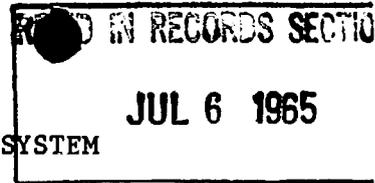


T E L E G R A M
Leased Wire Service
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
Washington



CONFIDENTIAL (FR)

July 6, 1965

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

QUESTIONS SUGGESTED FOR CONSIDERATION AT THE FOMC MEETING ON JULY 13, 1965
(Agenda item No. 5)

1. Business conditions.

What, on balance, are prospects for economic activity in the second half of the year, taking into account such influences as the recent behavior of the stock market, the continued accumulation of steel inventories, and Federal fiscal measures?

2. Productivity and costs.

What do recent and prospective developments in productivity and costs portend for prices and profit margins in the next few months?

3. Foreign trade.

In the light of current economic and financial trends in other countries, what can be said about the outlook for world trade, and for U.S. exports in particular?

4. Federal finance.

What will be the likely implications of Federal cash needs and debt management for credit markets in the second half of 1965?

5. Bank credit and money.

What factors lie behind the sharp increases in bank credit and money in June, and are such factors likely to continue to operate over the near term?

6. Money market relationships.

Assuming a continuation of current monetary policy, what range of money market conditions, interest rates, reserve availability, and reserve utilization by the banking system might prove mutually consistent during coming weeks?

BROIDA

ALB:mal

