 111 | 894 | 63 | 361 | 259 | 211 |
| May 6 p | - 428 | 345 | 773 | 93 | 248 | 220 | 212 |
| 13 p | - 790 | 23 | 813 | 150 | 254 | 203 | 206 |
| 20 p | -1,064 | 118 | 1,182 | 331 | 310 | 245 | 296 |

p - Preliminary.

Table 2
AGGREGATE RESERVES AND MONETARY VARIABLES
 Retrospective Changes, Seasonally Adjusted
 (In per cent, annual rates based on monthly average of daily figures)

| | RESERVES | | | | MONETARY VARIABLES | | | | FEDERAL RESERVE BALANCE |
|-------------------|----------------|----------------------|--------------------------|-----------------------|--------------------|----------|------------------|-----------------------|-------------------------|
| | Total Reserves | Non-Federal Reserves | Reserves Held by Members | Total Member Deposits | Total | Currency | Private Deposits | Government Securities | |
| <u>Annually</u> | | | | | | | | | |
| 1968 | + 7.8 | + 6.0 | + 7.4 | + 9.0 | + 7.2 | + 7.4 | + 7.1 | +11.5 | n.a. |
| 1969 | - 1.6 | - 3.0 | - 1.2 | - 4.0 | + 2.5 | + 5.8 | + 1.5 | - 5.3 | n.a. |
| <u>Seasonally</u> | | | | | | | | | |
| 1st Half 1968 | + 0.7 | - 3.7 | + 1.0 | - 3.5 | + 4.3 | + 6.5 | + 3.7 | - 4.0 | n.a. |
| 2nd Half 1968 | - 3.9 | - 2.4 | - 3.3 | - 4.6 | + 0.6 | + 4.9 | - 0.6 | - 6.7 | - 1.2 |
| <u>Quarterly</u> | | | | | | | | | |
| 1st Quarter 1968 | + 7.9 | + 1.1 | + 7.5 | + 7.3 | + 5.5 | + 6.9 | + 5.4 | + 7.6 | |
| 2nd Quarter 1968 | + 1.5 | + 2.1 | + 1.8 | + 1.4 | + 8.7 | + 7.8 | + 8.7 | + 3.0 | |
| 3rd Quarter 1968 | +11.5 | +15.0 | +11.5 | +13.6 | + 6.8 | + 7.6 | + 6.8 | +16.5 | |
| 4th Quarter 1968 | + 9.6 | + 5.3 | + 9.8 | +12.7 | + 7.1 | + 6.6 | + 7.0 | +17.3 | |
| 1st Quarter 1969 | + 0.1 | - 2.8 | + 1.7 | - 4.8 | + 4.1 | + 6.5 | + 3.2 | - 5.1 | |
| 2nd Quarter 1969 | + 1.2 | - 4.7 | + 0.2 | - 2.2 | + 4.5 | + 6.3 | + 4.2 | - 3.0 | |
| 3rd Quarter 1969 | - 9.3 | - 4.8 | - 8.6 | - 9.4 | -- | + 3.6 | - 1.3 | -13.3 | - 4.0 |
| 4th Quarter 1969 | + 1.4 | - 0.1 | + 2.0 | + 0.1 | + 1.2 | + 6.2 | -- | -- | + 2.0 |
| 1st Quarter 1970 | - 2.9 | - 0.4 | - 2.5 | + 0.6 | + 3.8 | + 7.0 | + 2.4 | + 0.5 | + 0.7 |
| <u>Monthly</u> | | | | | | | | | |
| 1968--April | - 6.9 | - 6.9 | - 5.2 | - 5.2 | + 5.9 | + 5.8 | + 5.0 | + 3.2 | |
| May | + 2.5 | + 0.9 | - 0.6 | + 2.2 | +11.0 | + 8.7 | +12.5 | + 3.2 | |
| June | + 8.8 | +12.3 | +11.3 | + 7.3 | + 9.0 | + 8.7 | + 8.3 | + 2.6 | |
| July | + 7.6 | +13.8 | + 9.4 | + 9.4 | + 8.9 | + 5.7 | + 9.8 | +15.9 | |
| August | +22.4 | +22.4 | +22.3 | +22.2 | + 8.9 | + 8.6 | + 8.9 | +17.0 | |
| September | + 4.3 | + 8.3 | + 2.6 | + 8.8 | + 2.5 | + 8.5 | + 1.6 | +16.1 | |
| October | + 8.5 | + 9.2 | +10.4 | +13.3 | + 2.5 | + 2.8 | + 2.4 | +18.3 | |
| November | + 7.9 | + 1.3 | + 8.4 | +11.5 | +11.3 | +11.2 | +11.3 | +16.2 | |
| December | +12.1 | + 5.3 | +10.2 | +13.0 | + 7.4 | + 5.6 | + 7.2 | +16.6 | |
| 1969--January | + 7.5 | + 4.5 | +12.7 | - 3.2 | + 6.2 | + 2.8 | + 7.1 | -10.0 | |
| February | - 3.4 | - 4.9 | - 3.0 | - 1.2 | + 3.1 | + 8.3 | + 1.6 | - 4.7 | |
| March | - 3.8 | - 8.0 | - 4.4 | -10.1 | + 3.1 | + 8.2 | + 1.6 | - 0.6 | |
| April | - 8.5 | -12.0 | - 5.0 | + 4.9 | + 7.9 | + 2.7 | +10.2 | -- | |
| May | +19.9 | + 6.0 | +14.3 | - 1.2 | + 1.2 | + 8.1 | - 1.6 | - 3.6 | |
| June | - 7.6 | - 8.2 | - 8.6 | -10.2 | + 4.2 | + 8.1 | + 3.1 | - 5.4 | |
| July | -22.5 | -19.3 | -17.6 | -18.9 | + 1.8 | + 5.4 | + 1.6 | -18.5 | - 7.0 |
| August | - 5.6 | - 2.8 | - 7.0 | -11.3 | - 1.8 | + 8.0 | - 4.7 | -19.4 | - 7.5 |
| September | -- | + 7.7 | - 0.8 | + 1.7 | -- | - 2.6 | - 0.6 | - 2.5 | + 1.6 |
| October | -11.7 | -17.9 | -10.4 | - 9.2 | + 0.6 | +10.6 | - 0.6 | - 7.7 | + 7.4 |
| November | + 9.7 | + 5.5 | - 9.4 | + 9.7 | + 1.2 | + 7.9 | - 1.6 | - 0.6 | -12.7 |
| December | + 0.1 | -12.1 | - 6.6 | -- | + 1.8 | -- | - 2.7 | + 4.1 | - 1.6 |
| 1970--January | + 3.1 | + 7.2 | - 5.0 | - 2.2 | + 5.0 | + 1.2 | +10.7 | -12.4 | - 1.0 |
| February | -12.0 | - 1.7 | -10.3 | - 6.0 | + 0.7 | + 7.6 | + 1.5 | - 1.4 | - 1.0 |
| March | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| April | -- | -- | -- | -- | -- | -- | +10.4 | +22.2 | -- |
| May | -- | -1.4 | -- | -- | -- | -- | -- | -- | -- |

p - Preliminary
 pp - Partly projected

Table 3
AGGREGATE RESERVES AND MONETARY VARIABLES
Seasonally Adjusted

(Based on monthly averages of daily figures)

| Period | Reserve Aggregates <u>5/</u> | | | Member Bank Deposits Supported by Required Reserves | | | | Money Supply | | | Commercial bank time deposits adjusted | Credit Proxy + Euro-dollars + other nondep. sources of funds | |
|-----------|------------------------------|-------------------------|----------------------|--------------------------------------------------------|------------------|---------------------------------------------|----------------------------------|--------------------------|----------|---------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------|--|
| | Total reserves | Nonborrowed reserves | Required reserves | Total member bank deposits | Time deposits | Private demand deposits ^{1/} | U.S. Gov't demand deposits | Total | Currency | Private demand deposits ^{3/} | | | |
| | (In millions of dollars) | | | (In billions of dollars) | | | | (In billions of dollars) | | | | | |
| Monthly | | | | | | | | | | | | | |
| 1968-- | | | | | | | | | | | | | |
| January | 26,134 | 25,818 | 25,774 | 275.1 | 149.9 | 119.7 | 5.4 | 137.6 | 40.6 | 142.0 | 181.1 | | |
| February | 26,352 | 25,961 | 25,989 | 277.4 | 150.2 | 120.1 | 7.1 | 133.3 | 40.7 | 142.6 | 181.8 | | |
| March | 26,451 | 25,755 | 26,078 | 278.5 | 151.2 | 120.6 | 6.7 | 137.2 | 41.4 | 143.2 | 187.2 | | |
| April | 26,298 | 25,606 | 25,964 | 277.3 | 151.3 | 120.8 | 5.2 | 133.1 | 41.3 | 141.8 | 187.7 | | |
| May | 26,353 | 25,626 | 25,952 | 277.8 | 151.5 | 122.7 | 3.7 | 136.8 | 41.6 | 145.3 | 188.2 | | |
| June | 26,547 | 25,889 | 26,196 | 279.5 | 151.8 | 123.8 | 3.9 | 188.2 | 41.9 | 146.3 | 188.6 | | |
| July | 26,715 | 26,186 | 26,402 | 281.7 | 153.8 | 125.2 | 2.7 | 189.6 | 42.1 | 147.5 | 191.1 | | |
| August | 27,213 | 26,675 | 26,893 | 286.9 | 156.5 | 125.6 | 4.8 | 191.0 | 42.3 | 148.6 | 193.8 | | |
| September | 27,311 | 26,860 | 26,951 | 289.0 | 158.9 | 124.8 | 5.3 | 191.6 | 42.7 | 148.8 | 196.4 | | |
| October | 27,504 | 27,066 | 27,185 | 292.2 | 161.5 | 125.7 | 5.0 | 191.8 | 42.8 | 149.1 | 199.4 | | |
| November | 27,685 | 27,095 | 27,376 | 295.0 | 163.5 | 126.8 | 4.7 | 193.6 | 43.2 | 150.5 | 202.1 | | |
| December | 27,964 | 27,215 | 27,609 | 298.2 | 165.8 | 128.2 | 4.2 | 194.8 | 43.4 | 151.4 | 204.9 | | |
| 1969-- | | | | | | | | | | | | | |
| January | 28,139 | 27,318 | 27,902 | 297.0 | 163.2 | 128.4 | 5.4 | 195.8 | 43.3 | 152.3 | 203.2 | | |
| February | 28,060 | 27,206 | 27,832 | 296.7 | 161.0 | 129.1 | 6.7 | 196.3 | 43.8 | 152.5 | 202.4 | | |
| March | 27,972 | 27,024 | 27,729 | 294.2 | 160.5 | 128.9 | 4.8 | 196.8 | 44.1 | 152.6 | 202.3 | | |
| April | 27,775 | 26,754 | 27,614 | 295.4 | 160.1 | 129.4 | 5.9 | 198.1 | 44.2 | 154.0 | 202.3 | | |
| May | 28,235 | 26,888 | 27,942 | 295.1 | 159.3 | 130.0 | 5.9 | 198.3 | 44.5 | 153.8 | 201.7 | | |
| June | 28,056 | 26,705 | 27,742 | 292.6 | 158.1 | 130.5 | 4.0 | 199.0 | 44.8 | 154.2 | 200.8 | 307.5 | |
| July | 27,530 | 26,275 | 27,334 | 288.0 | 155.1 | 130.5 | 2.4 | 199.3 | 45.0 | 154.4 | 197.7 | 305.7 | |
| August | 27,401 | 26,214 | 27,161 | 285.3 | 152.5 | 129.9 | 2.9 | 199.0 | 45.3 | 153.8 | 194.5 | 303.8 | |
| September | 27,402 | 26,383 | 27,144 | 285.7 | 152.1 | 129.2 | 4.4 | 199.0 | 45.3 | 153.7 | 196.1 | 304.2 | |
| October | 27,354 | 26,210 | 27,129 | 283.5 | 151.5 | 128.9 | 3.1 | 199.1 | 45.6 | 153.6 | 193.5 | 302.2 | |
| November | 27,793 | 26,338 | 27,548 | 285.8 | 151.1 | 129.1 | 3.6 | 199.3 | 45.9 | 153.4 | 193.4 | 305.5 | |
| December | 27,928 | 26,806 | 27,707 | 285.8 | 151.5 | 129.4 | 4.9 | 199.6 | 45.9 | 153.7 | 194.1 | 305.7 | |
| 1970-- | | | | | | | | | | | | | |
| January | 28,001 | 26,966 | 27,823 | 284.8 | 149.4 | 130.1 | 5.3 | 201.1 | 46.1 | 155.0 | 192.1 | 304.8 | |
| February | 27,722 | 26,615 | 27,523 | 282.9 | 148.8 | 128.5 | 5.6 | 199.3 | 46.4 | 153.0 | 192.0 | 303.4 | |
| March | 27,723 | 26,782 | 27,536 | 286.2 | 150.6 | 129.8 | 5.9 | 201.5 | 46.7 | 154.8 | 194.3 | 306.1 | |
| April p | 28,216 | 27,349 | 28,046 | 290.1 | 153.5 | 131.4 | 5.3 | 203.5 | 47.1 | 156.2 | 197.9 | 309.6 | |
| May pp | 27,847 | 26,912 | 27,661 | 289.1 | 154.4 | 132.0 | 2.7 | 204.9 | 47.6 | 157.2 | 194.3 | 309.2 | |

1/ Private demand deposits include demand deposits of individuals, partnerships, and corporations and not interbank deposits.

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

3/ 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.

4/ Excludes interbank and U.S. Government time deposits.

5/ Includes increases in required reserves due to changes in Regulations M and D of approximately \$100 million since October 16, 1969.

pp - Partly projected

Table 4
AGGREGATE RESERVES AND MONETARY VARIABLES
Seasonally Adjusted

| Period | Reserve Aggregates | | | Member Bank Deposits Supported by Required Reserves | | | | Money Supply | | | Commercial bank time deposits adjusted 4/ | Credit Proxy + Euro-dollars + other nondep. sources of funds |
|--------------------------|--------------------|-------------------------|----------------------|--------------------------------------------------------|------------------|----------------------------------|----------------------------------|--------------|----------------|----------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------|
| | Total reserves | Nonborrowed reserves | Required reserves | Total member bank deposits | Time deposits | Private demand deposits 1/ | U.S. Gov't demand deposits | Total | Currency 2/ | Private demand deposits 3/ | | |
| (In millions of dollars) | | | | | | | | | | | | |
| (In billions of dollars) | | | | | | | | | | | | |
| 1969-- Nov. 5 | 27,655 | 26,359 | 27,360 | 286.0 | 151.3 | 129.3 | 5.5 | 198.7 | 45.7 | 153.0 | 193.3 | 304.7 |
| 12 | 27,565 | 26,339 | 27,354 | 285.9 | 151.0 | 129.0 | 5.9 | 199.7 | 45.8 | 153.9 | 193.1 | 305.2 |
| 19 | 27,951 | 26,829 | 27,732 | 285.7 | 151.0 | 129.2 | 5.5 | 200.1 | 45.9 | 154.2 | 193.2 | 305.3 |
| 26 | 27,897 | 26,547 | 27,637 | 285.5 | 151.1 | 129.1 | 5.3 | 199.2 | 45.9 | 153.2 | 193.5 | 305.8 |
| Dec. 3 | 27,839 | 26,588 | 27,646 | 287.2 | 151.3 | 129.8 | 6.1 | 199.3 | 45.9 | 153.3 | 193.8 | 307.3 |
| 10 | 28,041 | 26,641 | 27,619 | 285.7 | 151.4 | 128.7 | 3.5 | 198.4 | 46.0 | 152.4 | 193.8 | 305.9 |
| 17 | 28,020 | 26,861 | 27,946 | 285.5 | 151.7 | 128.5 | 5.2 | 198.7 | 46.1 | 152.7 | 194.1 | 305.4 |
| 24 | 27,790 | 26,718 | 27,576 | 284.3 | 151.8 | 127.6 | 5.0 | 197.8 | 46.2 | 151.6 | 194.3 | 304.5 |
| 31 | 27,898 | 27,099 | 27,713 | 286.2 | 151.3 | 131.3 | 1.7 | 201.0 | 45.8 | 157.2 | 193.9 | 306.1 |
| 1970-- Jan. 7 | 28,115 | 27,148 | 27,791 | 286.2 | 150.6 | 131.6 | 4.0 | 202.5 | 45.7 | 156.8 | 193.2 | 305.4 |
| 14 | 28,009 | 27,137 | 27,939 | 285.0 | 149.7 | 130.6 | 4.7 | 202.1 | 46.0 | 156.1 | 192.3 | 305.0 |
| 21 | 28,061 | 27,048 | 27,918 | 284.8 | 149.2 | 130.3 | 5.3 | 201.6 | 46.1 | 155.5 | 191.9 | 305.3 |
| 28 | 27,837 | 26,682 | 27,685 | 284.0 | 148.6 | 128.7 | 6.8 | 199.1 | 46.1 | 152.8 | 191.4 | 304.4 |
| Feb. 4 | 27,959 | 26,614 | 27,724 | 282.8 | 148.4 | 128.6 | 5.8 | 199.0 | 46.1 | 152.7 | 191.1 | 303.3 |
| 11 | 27,739 | 26,720 | 27,549 | 282.7 | 148.4 | 127.9 | 6.4 | 198.5 | 46.1 | 152.2 | 191.4 | 303.2 |
| 18 | 27,705 | 26,545 | 27,512 | 282.7 | 148.8 | 128.6 | 5.3 | 199.5 | 46.4 | 153.1 | 192.0 | 303.3 |
| 25 | 27,597 | 26,538 | 27,449 | 283.2 | 149.1 | 128.8 | 5.4 | 199.9 | 46.4 | 153.4 | 192.6 | 303.8 |
| Mar. 4 | 27,697 | 26,711 | 27,394 | 283.2 | 149.6 | 129.3 | 4.9 | 200.6 | 46.5 | 154.2 | 193.0 | 304.1 |
| 11 | 27,518 | 26,536 | 27,404 | 285.4 | 150.0 | 129.0 | 6.1 | 200.0 | 46.6 | 153.4 | 193.3 | 305.2 |
| 18 | 27,712 | 26,869 | 27,537 | 284.8 | 150.3 | 128.6 | 5.8 | 199.9 | 46.7 | 153.2 | 194.1 | 304.8 |
| 25 | 27,754 | 26,790 | 27,690 | 286.3 | 151.0 | 129.6 | 5.7 | 200.2 | 46.8 | 153.5 | 194.8 | 306.3 |
| Apr. 1 | 27,954 | 27,005 | 27,605 | 290.5 | 152.0 | 132.6 | 5.9 | 206.8 | 46.9 | 159.9 | 196.0 | 310.1 |
| 8 | 27,745 | 27,229 | 27,566 | 291.6 | 152.9 | 132.8 | 5.9 | 206.7 | 46.9 | 157.8 | 197.2 | 311.0 |
| 15 | 28,390 | 27,363 | 28,290 | 289.9 | 153.2 | 132.1 | 4.6 | 203.7 | 47.1 | 156.6 | 197.5 | 309.4 |
| 22 | 28,448 | 27,516 | 28,330 | 290.7 | 153.8 | 130.3 | 6.6 | 202.5 | 47.1 | 155.4 | 198.2 | 309.9 |
| 29 | 28,282 | 27,288 | 28,051 | 288.4 | 154.2 | 129.8 | 4.4 | 201.7 | 47.3 | 154.5 | 198.8 | 308.0 |
| May 6 p | 28,476 | 27,706 | 28,101 | 289.0 | 154.4 | 131.4 | 1.7 | 203.8 | 47.5 | 156.3 | 199.1 | 309.0 |
| 13 p | 27,692 | 26,869 | 27,652 | 287.7 | 154.2 | 131.1 | 2.3 | 203.4 | 47.6 | 155.8 | 199.1 | 307.7 |
| 20 p | 27,901 | 26,687 | 27,734 | 289.4 | 154.3 | 133.2 | 1.9 | 206.3 | 47.7 | 158.6 | 199.2 | 309.4 |

1/ Private demand deposits include demand deposits of individuals, partnerships, and corporations, and not interbank deposits.

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

3/ 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.

4/ Excludes interbank and U.S. Government time deposits.

p - Preliminary.