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November 10, 1967.

MONEY MARKET AND RESERVE RELATIONSHIPS

Recent developments

Day-to-day money market rates have generally been slightly lower during the past three weeks--a period including an "even keel" stance in relation to the Treasury's mid-November refunding--than in earlier weeks of September and October. In large part, the easing of such rates has reflected the usual seasonal improvement toward the end of October and in early November of the basic reserve deficiency of major money market banks in New York. With net demands for Federal funds by these banks reduced, the Federal funds rate averaged below 4 per cent during the three statement weeks October 25-November 8, as compared with 4 per cent or slightly above in earlier September-October weeks. New dealer loan rates in New York also averaged about $4\frac{1}{2}$ per cent during the recent period, as compared with $4\frac{1}{2}$ - $4\text{-}3/8$ per cent earlier.

In view of the reserve distribution favoring major money market banks, the money market rates noted above were consistent with net free reserves running more toward the lower end of the recent range. During the past three weeks net free reserves averaged \$200 million and member bank borrowings \$90 million. Excess reserves of country banks were relatively low in this period, which included two double settlement weeks.

This ease in day-to-day rates was accompanied first by an updrift in bill rates, followed by some easing of bill rates later.

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)											
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	311	132	3.78	4.20	5.01	5.78	3.86	+307	+223	+ 3.2	+ 1.7	+ 2.2
Aug.	270	86	3.88	4.26	5.12	5.89**	3.78	+291	+269	+ 3.7	+ 1.2	+ 2.5
Sept.	252	82	3.99	4.42	5.16	5.88**	3.81	+ 96	+193	+ 2.3	+ 0.1	+ 1.7
Oct. p	212	141	3.87	4.55	5.36	6.08	3.88	+267	+328	+ 2.7	+ 1.0	+ 2.0
1967--Oct. 11 p	104	145	4.05	4.53	5.25	6.01	3.83			+ 1.2	+ 0.6	+ 0.5
18 p	341	216	4.00	4.63	5.38	6.29	3.92			+ 2.1	- 0.5	+ 0.8
25 p	134	58	3.40	4.58	5.47	6.05**	3.92			- 0.7	- 0.7	+ 0.4
Nov. 1 p	198	80	3.95	4.54	5.49	6.12	3.92			+ 0.8	+ 0.7	+ 0.4
8 p	262	132	3.94	4.62	5.61	6.37	3.97			--	+ 0.8	+ 0.1
				Averages						Annual rates of increase ^{3/}		
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>												
Mar. 29-June 28	245	110	4.00	3.66	4.83	5.63	3.68			+18.8	+ 6.9	+14.3
Jun. 28-Aug. 16	280	123	3.85	4.17	5.05	5.83	3.82			+19.4	+11.8	+18.4
Aug. 16-Nov. 8	246	100	3.90	4.47	5.27	6.01	3.85			+10.6	+ 4.8	+11.4

^{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 change 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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The 3-month bill was most recently quoted around 4.60 per cent. Liquidity demands of investors have been a tempering influence on bill rates, and very short-term bills, as typified by the 1-month bill, have declined in yield. There was little evidence of reaction in short-term markets to the most recent increase in British Bank rate.

In contrast to the bill market, there were marked upward interest rate adjustments in the Treasury note and bond market. Intermediate- and longer-term yields rose 15-25 basis points over the past three weeks, largely because of disappointed market hopes for tax action in this session of Congress and in reaction to current and prospective additions to the calendar of new issues in the corporate, municipal, and Federal Government PC markets. Against this background of capital market gloom, the new Treasury issues in the mid-November refunding have traded almost continuously below par since the books were closed. Speculative selling of the long note created some serious pressures in the first few days after books were closed, but such selling has subsequently been minimal. As of the end of business Thursday, dealers' holdings of the 7-year note were down to about \$75 million; the bulk of early dealer sales of this note were to Treasury investment accounts, but a steady small investor interest has been in evidence. With respect to the 15-month note, dealer holdings have been reduced to around \$335 million, down some \$300 million from their original holdings.

The latest upward movement in market rates has developed despite a sizable reserve provision. In October, total reserves rose at

about 16 per cent annual rate and the bank credit proxy by 12 per cent, close to expectations. This brings the annual rates of increase for these two variables to 12 and 13 per cent respectively over the first 10 months of the year. Time deposits rose by a 13 per cent annual rate in October, and the money supply, following virtually no growth in September, rose by about 6.5 per cent. For the year to date these two variables have risen at annual rates of 16.5 and 7 per cent respectively. To some extent this year's rapid increase in monetary variables offsets the suppressed rates of growth during the second half of 1966. Over the 16-month period since mid-1966, the bank credit proxy (including Euro-dollars) rose by a 9 per cent annual rate and the money supply 4 per cent.

Prospective developments

If monetary policy maintains an unchanged stance in terms of money market conditions, the complex of such conditions might include a Federal fund rate ranging around 4 per cent, member bank borrowings averaging around \$100 million, and free reserves in a \$150-\$300 million range. The 3-month bill rate is normally under upward seasonal pressure between now and mid-December, and a 4.50 - 4.80 per cent range for the bill rate seems reasonable over the coming weeks. Upward pressures on bill rates, particularly relatively short bills, may be moderated by the favorable technical position of the bill market, by continued investor demands for liquid market instruments, and by the hiatus in new Treasury bill financing. With respect to the technical position of

the market, dealers continue to have a sizable positive carry on their bill positions. In addition, relatively strong market demand for bills, supplemented by recent System purchases of almost \$500 million, has contributed to a reduction in dealer bill holdings from a recent peak of \$3.4 billion on October 25 to around \$2.5 billion currently.

The System will be supplying reserves on balance between now and the next meeting of the Committee, although the precise amount is subject to more than the usual degree of uncertainty. Open market buying will be reduced if, as seems likely, the Treasury cash balance/ at the Federal Reserve/ will have to be drawn down as the mid-December cash low approaches. Direct borrowing by the Treasury from the System is also a possibility in December.

A likely upward drift in bill rates will probably be accompanied by continued uncertainties and upward rate pressures in bond markets in reflection of the heavy municipal and corporate calendar and the concentration of Federal cash borrowing in the PC area (including a possible 20-year maturity as part of the FNMA PC offering). Factors tending to intensify such upward rate pressure are market worries over sterling, concern about the possibility of capital issues control, and prevailing expectations that monetary policy will tighten in view of the doubts surrounding enactment of a program of fiscal restraint. Since the upward rate pressures have so large an expectational component, any political or economic events altering attitudes could be quickly reflected in stabilization of bond markets.

With maintenance of prevailing money market conditions appearing consistent with a further updrift in interest rates, the rate of bank credit expansion over the last two months of the year is likely to slow somewhat further, assuming no unexpected shift in credit demands. In the mid-November refunding about \$2 billion of new cash was raised, but relatively high interest rates offered on the new issues appeared to attract considerable nonbank subscriptions, including some from individuals. In addition to the placement of new Treasury debt outside the banking system, bank credit expansion is likely to be slowed somewhat as banks' ability to obtain CD funds outside the short maturity area is further limited by continued upward pressures on bill rates and yields on other short-term market instruments.

Time and savings deposits in November are expected to increase in a 9-11 per cent range, the slowest monthly increase for the year to date. The competitiveness of large CD's has been adversely affected by yield levels reached by longer-term bills. And there are indications of some retardation in the flow of consumer saving to banks, just as is the case with other savings institutions. In December, the rate of increase in time deposits might remain moderate, influenced by the likely attrition of CD's in connection with the mid-December dividend and tax dates, although some part of funds raised in heavy capital market financing may be temporarily invested in CD's.

It is not expected that banks will make particularly aggressive efforts to rebuild CD's rapidly next month--with short CD's the main

practical instrument--unless business loan demands tend to show a resurgence. Neither business inventory nor capital spending behavior yet suggest such a resurgence, but a moderate pick-up in business loan growth at banks might be anticipated if some corporate borrowers shy away from capital markets in view of the high rates there and if business activity in the coming weeks is especially buoyant.

Private demand deposits at banks in November are expected to increase on average at an annual rate of 8-10 per cent, and money supply by 6-8 per cent. This growth in money supply follows sharp declines in the last half of October after U.S. Government deposits were increased by the large \$4.5 billion tax bill financing. The \$2 billion of cash raised in the current refunding is not expected to have so dampening an effect on money supply growth since all the cash will have to be paid out by the Government within a few days of receipt. In December, U.S. Government deposits are expected to decline sharply throughout the month, contributing to a further rapid growth in the money supply on average.

Given these diverse deposit flows, bank credit in November is projected to increase in a 7-10 per cent annual rate range, and total reserves by a similar amount. And as a result of offsetting gyrations in private and Governmental demand deposits, in conjunction with the continued slower growth in time deposits, the bank credit proxy in December is likely to grow at a somewhat slower rate than in November.

Policy alternative. "Even keel" considerations are not likely to be a significant constraint on monetary policy from mid-November, or shortly thereafter, until at least the latter part of December. Distribution of issues in the mid-November refunding is proceeding relatively well. And, as noted earlier, dealer positions in the long note are comparatively low, while sales of the short note have been at a steady pace.

Should the System wish to make a move toward restraint through open market operations, the Committee might consider aiming at a constellation of money market conditions including a Federal funds rate centering on $4\frac{1}{2}$ per cent, member bank borrowings averaging \$150-\$200 million, and free reserves \$50-\$200 million. The 3-month bill rate under the circumstances might move closer to 5 per cent, as it became apparent that monetary policy was finally tightening, with most market participants probably assuming further tightening to come, and with major money market banks coming under increased pressure in view of the CD ceilings. At the same time, the market would begin to raise questions about possible changes in Regulation Q ceilings and the discount rate.

Long-term rates may already reflect some expectations of a tighter monetary policy, but firm evidence that it has developed is likely to lead to further upward rate movements. Moreover, any expectations that this policy change may be the first of a series of moves would tend to increase the premium on anticipatory borrowing and investor reluctance in capital markets.

Borrowers may also attempt to raise or firm up their line of credit with banks, and perhaps even to take down existing commitments to ensure availability of cash at existing rates. If such demands develop, banks are likely to attempt to find additional funds through a variety of means, including sale of short CD's, by active bidding in the Euro-dollar market, and some more aggressive activity in the Federal funds market. Such developments would, in turn, lead to a temporarily somewhat faster growth in reserves and bank credit than with no change in policy. Over the longer run, as policy remains taut, the rate of bank credit and money expansion may moderate, depending on the extent to which banks dispose of assets rather than take their chances in the Federal funds or CD markets, on the response of borrowers to the higher cost of money, and on policy with respect to Regulation Q.

ORIGINAL 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--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	369	94	275		
June	345	88	257		
July	449	132	317		
August	356	86	270		
September	334	82	252		
October p	353	141	212		
<u>Weekly:</u>					
1967--July 5	462	353	109	152	168
12	643	69	574	597	604
19	236	51	185	195	214
26	453	54	399	403	417
Aug. 2	295	116	179	206	188
9	371	91	280	324	319
16	382	129	253	258	269
23	473	47	426	422	438
30	260	46	214	182	202
Sept. 6	332	79	253	288	219
13	386	70	316	275	293
20	408	106	302	336	350
27	211	74	137	185	217
Oct. 4	413	144	269	298	271
11	249	145	104	151	186
18 p	557	216	341	378	379
25 p	192	58	134	164	106
Nov. 1 p	278	80	198	295	312
8 p	394	132	262	262	233

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)

	Reserve Aggregates				Monetary Variables			
	Total Reserves	Nonborrowed Reserves	Required reserves		Total Member Bank Deposits (credit) <u>1/</u> <u>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--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.	+11.3	+15.2	+16.0	+15.8	+15.2	+15.2	+11.6	+14.0
Aug.	+13.5	+14.7	+15.6	+14.4	+16.9	+17.1	+ 8.1	+10.4
Sept.	+ 9.6	+ 4.8	+ 9.0	+ 7.1	+10.3	+11.4	+ 0.7	- 0.9
Oct. p	+16.2	+13.2	+17.7	+16.2	+12.0	+13.3	+ 6.7	+ 6.9

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.

p - Preliminary.

Chart 1

MEMBER BANK RESERVES

MONTHLY AVERAGES OF DAILY FIGURES

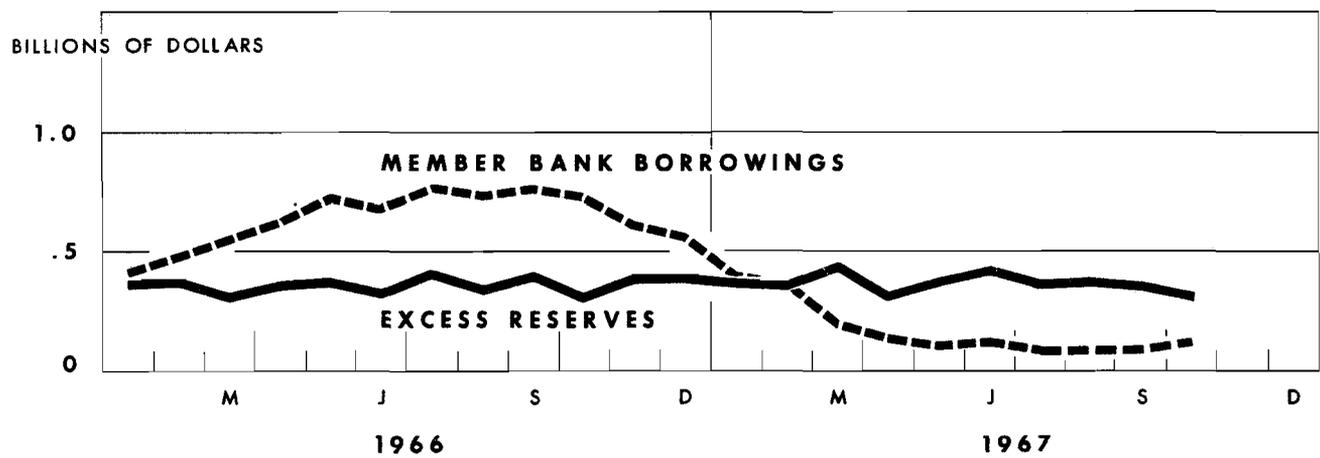
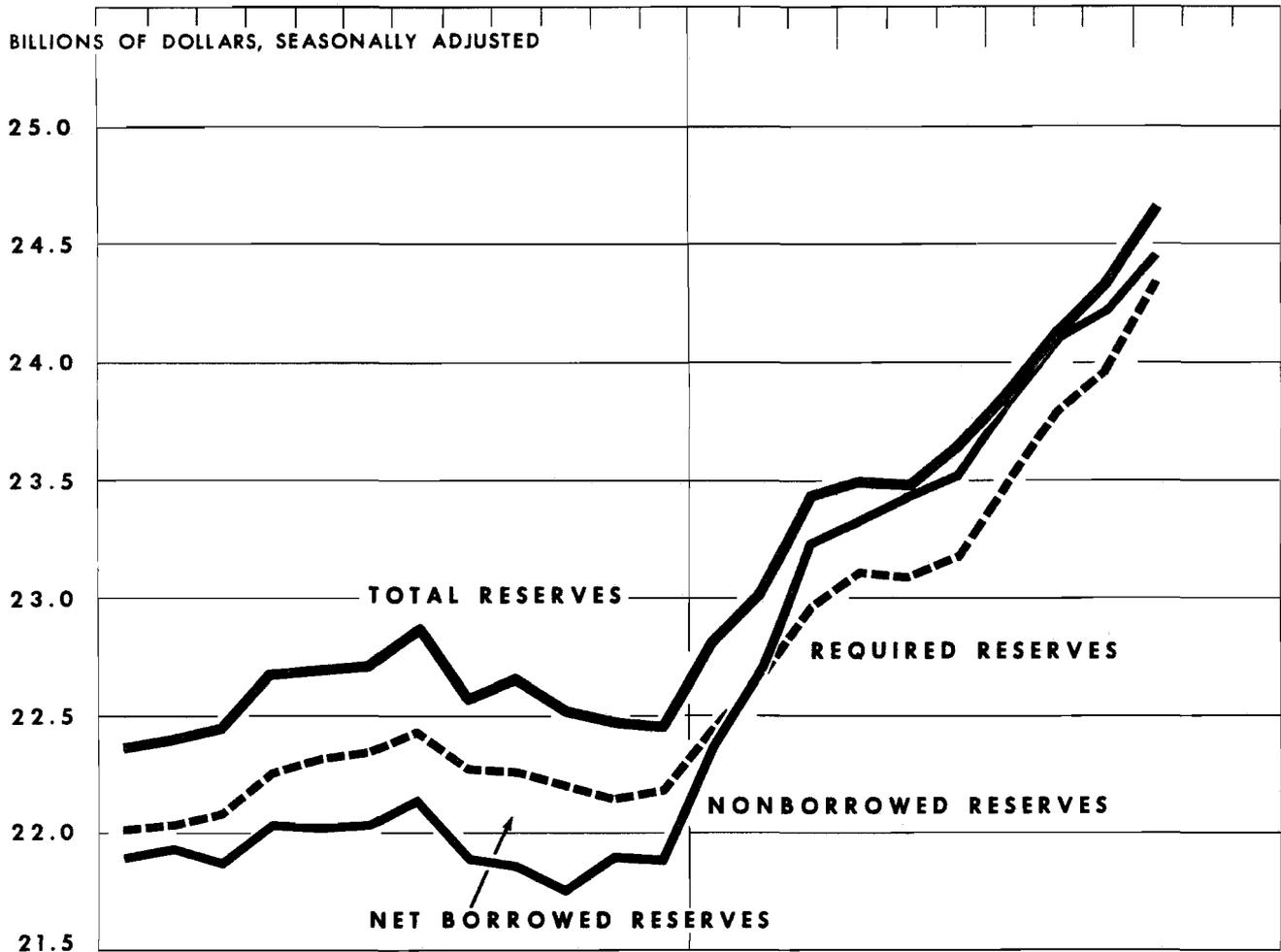


Chart 2

MEMBER BANK DEPOSITS AND LIABILITIES TO OVERSEAS BRANCHES

BILLIONS OF DOLLARS

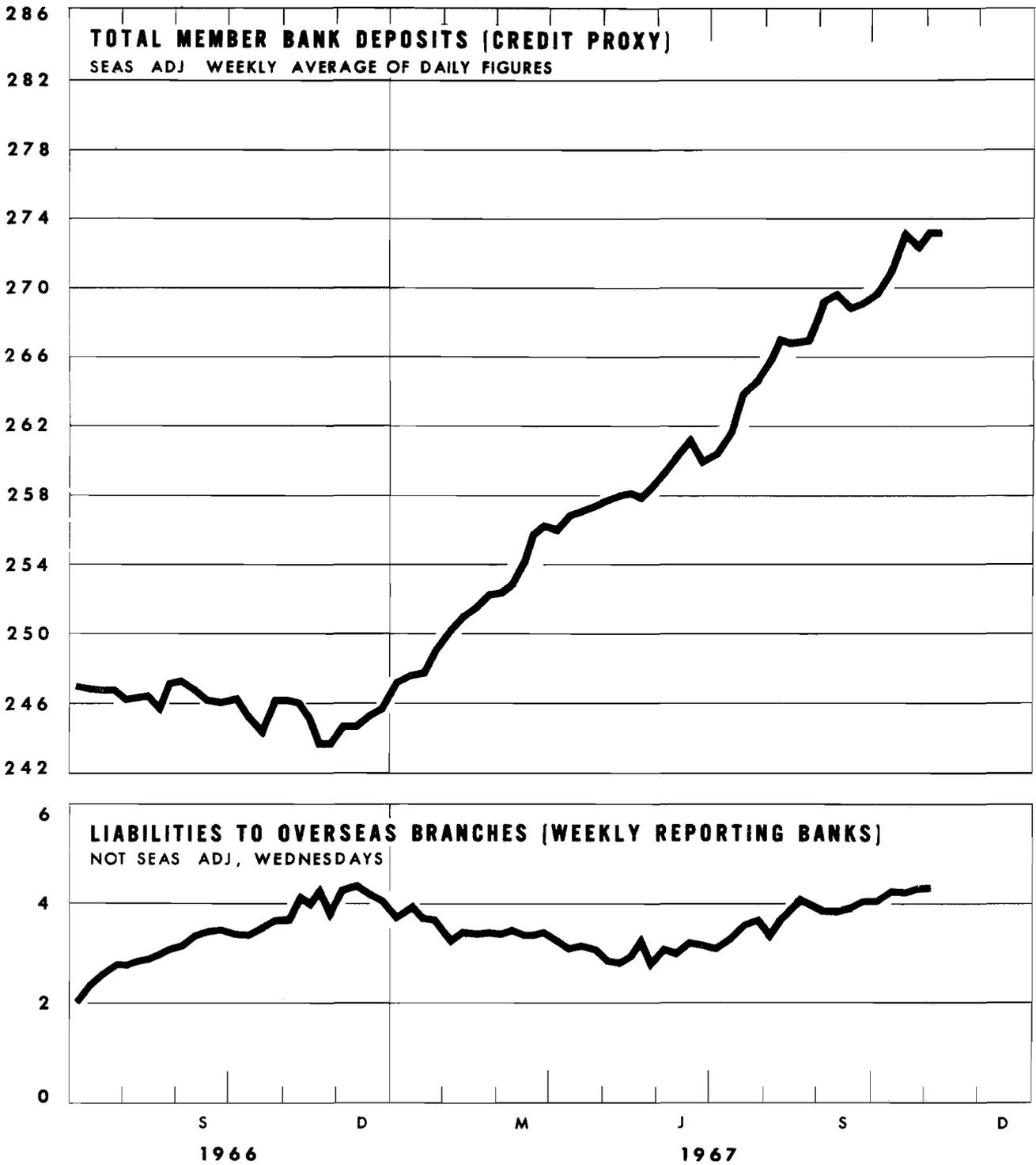
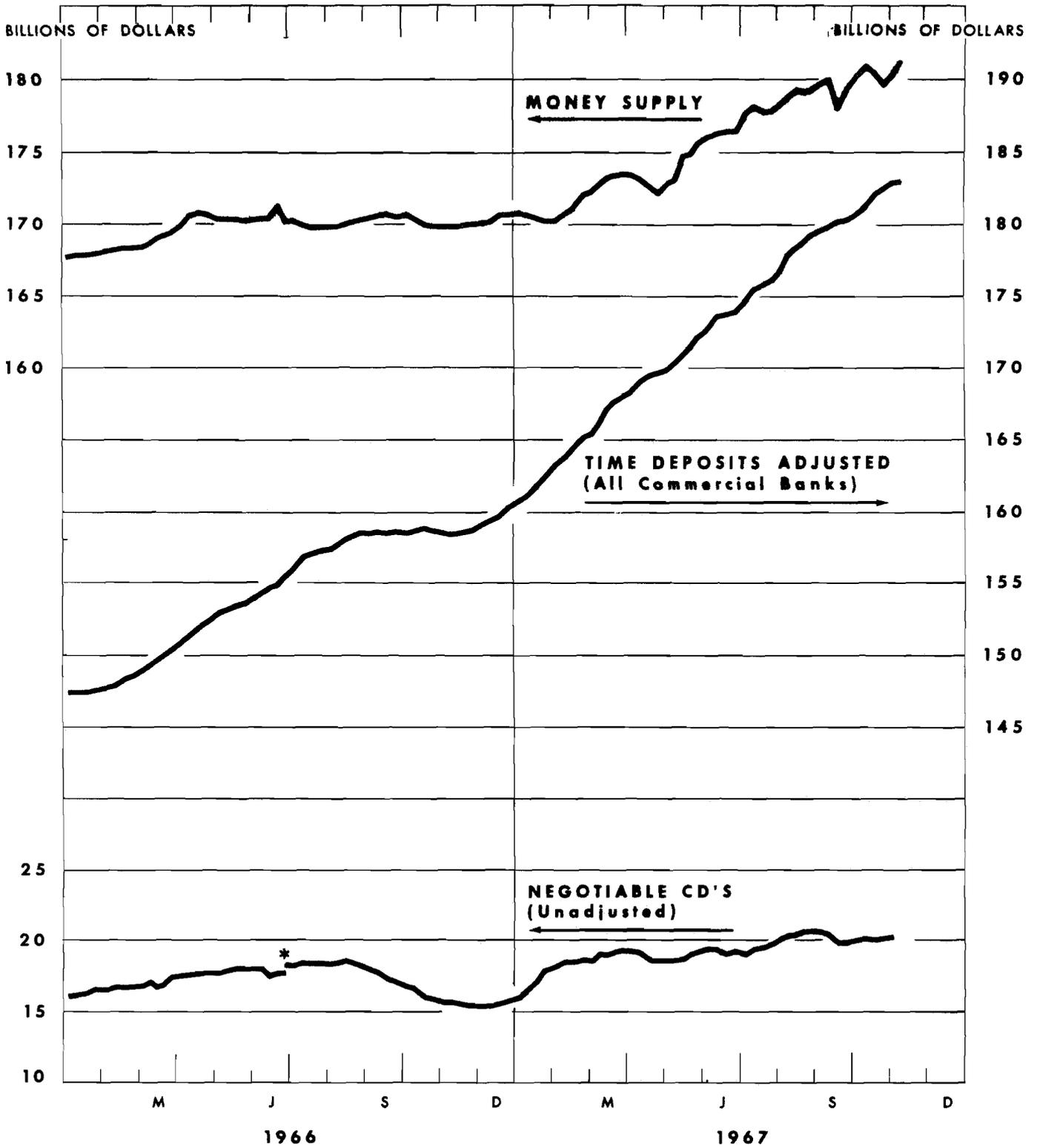


Chart 3

MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

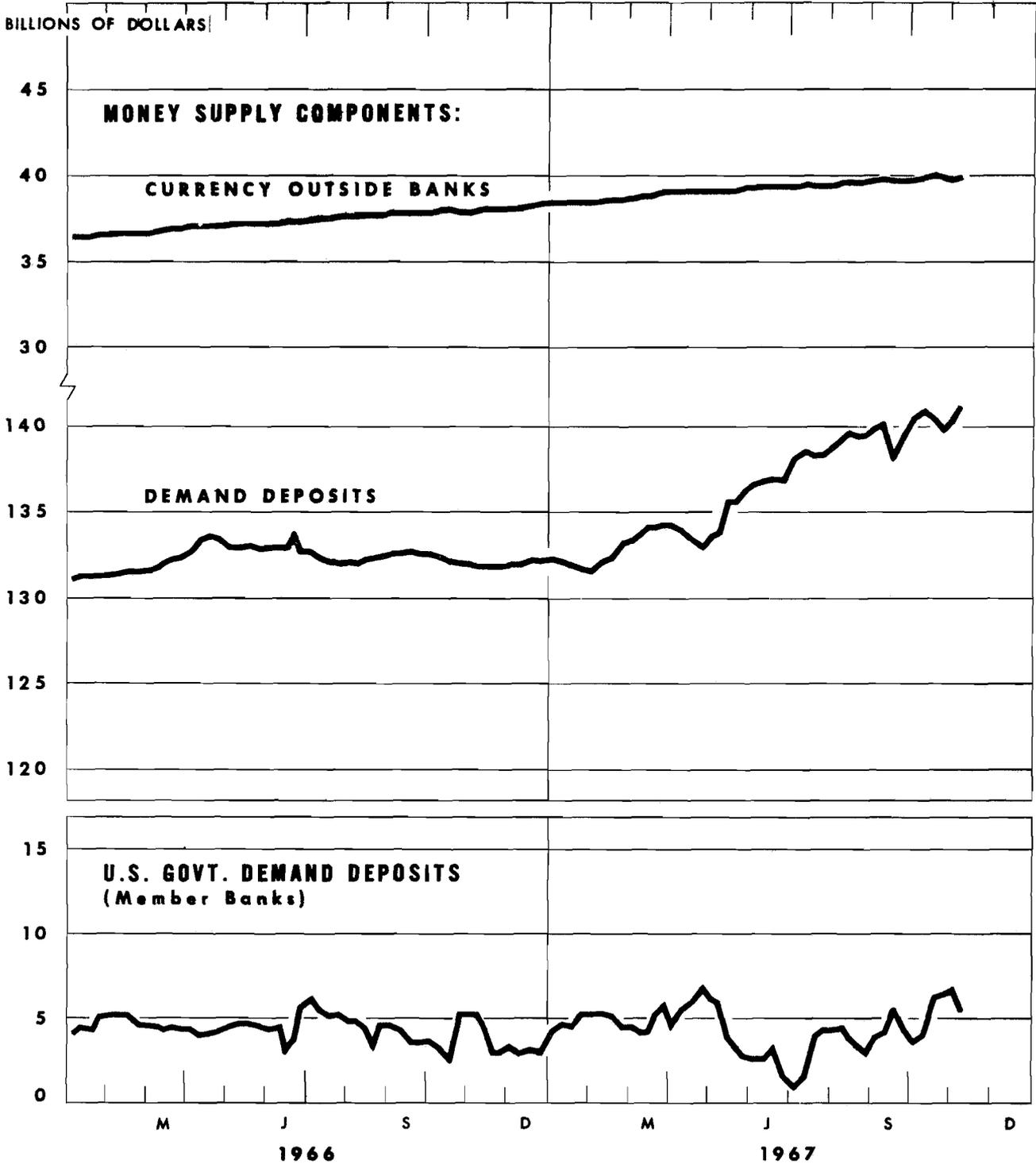


* CHANGE IN SERIES

Chart 4 |

DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES



N O T E

Due to the Verterans' Day holiday, data for the "B Tables" usually included in the Blue Book are not available. A supplement with these data will be prepared and distributed Monday, November 13, 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)

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.	23,869	23,830	23,488	23,049	17,115
Aug.	24,138	24,121	23,794	23,275	17,246
Sept.	24,331	24,217	23,972	23,329	17,236
Oct. p	24,659	24,484	24,325	23,452	17,315

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)

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.	263.3	143.3	116.7	3.2
Aug.	267.0	145.6	117.6	3.7
Sept.	269.3	147.2	117.6	4.5
Oct. p	272.0	148.2	118.1	5.6

^{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)

Week ending:	Total member bank deposits (credit) 1/ 2/	Time deposits 2/	Private demand deposits 3/	U. S. Gov't. demand deposits
1967--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	264.6	143.7	116.6	4.3
Aug. 2	265.8	144.4	117.2	4.3
9	267.0	145.0	117.5	4.4
16	266.7	145.4	117.4	3.9
23	266.8	145.8	117.6	3.4
30	267.0	146.5	117.6	3.0
Sept. 6	269.3	146.9	118.3	4.1
13	269.6	147.0	118.3	4.3
20	268.8	147.2	116.1	5.5
27	269.1	147.3	117.4	4.5
Oct. 4	269.7	147.6	118.6	3.6
11	271.0	148.0	118.9	4.1
18 p	273.1	148.4	118.4	6.3
25 p	272.4	148.4	117.6	6.4
Nov. 1 p	273.2	148.9	117.7	6.7
8 p	273.2	149.1	118.7	5.4

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, 1966.

3/ Private demand deposits include demand deposits of 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)

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.	177.9	39.5	138.4	175.8
Aug.	179.1	39.6	139.6	178.3
Sept.	179.2	39.8	139.5	180.0
Oct. p	180.2	39.9	140.3	182.0

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)

Week Ending	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits adjusted <u>3/</u>
1967--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	177.8	39.4	138.4	176.1
Aug. 2	178.3	39.4	138.9	176.8
9	178.8	39.6	139.3	177.8
16	179.2	39.6	139.7	178.2
23	179.1	39.6	139.5	178.5
30	179.1	39.6	139.5	179.2
Sept. 6	179.7	39.7	139.9	179.6
13	180.0	39.8	140.2	179.8
20	178.0	39.7	138.2	180.2
27	179.3	39.7	139.5	180.3
Oct. 4	180.3	39.8	140.5	180.7
11	180.9	39.9	140.9	181.2
18 p	180.4	40.0	140.4	182.0
25 p	179.7	39.9	139.8	182.4
Nov. 1 p	180.4	39.8	140.5	182.8
8 p	181.2	39.9	141.3	182.9

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 of Federal Reserve Banks.

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