

## **Prefatory Note**

The attached document represents the most complete and accurate version available based on original copies culled from the files of the FOMC Secretariat at the Board of Governors of the Federal Reserve System. This electronic document was created through a comprehensive digitization process which included identifying the best-preserved paper copies, scanning those copies,<sup>1</sup> and then making the scanned versions text-searchable.<sup>2</sup> Though a stringent quality assurance process was employed, some imperfections may remain.

Please note that some material may have been redacted from this document if that material was received on a confidential basis. Redacted material is indicated by occasional gaps in the text or by gray boxes around non-text content. All redacted passages are exempt from disclosure under applicable provisions of the Freedom of Information Act.

---

<sup>1</sup> In some cases, original copies needed to be photocopied before being scanned into electronic format. All scanned images were deskewed (to remove the effects of printer- and scanner-introduced tilting) and lightly cleaned (to remove dark spots caused by staple holes, hole punches, and other blemishes caused after initial printing).

<sup>2</sup> A two-step process was used. An advanced optical character recognition computer program (OCR) first created electronic text from the document image. Where the OCR results were inconclusive, staff checked and corrected the text as necessary. Please note that the numbers and text in charts and tables were not reliably recognized by the OCR process and were not checked or corrected by staff.

MONETARY AGGREGATES AND  
MONEY MARKET CONDITIONS

Recent Developments

(1) The near-crisis conditions which had developed in securities markets around the time of the last Committee meeting have been significantly alleviated over the intervening weeks. But uncertainties still persist regarding the general liquidity of some financial and non-financial sectors of the economy and the added borrowing pressures which such financial strains might generate. As a result, securities markets remain quite sensitive to even relatively modest shifts in supply-demand prospects and market expectations.

(2) Stock price indexes recovered nearly one-third of the steep April-May decline in the week following the last Committee meeting but have since fluctuated below that recovery level. Bond markets also strengthened appreciably around the end of May. In June, however, an increased volume of offerings has pushed yields on new corporate bonds to new highs and other bond yields have retraced a sizable part of their late May declines. At these yields investor interest has been good, and new offerings have been generally well received. Reports persist, however, that businesses rated as less than high-quality are finding it difficult to finance in capital markets and are turning to banks for funds.

(3) In short-term markets commercial paper rates have remained high, and there has reportedly been an upgrading in investor standards regarding the quality of credits. Rates on other short-term market instruments have edged lower, particularly Treasury bills, with the yield on the 3-month issue most recently bid around 6.70 per cent, about 30 basis points below the level at the time of the last meeting.

(4) Desk purchases of Treasury coupon issues totaling about \$300 million--occurring just before and shortly after the May 26 meeting--contributed to the general improvement of market psychology early in the inter-meeting period. Changes in the average level of the Federal funds rate were influenced by shifting--largely seasonal--reserve pressures on major money market banks over the period. In the three statement weeks ending June 3 these banks ran relatively shallow basic reserve deficits on average. Partly for this reason the average effective rate on Federal funds ranged between 7-5/8 and 7-7/8 per cent, even though net borrowed reserves were averaging close to \$1 billion. In the two following statement weeks, as dividend and tax date pressures tended to deepen basic reserve deficits at the major money market banks, the effective rate on Federal funds was around 8 per cent on most days, even though sizable reserve supplying operations by the Desk contributed to a sharp reduction of net borrowed reserves. In the statement week ending June 17, when net borrowed reserves eased sharply to \$418 million, the Federal funds rate finally dropped well below 8 per cent near the end of the period. Average member bank borrowings also varied significantly over the period, ranging from a high of \$1.2 billion in the statement week ending June 3 to \$650 million in the week just ended.

(5) Growth in the monetary aggregates has diverged to some extent from the staff projections that were presented to the Committee as background information at the last meeting. The adjusted credit proxy initially grew more rapidly than projected, although most recently it has moved back about to the projected level. The money supply, on the other hand, fell substantially short of estimates and projections in the latter half of May, and since then has recovered only part of this difference.

RECENT PATHS OF KEY MONETARY AGGREGATES  
(Seasonally adjusted, billions of dollars)

|                       | <u>Adjusted Credit Proxy</u>                      |                           | <u>Money Supply</u>                               |                           |
|-----------------------|---|---------------------------|---|---------------------------|
|                       | <u>Projected at<br/>Last Meeting<sup>1/</sup></u> | <u>Actual<br/>Results</u> | <u>Projected at<br/>Last Meeting<sup>1/</sup></u> | <u>Actual<br/>Results</u> |
| <u>1970</u>           |   |                           |   |                           |
| <u>Month</u>          | <u>Levels</u>                                     |                           | <u>Levels</u>                                     |                           |
| May                   | 309.2   | 309.5                     | 204.9   | 204.0                     |
| <u>Weeks Ending</u>   |   |                           |   |                           |
| May 13                | 307.7   | 307.9                     | 203.4   | 203.5                     |
| May 20                | 309.4   | 309.5                     | 206.3   | 205.1                     |
| May 27                | 310.1   | 310.6                     | 205.7   | 203.8                     |
| June 3                | 309.5   | 310.8                     | 205.2   | 204.0                     |
| June 10               | 310.7   | 310.6                     | 204.6   | 203.4                     |
| June 17 <sup>e/</sup> | 311.6   | 311.8                     | 205.2   | 204.3                     |
|                       | <u>Annual Rates of Change</u>                     |                           | <u>Annual Rates of Change</u>                     |                           |
| <u>Months</u>         |   |                           |   |                           |
| May                   | - 1.5   | - 0.4                     | 9.5   | 4.1                       |
| June                  | 8.5   | 8.0 <sup>PR/</sup>        | 1.0   | - 1.0 <sup>PR/</sup>      |

<sup>e/</sup> Estimated.

<sup>PR/</sup> Projected.

<sup>1/</sup> Projections were based on an assumption of no change in money market conditions.

(6) The slower-than-projected growth in the money supply reflected in part a higher-than-estimated level of U.S. Government deposits in late May and early June. However, deviations from the projections also developed from other temporary factors in the last two weeks of May. For the week of May 20, when the money supply increased sharply, data available at the time of the last meeting had overstated the increase by \$1.3 billion. Similarly, in the following week a decline of \$600 million was projected at the time of the meeting, but the actual decline turned out to be \$1.3 billion. The mid-May bulge reflected retroactive Federal supplements to consumer income and temporary deposits resulting from attrition in the May Treasury refunding, the short-range impacts of which were difficult to assess in advance.

(7) The initial movement of the adjusted credit proxy above the projected path was due chiefly to larger-than-estimated expansion in nondeposit sources of funds and time deposits. In the course of May, all non-deposit sources increased by around \$900 million. For early June, data indicate considerable slackening in the increase of bank-related commercial paper, but Euro-dollar borrowings in this period have picked up. Time deposits are now estimated to have risen at a 10 per cent average rate in May and appear to be continuing at close to that rate in June as well. Almost all of this growth has been in consumer-type time deposits at country banks. At banks outside New York City there still are indications of some net increase in outstanding CD's despite the fact that investment yields on Treasury bills are now about 20-30 basis points above comparable CD ceilings. Total CD's have shown moderate net run-offs in recent weeks, with attrition of foreign deposits in New York City offset in part by slight increases in CD's issued in other leading cities.

(8) The following table summarizes seasonally adjusted annual rates of change in major reserve, deposit, and credit aggregates for selected periods:

|   | <u>Past Year</u><br>(May over<br>May) | <u>May over</u><br>December | <u>May</u><br>over<br>April | <u>June</u><br>over<br>December<br>(Proj.) | <u>June</u><br>over<br>May<br>(Proj.) |
|---|---------------------------------------|-----------------------------|-----------------------------|--|---------------------------------------|
| Total Reserves  | -2.7                                  | -0.3                        | -14.0                       | --   | 1.0                                   |
| Nonborrowed Reserves  | -1.5                                  | 1.0                         | -19.2                       | 2.2  | 7.5                                   |
| Money Supply  | 2.9                                   | 5.3                         | 4.1                         | 4.2  | -1.0                                  |
| Time and savings deposits   | -1.0                                  | 6.8                         | 10.3                        | 7.2  | 9.0                                   |
| Savings accounts at nonbank<br>thrift institutions                    | 2.8                                   | 3.9                         | 5.6p                        | n.a.                                       | n.a.                                  |
| <u>Member bank deposits and<br/>related sources of funds</u>          |                                       |                             |                             |  |                                       |
| Total member bank deposits<br>(bank credit proxy)                     | -2.0                                  | 2.9                         | - 4.1                       | 3.4  | 6.0                                   |
| Proxy plus Euro-dollars   | -1.3                                  | 1.0                         | - 3.2                       | 2.0  | 7.0                                   |
| Proxy plus Euro-dollars<br>and other nondeposit<br>sources            | n.a.                                  | 3.0                         | - 0.4                       | 3.8  | 8.0                                   |
| <u>Commercial bank credit</u><br>(month end)                          |                                       |                             |                             |  |                                       |
| Total loans and investments<br>of all commercial banks                | 1.4                                   | 2.3                         | 6.0                         | n.a.                                       | n.a.                                  |
| L&I plus loans sold<br>outright to affiliates<br>and foreign branches | 2.9                                   | 4.7                         | 8.5                         | n.a.                                       | n.a.                                  |

NOTE: All items are averages 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.

p--Preliminary,

n.a.--Not available.

Prospective Developments

(9) Conditions in money and securities markets over the weeks ahead remain highly uncertain. Interest rates in long markets are exceptionally high, but the effects that this could have over time on lender and borrower attitudes are not yet apparent. The emphasis on high quality credits by investors, if it continues, may also bring changes in the pattern of fund flows, particularly with reference to the commercial paper market. The Treasury probably will raise \$4.5--\$5.0 billion in new cash during July, mainly through tax anticipation bills. Substantial fund flows will occur around the mid-year interest and dividend crediting period at banks and other savings institutions, with the net outcome in doubt. Finally, the underlying economic situation remains uncertain, with most of the recently available data pointing toward increased weakness.

(10) In this situation, the Committee may wish to consider three alternative policy courses for the interval until its next meeting on July 21, at which time "even keel" considerations are likely to become a factor constraining operations. First, it may wish to continue the current directive for another interval, emphasizing the objective of moderating financial market pressures, with secondary attention to the monetary aggregates. Second, it may wish to reestablish as its primary objective the achievement of moderate growth in the monetary aggregates, along the lines visualized at the May 5 and earlier meetings, with a proviso addressed to countering any excessive pressures that may develop. Or the Committee, in recognition of the somewhat weaker economic news and the prospect that

economic recovery over the next year may be more sluggish than was anticipated earlier, may wish to move policy toward the achievement of a moderately faster rate of growth in money and bank credit than has prevailed in the year to date, with a proviso similar to that of the preceding alternative. Specifications for these three alternatives are discussed below.

Alternative A

(11) If the Committee desires to continue for the time being primary emphasis on financial market conditions over monetary aggregates, it may wish to consider renewal of the directive language adopted at the last meeting, with the following minor changes:

"To implement this policy, in view of PERSISTING current market uncertainties and liquidity strains, open market operations until the next meeting of the Committee shall CONTINUE TO be conducted with a view to moderating pressures on financial markets, while, to the extent compatible therewith, maintaining bank reserves and money market conditions consistent with the Committee's longer-run objective of moderate growth in money and bank credit."

If this directive is adopted, the phrase "moderating pressures on financial markets" might be interpreted to mean (1) that the Desk should act to ease recently prevailing money market conditions if the behavior of securities markets generally should again begin to deteriorate; (2) that if there is no further deterioration, the Desk should (a) exercise considerable caution in taking any firming actions in response to unduly rapid growth in the monetary aggregates. Since such actions might themselves set off a deterioration of security market conditions; and (b) avoid easing unless the aggregates begin to fall short of the Committee's



longer-run objective of moderate growth. It would seem that the intended meaning of "moderate growth" would have to be specified; one possibility is the set of projections shown in paragraph (14) below.

(12) Recently prevailing money market conditions may be taken to include a Federal funds rate generally in the 7-5/8--8 per cent range, net borrowed reserves averaging \$650-\$900 million; and average member bank borrowings in an \$800 million to \$1.0 billion range. Given the fact that bill rates are subject to fairly wide seasonal fluctuations at this time of year, a relatively wide 6.50-7.00 per cent range for the 3-month bill rate might be consistent with the preceding specifications.

(13) The bill rate is likely to move somewhat lower within this range in the very near term, given the current depleted level of dealer bill positions, and expected seasonal demands. Bill buying is anticipated from investors rechanneling some part of the proceeds of the \$3.3 billion of maturing June tax bills not turned in for taxes, from banks seeking bills for end-of-June window-dressing purposes, and from the System's need to supply substantial reserves over the July 4 holiday. In July, however, the Treasury is expected to raise \$4.5 to \$5.0 billion of new money in the bill market--through continued additions to the weekly bill auctions and probably two offerings of tax bills, one of which could come very early in the month. This additional supply of bills would very likely press bill rates higher, possibly toward the upper end of the range specified above or even beyond. If the rate should rise to say 6.90 per cent or above, this directive would contemplate that the Desk would move to resist the increase.

(14) Given staff expectations of a modest increase in economic activity during the third quarter, maintenance of the money market conditions and 3-month Treasury bill rates in the ranges outlined above would be expected to produce the following monthly patterns of growth in the monetary aggregates:<sup>1/</sup>

Projected Growth of Monetary Aggregates

Assuming Maintenance of Recently Prevailing Money  
Market Conditions  
(Daily averages, seasonally adjusted)

| Months          | Adjusted Credit Proxy |                       | Money Supply         |                       | Total Reserves       |                       |
|-----------------|-----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
|                 | Levels (in billions)  | Annual Rate of Change | Levels (in billions) | Annual Rate of Change | Levels (in billions) | Annual Rate of Change |
| June            | 311.5                 | 8.0                   | 203.8                | -1.0                  | 27.9                 | --                    |
| July            | 312.4                 | 3.5                   | 205.2                | 8.0                   | 27.9                 | --                    |
| August          | 314.3                 | 7.5                   | 206.0                | 4.5                   | 28.0                 | 4.0                   |
| September       | 316.5                 | 8.5                   | 206.4                | 2.5                   | 28.1                 | 5.0                   |
| <u>Quarters</u> |                       |                       |                      |                       |                      |                       |
| 2nd Qtr.        |                       | 7.0                   |                      | 4.5 <sup>1/</sup>     |                      | 2.5                   |
| 3rd Qtr.        |                       | 6.5                   |                      | 5.0                   |                      | 3.0                   |

<sup>1/</sup> 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 second quarter rate shown in table.

(15) As shown in the table, the 5 per cent third quarter growth rate in the money stock projected under the above assumptions involves a relatively high growth rate in July and progressively smaller increases in August and September. The projected July growth rate makes allowance for heavy net payments by the Treasury to the public during the month, together with temporary increases in demand balances arising from disintermediation at depositary-type institutions during the imminent mid-year reinvestment period. While the net switching out of accounts at such institutions is expected to be substantially below a year ago, the volume of deposit churning involved is,

<sup>1/</sup> Projected weekly patterns for the period until the July meeting are included in the table in paragraph (20) below.

nevertheless, likely to be relatively large. The very low rate of money supply growth in September is attributable to an expected sharp rise in Government deposits created by tax inflows, as well as to assumed reductions in bank holdings of new Treasury debt to be acquired in the projected end-of-August cash financing. These two types of effects also help to account for the estimated drop in the money supply during June.

(16) Time deposits--not shown in the table--are projected to grow at about a 9-1/2 per cent rate on average over the third quarter. With investment yields on Treasury bills and other short-term market instruments continuing at levels that make large negotiable CD's non-competitive, no net growth in these instruments is projected, although it is expected that enough new CD's can be issued outside New York City to offset continuing run-offs at the major banks. Growth in consumer-type time and savings deposits is likely to slow appreciably in July, during the mid-year reinvestment period. Thereafter, growth of such accounts should pick up appreciably as in other recent quarters, returning total time deposit expansion to about a 10-1/2 per cent annual rate in September. The pattern of growth in the credit proxy is strongly influenced by the projected path of time deposit expansion and assumes a steady growth in nondeposit sources of funds at \$100 million a week. If commercial paper issuers should move back into banks in volume, growth in the proxy, of course, could be larger, with bank financing presumably coming from non-deposit sources (or perhaps from increased borrowing at the discount window).

#### Alternative B

(17) If the Committee wishes to return to its earlier emphasis on moderate growth in the monetary aggregates as the primary operating

target for open market policy, it may wish to adopt a directive with the following language:

~~"To implement this policy, in-view-of-current-market uncertainties-and-liquidity-strains,~~ THE COMMITTEE SEEKS TO PROMOTE 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 ~~moderating-pressures-on-financial-markets,-while-to-the extent-compatible-therewith;~~ maintaining bank reserves and money market conditions consistent with ~~the-Committee's longer-run~~ THAT objective of ~~moderate-growth-in-money-and bank-credit;~~ PROVIDED, HOWEVER, THAT OPERATIONS SHALL BE MODIFIED AS NEEDED TO COUNTER EXCESSIVE PRESSURES IN FINANCIAL MARKETS, SHOULD THEY DEVELOP."

"Moderate growth" in the money supply was defined as a 4 per cent annual rate at the Committee's May 5 meeting when this form of the directive was last adopted. This rate of change also approximates that now estimated for the first half of the year. The following table delineates a set of target paths for the monetary aggregates that would be consistent with a continuation of this 4 per cent growth rate over the third quarter.

Monthly  
Target Paths for the Monetary Aggregates  
Assuming the Money Supply Grows at a 4 Per Cent  
Annual Rate Over the Third Quarter  
(Daily average levels seasonally adjusted)

| <u>Months</u> (in billions) | <u>Adjusted Credit Proxy</u> |  | <u>Money Supply</u> |  | <u>Total Reserves</u> |  |
|-----------------------------|------------------------------|--|---------------------|--|-----------------------|--|
|                             | <u>Level</u>                 | <u>Annual Rate</u><br><u>of Change</u> | <u>Level</u>        | <u>Annual Rate</u><br><u>of Change</u> | <u>Level</u>          | <u>Annual Rate</u><br><u>of Change</u> |
| June                        | 311.5                        | 8.0                                    | 203.8               | -1.0                                   | 27.9                  | --                                     |
| July                        | 312.1                        | 2.5                                    | 205.1               | 7.5                                    | 27.9                  | -0.5                                   |
| August                      | 313.7                        | 6.0                                    | 205.7               | 3.5                                    | 27.9                  | 3.5                                    |
| September                   | 315.7                        | 7.5                                    | 205.8               | 0.5                                    | 28.0                  | 4.0                                    |
| <u>Quarters</u>             |                              |  |                     |  |                       |  |
| 2nd Qtr.                    |                              | 7.0                                    |                     | 4.5 <sup>1/</sup>                      |                       | 3.0                                    |
| 3rd Qtr.                    |                              | 5.5                                    |                     | 4.0                                    |                       | 2.0                                    |

<sup>1/</sup> 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 second quarter rate shown in table.

(18) For the money supply to grow at the targeted 4 per cent annual rate in the third quarter, money market conditions would have to be somewhat firmer than those currently prevailing as described in paragraph (12) above. These firmer conditions might include a Federal funds rate generally in a 7-3/4--8-1/4 per cent range, net borrowed reserves averaging around \$900 million, and member bank borrowings averaging around \$1 billion. In these circumstances, the 3-month Treasury bill rate could also be expected to range somewhat higher than under Alternative A, perhaps between 6.60 and 7.10 per cent.

(19) Growth in the adjusted credit proxy consistent with 4 per cent money growth and the money market conditions specified above is projected at an annual rate averaging 5-1/2 per cent during the third quarter. The monthly pattern is much the same as shown in paragraph 14, but with time deposit growth relatively <sup>a little weaker and expansion</sup> in nondeposit sources of funds somewhat stronger than implied in that alternative. In particular, we would expect that CD sales would be appreciably more difficult in the tighter short-term markets contemplated in this variant, and that some net attrition in such balances outstanding could be anticipated.

(20) In the period from now until the next meeting, a target path for the monetary aggregates that might be expected to emerge from the money market and bill rate conditions specified in paragraph (18) would be the following. The table also shows the projected weekly path associated with Alternative A.

Weekly Path for Monetary Aggregates  
(Daily average levels, seasonally adjusted in billions of dollars)

| <u>Week ending</u> | <u>Adjusted Credit Proxy</u> |               | <u>Money Supply</u> |               | <u>Total Reserves</u> |               |
|--------------------|------------------------------|---------------|---------------------|---------------|-----------------------|---------------|
|                    | <u>Alt. B</u>                | <u>Alt. A</u> | <u>Alt. B</u>       | <u>Alt. A</u> | <u>Alt. B</u>         | <u>Alt. A</u> |
|                    | <u>1/</u>                    | <u>2/</u>     |                     |               |                       |               |
| June 17            | 311.8                        | 311.8         | 204.3               | 204.3         | 27.9                  | 27.9          |
| 24                 | 311.6                        | 311.6         | 203.8               | 203.8         | 27.7                  | 27.7          |
| July 1             | 311.8                        | 311.8         | 203.6               | 203.6         | 28.0                  | 28.0          |
| 8                  | 311.3                        | 311.4         | 204.3               | 204.4         | 27.9                  | 27.9          |
| 15                 | 312.3                        | 312.4         | 205.3               | 205.4         | 27.9                  | 27.9          |
| 22                 | 311.2                        | 311.5         | 204.2               | 205.3         | 27.8                  | 27.8          |

1/ Target path assuming 4 per cent growth in money supply over the third quarter.

2/ Results projected on assumptions of maintenance of prevailing money market conditions.

Alternative C

(21) If the Committee believes that the somewhat weaker economic projection calls for a moderately more stimulative monetary policy, defined in terms of expansion rates for money, it may wish to consider the following alternative language:

"To implement this policy, ~~in-view-of-current-market uncertainties-and-liquidity-strains,~~ THE COMMITTEE SEEKS TO PROMOTE SOMEWHAT GREATER GROWTH IN MONEY AND BANK CREDIT OVER THE MONTHS AHEAD THAN IN THE FIRST HALF OF THIS YEAR, SYSTEM open market operations until the next meeting of the Committee shall be conducted with a view to ~~moderating-pressures on-financial-markets;-while;-to-the-extent-compatible-therewith;~~ maintaining bank reserves and money market conditions consistent with ~~the-Committee's-longer-run~~ THAT objective of ~~moderate-growth in-money-and-bank-credit;~~ PROVIDED, HOWEVER, THAT OPERATIONS SHALL BE MODIFIED AS NEEDED TO COUNTER EXCESSIVE PRESSURES IN FINANCIAL MARKETS, SHOULD THEY DEVELOP."

The phrase "somewhat greater growth in money" might be defined as a 6 per cent annual growth rate over the third quarter. This would be moderately more than the 4.2 per cent growth rate expected for the first half of 1970, and slightly larger than the probably rate of expansion after adjustment for the temporary bulge in December that resulted from foreign transactions. As indicated in the table below, we

would expect such a growth rate in money to be associated with expansion in the adjusted credit proxy at a 7.5 per cent annual rate in the third quarter (compared with a 3.8 per cent growth rate estimated for the first half). This result would reflect a somewhat larger expansion in time deposits than under the preceding alternatives, offset in part by less reliance on nondeposit funds.

Monthly  
Target Paths for the Monetary Aggregates,  
Assuming the Money Supply Grows at a 6 Per Cent  
Annual Rate Over the Third Quarter  
(Daily averages, seasonally adjusted)

| <u>Months</u> | <u>Adjusted Credit Proxy</u> |                              | <u>Money Supply</u>        |                              | <u>Total Reserves</u>      |                              |
|---------------|------------------------------|------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|
|               | <u>Level (in billions)</u>   | <u>Annual Rate of Change</u> | <u>Level (in billions)</u> | <u>Annual Rate of Change</u> | <u>Level (in billions)</u> | <u>Annual Rate of Change</u> |
| June          | 311.5                        | 8.0                          | 203.8                      | -1.0                         | 27.9                       | --                           |
| July          | 312.6                        | 4.0                          | 205.3                      | 9.0                          | 27.9                       | 0.5                          |
| August        | 314.9                        | 9.0                          | 206.3                      | 6.0                          | 28.1                       | 4.0                          |
| September     | 317.3                        | 9.0                          | 207.0                      | 4.0                          | 28.2                       | 5.0                          |

Quarters

|          |     |                   |     |
|----------|-----|-------------------|-----|
| 2nd Qtr. | 7.0 | 4.5 <sup>1/</sup> | 3.0 |
| 3rd Qtr. | 7.5 | 6.0               | 3.0 |

<sup>1/</sup> 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 second quarter rate shown in table.

(22) For the money supply and bank credit to grow as targeted in the table, we believe that money market conditions would need to be eased somewhat relative to the conditions that have been prevailing recently.



Such an easing might be taken to mean a Federal funds rate generally ranging between 7-1/4 and 7-3/4 per cent, net borrowed reserves averaging around \$650 million, and member bank borrowings averaging around \$750 million. Under these conditions the rate on 3-month Treasury bills might be expected to range generally between 6.40 and 6.80 per cent.

(23) Between now and the next meeting, weekly target paths for the monetary aggregates that could be expected to be consistent with this set of market specifications are as follows:

Weekly  
Target Paths for the Monetary Aggregates,  
Assuming a 6 Per Cent Growth in the Money Supply

| <u>Week ending</u> | <u>Adjusted Credit Proxy</u> | <u>Money Supply</u> |
|--------------------|------------------------------|---------------------|
| June 17            | 311.8                        | 204.3               |
| 22                 | 311.6                        | 203.8               |
| July 1             | 311.8                        | 203.6               |
| 8                  | 311.5                        | 204.4               |
| 15                 | 312.7                        | 205.5               |
| 22                 | 311.8                        | 205.5               |

---

Concluding Comment

(24) Given the known pitfalls in projecting financial data, the differences in implications of the three alternative directives may not seem very significant. However, some possibility exists that the changes in short-term market interest rates required under Alternative B or C could be large enough to have appreciable effects on market expectations about the course of interest rates. Thus, the adoption of Alternative C might lead to a decline in short-term market rates sufficient to make large CD's marginally competitive again. If this were to happen, banks would be able to strengthen their liquidity positions somewhat; and the resulting lessening of tensions could improve market expectations regarding credit availability and interest rates. On the other hand, given the still sensitive state of securities markets, the adoption of Alternative B, involving a marginal firming in money markets, might lead to some stiffening of market interest rates and renewed apprehensions about financial conditions.

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.  |                 |                         |              |     |       |         |
| <b>Monthly (reserves weeks ending in):</b> |               |                 |                         |              |     |       |         |
| 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     |
| May  | - 765         | 159             | 924                     | 165          | 241 | 228   | 290     |
| <b>Weekly:</b>                             |               |                 |                         |              |     |       |         |
| 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           | 340 | 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   | 385     |
| 25   | - 893         | 172             | 1,065                   | --           | 271 | 329   | 465     |
| Mar. 4                                     | - 638         | 195             | 836                     | 32           | 46  | 419   | 339     |
| 11   | - 861         | 71              | 932                     | 169          | 349 | 190   | 221     |
| 18   | - 667         | 150             | 817                     | 146          | 216 | 185   | 270     |
| 25   | - 840         | 96              | 936                     | 11           | 289 | 357   | 279     |
| Apr. 1                                     | - 610         | 339             | 940                     | 232          | 264 | 161   | 292     |
| 8  | - 317         | 170             | 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                                      | - 424         | 350             | 774                     | 93           | 248 | 220   | 213     |
| 13   | - 782         | 28              | 810                     | 150          | 254 | 202   | 204     |
| 20   | - 965         | 214             | 1,179                   | 332          | 310 | 243   | 294     |
| 27   | - 889         | 44              | 933                     | 86           | 150 | 247   | 450     |
| June 3 p                                   | -1,050        | 175             | 1,225                   | 269          | 354 | 264   | 338     |
| 10 p                                       | - 738         | 118             | 856                     | 195          | 237 | 169   | 255     |
| 17 p                                       | - 446         | 212             | 658                     | --           | 251 | 186   | 221     |

p - Preliminary.

Table 2  
 AGGREGATE RESERVES AND MONETARY LIABILITIES  
 (Percent Change, Seasonally Adjusted)  
 (Percent change in annual totals based on monthly averages)

| Year                 | 1967  | 1968  | 1969  | 1970  | 1971  | 1972  | 1973  | 1974  | 1975 | 1976 |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|
| <b>Annual</b>        |       |       |       |       |       |       |       |       |      |      |
| 1967                 | +7.8  | +6.0  | +7.0  | +9.0  | +7.7  | +7.4  | +7.1  | +11.5 |      | r a  |
| 1968                 | -1.6  | -3.0  | -1.2  | -4.0  | +2.5  | +5.8  | +1.5  | -5    |      | r a  |
| <b>Semi-annually</b> |       |       |       |       |       |       |       |       |      |      |
| 1st Half 1968        | +0.7  | -3.7  | +1.0  | -3.5  | +0.7  | +6.5  | +3.7  | -4.0  |      | n a  |
| 2nd Half 1968        | -3.9  | -2.4  | -3.3  | -4.6  | +0.6  | +0.9  | -0.6  | -6.7  |      | -1.2 |
| <b>Quarterly</b>     |       |       |       |       |       |       |       |       |      |      |
| 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    | +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  |      | n a  |
| 3rd Quarter 1969     | -9.3  | -4.8  | -8.6  | -9.4  | --    | +3.6  | -1.3  | -10.3 |      | -1.0 |
| 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  | +2.0  | +0.4  |      | +0.0 |
| <b>Monthly</b>       |       |       |       |       |       |       |       |       |      |      |
| 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  | +12.0 | +3.2  |      |      |
| June                 | +8.8  | +12.3 | +11.3 | +7.3  | +9.0  | +8.7  | +8.0  | +2.6  |      |      |
| July                 | +7.6  | +13.8 | +9.0  | +9.0  | -8.0  | +5.7  | +6.8  | +15.0 |      |      |
| August               | +22.0 | -22.0 | +22.0 | +22.2 | +8.0  | +8.0  | +8.9  | +17   |      |      |
| 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  | +8.0  | +11.5 | +11.0 | +11.7 | +11.3 | +16.2 |      |      |
| December             | +12.1 | +5.3  | +10.2 | +13.0 | +7.0  | +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                | -7.8  | -8.0  | -4.4  | -10.1 | +3.1  | +8.2  | -0.8  | -0.6  |      |      |
| April                | -8.5  | -12.0 | -5.0  | +4.9  | +7.9  | +2.7  | +11.0 | --    |      |      |
| May                  | +19.9 | +6.0  | +10.0 | -1.2  | +1.2  | +8.1  | -1.6  | -3.6  |      |      |
| June                 | -7.6  | -8.2  | -6.0  | -10.2 | +0.2  | +8.1  | +3.1  | -5.0  |      |      |
| July                 | -22.5 | -19.3 | -17.6 | -18.9 | +1.8  | +5.4  | +1.6  | -18.5 |      | -7.0 |
| August               | -5.6  | -2.5  | -7.6  | -11.3 | -1.8  | +8.0  | -4.7  | -19.0 |      | +7.5 |
| September            | --    | +7.7  | -1.8  | +1.7  | --    | -2.6  | -0.8  | -2.0  |      | +1.6 |
| October              | -11.7 | -17.9 | -10.0 | -9.2  | +0.0  | +10.6 | -0.8  | -3.7  |      | -0.0 |
| November             | -9.7  | -5.5  | +0.0  | +9.7  | -1.0  | +7.0  | -1.6  | -0.6  |      | -1.0 |
| December             | -6.3  | -12.1 | -0.0  | --    | -1.8  | --    | +0.0  | --    |      | +0.0 |
| 1970--January        | -3.1  | -7.2  | +10.0 | -4.2  | -0.0  | +5.0  | -1.0  | +12.4 |      | -0.0 |
| February             | -12.0 | -11.6 | -10.0 | -6.0  | -0.0  | -7.5  | -1.5  | -0.0  |      | -0.0 |
| March                | --    | --    | --    | +1.0  | --    | -7.5  | --    | --    |      | +0.0 |
| April                | -0.0  | -0.0  | -0.0  | +1.8  | -0.0  | -7.0  | +1.0  | +22.2 |      | -0.0 |
| May                  | -0.0  | -0.0  | -0.0  | -4.0  | -0.0  | -0.0  | +0.0  | -0.0  |      | -0.0 |

Table 3  
 AGGREGATE RESERVES AND MONETARY VARIABLES  
 Seasonally Adjusted

(Based on monthly averages of daily figures)

| Period        | Reserve Aggregates <sup>5/</sup> |                         |                      | Member Bank Deposits<br>Supported by Required Reserves |                  |   |                                   | Money Supply |                           |   | Commercial<br>bank time<br>deposits<br>adjusted<br><sup>4/</sup> | Credit Proxy +<br>Euro-dollars +<br>other indep.<br>sources of<br>funds |  |
|---------------|----------------------------------|-------------------------|----------------------|--|------------------|---|-----------------------------------|--------------|---------------------------|---|--|---|--|
|               | Total<br>reserves                | Nonborrowed<br>reserves | Required<br>reserves | Total<br>member bank<br>deposits                       | Time<br>deposits | Private<br>demand<br>deposits <sup>1/</sup> | U.S. Gov't.<br>demand<br>deposits | Total        | Currency<br><sup>2/</sup> | Private<br>demand<br>deposits <sup>3/</sup> |  |   |  |
|               | (In millions of dollars)         |                         |                      | (In billions of dollars)                               |                  |   |                                   |              |                           |   |  |   |  |
| Monthly:      |                                  |                         |                      |  |                  |   |                                   |              |                           |   |  |   |  |
| 1968--January | 26,134                           | 25,818                  | 25,774               | 275.1  | 149.9            | 119.7                                       | 5.4                               | 182.6        | 40.6                      | 142.0                                       | 184.1  |   |  |
| February      | 26,352                           | 25,961                  | 25,989               | 277.4  | 150.2            | 120.1                                       | 7.1                               | 183.3        | 40.7                      | 142.6                                       | 185.8  |   |  |
| March         | 26,451                           | 25,755                  | 26,078               | 278.5  | 151.2            | 120.6                                       | 6.7                               | 184.2        | 41.1                      | 143.2                                       | 187.2  |   |  |
| April         | 26,298                           | 25,606                  | 25,964               | 277.3  | 151.3            | 120.8                                       | 5.2                               | 185.1        | 41.3                      | 143.8                                       | 187.7  |   |  |
| May           | 26,353                           | 25,626                  | 25,952               | 277.8  | 151.5            | 122.7                                       | 3.7                               | 186.8        | 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        | 42.4                      | 148.6                                       | 193.8  |   |  |
| September     | 27,311                           | 26,860                  | 26,951               | 289.0  | 158.9            | 124.8                                       | 5.3                               | 191.4        | 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        | 43.5                      | 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                  | 27,164               | 285.7  | 152.1            | 129.2                                       | 4.4                               | 199.0        | 45.2                      | 153.7                                       | 194.1  | 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      | 27,783                           | 26,538                  | 27,548               | 285.8  | 151.1            | 129.1                                       | 5.6                               | 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         | 28,216                           | 27,350                  | 28,046               | 290.2  | 153.5            | 131.4                                       | 5.2                               | 203.3        | 47.0                      | 156.2                                       | 197.9  | 309.6   |  |
| May p         | 27,888                           | 26,913                  | 27,692               | 289.2  | 154.6            | 131.6                                       | 3.0                               | 204.0        | 47.6                      | 156.4                                       | 199.6  | 309.5   |  |

<sup>1/</sup> Private demand deposits include demand deposits of individuals, partnerships, and corporations and net interbank deposits.

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

<sup>3/</sup> 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.

<sup>4/</sup> Excludes interbank and U.S. Government time deposits.

<sup>5/</sup> Includes increases in required reserves due to changes in Regulations M and D of approximately \$400 million since October 16, 1969.

Table 4  
AGGREGATE RESERVES AND MONETARY VARIABLES  
Seasonally Adjusted

| Period        | Reserve Aggregates       |                         |                      | Member Bank Deposits<br>Supported by Required Reserves |                  |                                  |                                   | Money Supply |                |                                  | Commercial<br>bank time<br>deposits<br>adjusted<br>4/ | Credit Proxy +<br>Euro-dollars +<br>other nondep.<br>sources of<br>funds |
|---------------|--------------------------|-------------------------|----------------------|--|------------------|----------------------------------|-----------------------------------|--------------|----------------|----------------------------------|---|--|
|               | Total<br>reserves        | Nonborrowed<br>reserves | Required<br>reserves | Total<br>member bank<br>deposits                       | Time<br>deposits | Private<br>demand<br>deposits 1/ | U.S. Gov't.<br>demand<br>deposits | Total        | Currency<br>2/ | Private<br>demand<br>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                            | 3.7                               | 203.0        | 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        | 46.3           | 152.8                            | 191.4   | 304.4  |
| Feb. 4        | 27,959                   | 26,614                  | 27,724               | 282.8  | 148.4            | 128.6                            | 5.8                               | 199.0        | 46.3           | 152.7                            | 191.1   | 303.7  |
| 11            | 27,739                   | 26,720                  | 27,549               | 282.7  | 148.4            | 127.9                            | 6.4                               | 198.5        | 46.3           | 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               | 281.8  | 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                            | 6.4                               | 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                               | 204.7        | 46.9           | 157.8                            | 197.2   | 311.0  |
| 15            | 28,390                   | 27,363                  | 28,290               | 289.9  | 153.2            | 132.1                            | 4.6                               | 201.7        | 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         | 28,481                   | 27,710                  | 28,101               | 288.9  | 154.3            | 131.4                            | 3.2                               | 203.9        | 47.5           | 156.4                            | 199.1   | 309.0  |
| 13            | 27,696                   | 26,876                  | 27,652               | 287.8  | 154.3            | 131.2                            | 2.3                               | 203.5        | 47.6           | 155.9                            | 199.2   | 307.9  |
| 20            | 27,965                   | 26,754                  | 27,702               | 289.1  | 154.7            | 132.4                            | 2.2                               | 205.1        | 47.6           | 157.5                            | 199.7   | 309.5  |
| 27            | 27,504                   | 26,559                  | 27,424               | 290.2  | 154.7            | 131.3                            | 4.2                               | 203.8        | 47.6           | 156.2                            | 199.9   | 310.6  |
| June 3 p      | 27,868                   | 26,681                  | 27,602               | 290.2  | 155.0            | 132.1                            | 3.0                               | 204.0        | 47.6           | 156.4                            | 200.1   | 310.8  |
| 10 p          | 27,899                   | 27,011                  | 27,714               | 289.8  | 155.3            | 130.5                            | 4.1                               | 203.4        | 47.7           | 155.6                            | 200.5   | 310.6  |
| 17 p          | 27,949                   | 27,366                  | 27,747               | 290.9  | 155.6            | 130.3                            | 5.1                               | 204.3        | 47.9           | 156.4                            | 201.0   | 311.8  |

1/ Private demand deposits include demand deposits of individuals, partnerships, and corporations and net interbank deposits. p - Preliminary.

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.