

For immediate release.

December 8, 1966.

The Federal Reserve System made known today in its Weekly Statement of Condition of the Federal Reserve Banks that the System's first repurchase agreements involving U. S. Government Agency obligations were made, under authorization by the System Open Market Committee, during the week ended December 7.

At the end of that period, the Condition Statement showed, the Federal Reserve held \$21 million in these issues under repurchase agreements similar in terms and conditions to its repurchase agreements involving direct obligations of the United States.

The repurchase agreements were entered into pursuant to a recent Act of Congress enlarging the authority of the Federal Reserve to engage in transactions in obligations of the various U. S. Government agencies in addition to the direct obligations of the United States.

In view of the importance of the market for Agency issues, repurchase agreements involving these securities increase the scope of the market in which System operations may be conducted, thus adding to the means available to the System for supplying and absorbing reserves.



FEDERAL RESERVE

Factors Affecting Bank Reserves and Condition Statement of F.R. Banks

For immediate release
December 8, 1966

The average of daily figures of total member bank reserves held during the week ended December 7 decreased a net of \$6 million to \$23,203 million. Estimated currency and coin of member banks decreased \$174 million and their reserve balances at the Federal Reserve Banks increased \$168 million. Estimated required reserves increased \$228 million; and estimated excess reserves decreased \$234 million to \$204 million. Member bank borrowings at the Federal Reserve Banks exceeded excess reserves by \$245 million, compared with the revised net borrowed figure of \$198 million the week before.

The principal changes supplying average reserve balances with Federal Reserve Banks were increases of \$141 million in U. S. Government securities bought outright, \$124 million in U. S. Government securities and Federal Agency obligations held under repurchase agreements, and \$112 million in Federal Reserve float, and a decrease of \$104 million in Treasury deposits with Federal Reserve Banks. The principal offsetting changes were decreases of \$187 million in member bank borrowings, and \$72 million in gold stock, and an increase of \$109 million in currency in circulation. Total Reserve Bank credit increased \$208 million.

As of December 7, holdings of U. S. Government securities bought outright were \$52 million higher than a week earlier, U. S. Government securities held under repurchase agreements were \$281 million lower, and member bank borrowings were \$100 million lower.

Member bank reserves, Reserve Bank credit, and related items	Averages of daily figures			Wednesday, Dec. 7, 1966
	Week ended	Change from week ended		
	Dec. 7, 1966	Nov. 30, 1966	Dec. 8, 1965	
	(In millions of dollars)			
Reserve Bank credit:				
U. S. Government securities--				
Bought outright--System account	43,312	+141	+2,401	43,342
Held under repurchase agreements	471	+115	+ 368	341
Federal Agency obligations --				
Held under repurchase agreements	9	+ 9	9	21
Acceptances--				
Bought outright	56	+ 4	--	59
Held under repurchase agreements	76	+ 15	--	67
Discounts and advances--				
Member bank borrowings	449	-187	- 29	345
Other	13	- 1	- 23	13
Float	2,014	+112	+ 154	1,663
Total Reserve Bank credit	46,399	+208	+2,880	45,851
Gold stock	13,158	- 72	- 651	13,159
Treasury currency outstanding	6,252	+ 11	+ 704	6,255
	65,809	+148	+2,932	65,265
Currency in circulation	44,210	+109	+2,281	44,485
Treasury cash holdings	1,188	--	+ 372	1,200
Treasury deposits with F. R. Banks	452	-104	- 218	197
Foreign deposits with F. R. Banks	162	--	+ 7	205
Other deposits with F. R. Banks	415	- 2	+ 190	406
Other F. R. accounts (net)	255	- 24	- 205	173
	46,682	- 21	+2,427	46,666
Member bank reserves:				
With Federal Reserve Banks	19,126	+168	+ 504	18,598
Currency and coin (estimated)	4,077	-174	+ 365	4,412
Total reserves held	23,203	- 6	+ 869	23,010
Required reserves (estimated)	22,999	+228	+1,126	22,977
Excess reserves (estimated)	204	-234	- 257	33

On December 7, 1966, U. S. Government securities held in custody by the Federal Reserve Banks for foreign account were \$7,353 million, a decrease of \$97 million for the week and a decrease of \$928 million from the comparable date a year ago.

CONSOLIDATED STATEMENT OF CONDITION
OF THE TWELVE FEDERAL RESERVE BANKS
(In millions of dollars)

		Change since		
		Dec. 7, 1966	Nov. 30, 1966	Dec. 8, 1965
<u>A S S E T S</u>				
Gold certificate account		10,839	- 13	- 973
Redemption fund for F. R. notes		<u>1,824</u>	+ 9	+ 131
<u>Total gold certificate reserves</u>		<u>12,663</u>	- 4	- 842
Cash	(616)	284	- 9	+ 181
Discounts and advances		358	-100	+ 177
Acceptances:				
Bought outright		59	+ 5	+ 3
Held under repurchase agreements		67	- 10	+ 2
Federal Agency obligations--				
Held under repurchase agreements		21	+ 21	21
U. S. Government securities:				
Bought outright--total		43,342	+ 52	+2,416
Bills		11,525	+ 52	+1,977
Certificates		4,351	--	+4,351
Notes		21,278	--	-3,550
Bonds		6,188	--	- 362
Held under repurchase agreements		<u>341</u>	-281	+ 341
<u>Total U. S. Government securities</u>		<u>43,683</u>	-229	+2,757
<u>Total loans and securities</u>		<u>44,188</u>	-313	+2,960
Cash items in process of collection	(1,631)	6,875	-337	+ 610
Bank premises		103	--	+ 1
Other assets ^{1/}		<u>1,310</u>	+158	+ 419
<u>TOTAL ASSETS/LIABILITIES & CAPITAL ACCOUNTS</u>	<u>(2,247)</u>	<u>65,423</u>	-505	+3,329
<u>L I A B I L I T I E S</u>				
Federal Reserve notes	(616)	39,219	+266	+1,951
Deposits:				
Member bank reserves		18,598	-495	+ 915
U. S. Treasurer--general account		197	-102	- 461
Foreign		205	+ 9	+ 59
Other ^{2/}		<u>406</u>	+ 7	+ 188
<u>Total deposits</u>		<u>19,406</u>	-581	+ 701
Deferred availability cash items	(1,631)	5,212	-220	+ 541
Other liabilities and accrued dividends		<u>263</u>	- 8	+ 52
<u>TOTAL LIABILITIES</u>	<u>(2,247)</u>	<u>64,100</u>	-543	+3,245
<u>C A P I T A L A C C O U N T S</u>				
Capital paid in		569	+ 1	+ 23
Surplus		551	--	+ 27
Other capital accounts		203	+ 37	+ 34

Ratio of gold certificate reserves to F. R. note liability (computed from figures as shown in the following pages--not consolidated)	31.8%	-.2%	- 3.9%
Contingent liability on acceptances purchased for foreign correspondents	206	+ 3	+ 57

* Figures in parentheses are the eliminations made in the consolidating process; see comparable figures on combined basis on the following pages.

^{1/} Includes assets denominated in foreign currencies and IMF gold deposited.

^{2/} Includes IMF gold deposit.

M A T U R I T Y D I S T R I B U T I O N O F L O A N S A N D S E C U R I T I E S , D E C E M B E R 7 , 1 9 6 6

(Acceptances and securities held under repurchase agreements are classified as maturing within 15 days in accordance with maximum maturity of the agreements.)

	Discounts and advances		U. S. Government securities and Federal Agency obligations	
	Acceptances	Holdings	Weekly changes	
Within 15 days	349	1,667	-376	
16 days to 90 days	9	8,458	+112	
91 days to 1 year	--	24,748	+ 56	
Over 1 year to 5 years	--	7,446	--	
Over 5 years to 10 years	--	988	--	
Over 10 years.	--	397	--	
<u>Total</u>	<u>358</u>	<u>42,704</u>	<u>-208</u>	

	Total	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
(In millions of dollars)													
<u>A S S E T S</u>													
Gold certificate account	10,839	599	2,550	611	980	1,044	584	2,143	387	190	373	337	1,041
Redemption fund for F. R. notes	1,824	100	435	94	151	167	103	332	65	32	69	61	215
<u>Total gold certificate reserves</u>	12,663	699	2,985	705	1,131	1,211	687	2,475	452	222	442	398	1,256
F. R. notes of other Banks	616	47	148	25	60	54	60	55	18	22	21	35	71
Other cash	284	9	28	7	43	16	36	45	32	8	13	18	29
Discounts and advances	358	12	70	9	6	14	36	109	10	5	18	16	53
Acceptances:													
Bought outright	59	--	59	--	--	--	--	--	--	--	--	--	--
Held under repurchase agreements	67	--	67	--	--	--	--	--	--	--	--	--	--
Federal Agency obligations--													
Held under repurchase agreements	21		21										
U. S. Government securities:													
Bought outright--													
Bills	11,525	609	2,807	598	934	833	629	1,927	405	230	446	446	1,661
Certificates	4,351	230	1,059	226	352	314	238	727	153	87	169	169	627
Notes	21,278	1,125	5,181	1,104	1,724	1,537	1,163	3,557	747	425	824	824	3,067
Bonds	6,188	327	1,507	321	502	447	338	1,034	217	123	240	240	892
Total	43,342	2,291	10,554	2,249	3,512	3,131	2,368	7,245	1,522	865	1,679	1,679	6,247
Held under repurchase agreements	341	--	341	--	--	--	--	--	--	--	--	--	--
<u>Total U. S. Government securities</u>	43,683	2,291	10,895	2,249	3,512	3,131	2,368	7,245	1,522	865	1,679	1,679	6,247
<u>Total loans and securities</u>	44,188	2,303	11,112	2,258	3,518	3,145	2,404	7,354	1,532	870	1,697	1,695	6,300
Cash items in process of collection	8,506	563	1,433	497	586	700	712	1,426	466	288	596	436	803
Bank premises	103	3	9	3	5	5	20	20	8	3	8	10	9
Other assets ^{1/}	1,310	53	495	62	95	61	64	161	38	26	49	59	147
TOTAL ASSETS	67,670	3,677	16,210	3,557	5,438	5,192	3,983	11,536	2,546	1,439	2,826	2,651	8,615

^{1/} Includes assets denominated in foreign currencies and IMF gold deposited.

STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK ON DECEMBER 7, 1966

	Total	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
(In millions of dollars)													
<u>L I A B I L I T I E S</u>													
Federal Reserve notes	39,835	2,373	9,136	2,269	3,301	3,653	2,296	7,228	1,461	702	1,501	1,266	4,649
Deposits:													
Member bank reserves	18,598	703	4,957	759	1,485	860	988	2,925	659	464	820	949	3,029
U. S. Treasurer-general account	197	*	189	1	*	1	1	1	*	1	*	1	2
Foreign	205	9	1/ 68	10	17	10	11	26	7	4	8	11	24
Other	406	1	2/ 334	2	*	4	2	2	1	*	2	1	57
<u>Total deposits</u>	19,406	713	5,548	772	1,502	875	1,002	2,954	667	469	830	962	3,112
Deferred availability cash items	6,843	514	1,108	433	498	573	592	1,117	364	232	428	340	644
Other liabilities and accrued dividends	263	13	75	13	20	18	14	41	9	5	10	10	35
<u>TOTAL LIABILITIES</u>	66,347	3,613	15,867	3,487	5,321	5,119	3,904	11,340	2,501	1,408	2,769	2,578	8,440
<u>CAPITAL ACCOUNTS</u>													
Capital paid in	569	27	148	30	51	30	35	82	20	14	25	33	74
Surplus	551	27	144	30	50	28	33	79	19	13	24	32	72
Other capital accounts	203	10	51	10	16	15	11	35	6	4	8	8	29
<u>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</u>	67,670	3,677	16,210	3,557	5,438	5,192	3,983	11,536	2,546	1,439	2,826	2,651	8,615
Contingent liability on accept- ances purchased for foreign correspondents	206	10	3/ 54	11	19	11	12	29	7	5	9	12	27
<u>FEDERAL RESERVE AGENT'S ACCOUNTS</u>													
F. R. notes outstanding	41,714	2,447	9,576	2,320	3,531	3,763	2,448	7,529	1,535	733	1,572	1,361	4,899
Collateral for F. R. notes:													
Gold certificate account	6,472	500	1,000	490	600	755	450	1,100	310	127	225	180	735
Eligible paper	16	--	--	6	--	--	--	--	10	--	--	--	--
U. S. Government securities	36,721	2,016	8,700	2,000	3,000	3,060	2,050	6,700	1,310	655	1,400	1,230	4,600
<u>Total collateral</u>	43,209	2,516	9,700	2,496	3,600	3,815	2,500	7,800	1,630	782	1,625	1,410	5,335

1/ After deducting \$137 million participations of other Federal Reserve Banks.

2/ Includes IMF gold deposits.

3/ After deducting \$152 million participations of other Federal Reserve Banks.

* Less Than \$500,000