

MONETARY DEVELOPMENTS IN 1972

Growth of Selected Monetary Aggregates¹

(Percent Change)

	1972	1971	1970	1969
Federal Reserve Holdings of U.S. Government Securities ²	2.8	12.1	7.3	9.5
Federal Reserve Credit ³	7.8	10.8	4.8	5.1
Monetary Base ³	8.3	7.0	6.2	3.0
Money Stock	8.2	6.2	5.4	3.2
Demand Deposits	8.1	6.0	5.1	2.4
Currency	8.2	7.1	6.5	6.0
Money Stock plus Net Time Deposits	10.7	11.1	8.1	2.3

¹Figures represent the change from December of the previous year to December of the given year.²Includes Federal agency obligations and bankers' acceptances.³Computed by this Bank.

Factors Influencing the Monetary Base in 1972¹

Averages of Daily Figures

	Millions of Dollars			Change in Source Base Attributable To:
	December 1971	December 1972	Change	
Federal Reserve Credit				
U.S. Government Securities ²	\$69,261	\$71,185	\$+1,924	+ 45.9%
Loans	107	1,050	+ 943	+ 22.5
Float	3,905	3,492	- 413	- 9.9
Other F.R. Assets	982	1,138	+ 156	+ 3.7
Total	74,255	76,865	+2,610	+ 62.3
Other Factors				
Gold Stock	10,132	10,410	+ 278	+ 6.6
Special Drawing Rights Certificate Acct.	400	400	0	0
Treasury Currency Outstanding	7,611	8,293	+ 682	+ 16.3
Treasury Cash Holdings ³	453	350	+ 103	+ 2.5
Treasury Deposits with F.R. Banks ³	1,926	1,449	+ 477	+ 11.4
Foreign Deposits with F.R. Banks ³	290	272	+ 18	+ 0.4
Other Deposits with F.R. Banks ³	728	632	+ 96	+ 2.3
Other F.R. Liabilities and Capital ³	2,287	2,362	- 75	- 1.8
Total	12,459	14,038	+1,579	+ 37.7
Total Source Base	\$86,713	\$90,903	\$+4,190	100.0%
Reserve Adjustment ^{4,5}	3,930	7,245	+3,315	
Monetary Base ⁵	\$90,643	\$98,148	\$+7,505	
Monetary Base, Seasonally Adjusted ⁵	\$89,110	\$96,541		

¹The monetary base is defined as the net monetary liabilities of the U.S. Treasury and Federal Reserve System held by commercial banks and the nonbank public. For a brief description of each of the factors influencing the monetary base see Glossary: Weekly Federal Reserve Statements, Federal Reserve Bank of New York. Copies of this publication are available on request from the Federal Reserve Bank of New York, Public Information Department, 33 Liberty Street, New York, New York 10045.

²Includes Federal agency obligations and bankers' acceptances.

³These items absorb funds and therefore a reduction in them releases reserves and increases the base (sign is reversed on dollar changes and percent distribution).

⁴Adjustment for reserve requirement changes and changes in average requirements due to shifts in deposits where different reserve requirements apply.

⁵Computed by this Bank.

Totals may not add due to rounding.

FEDERAL RESERVE SYSTEM ACTIONS DURING 1972

Discount Rate

In effect January 1, 1972	4½%
In effect December 31, 1972	4½%

Margin Requirements on Listed Stocks

In effect January 1, 1972	55%
November 24, 1972	65%
In effect December 31, 1972	65%

Maximum Interest Rates Payable on Time & Savings Deposits¹

Type of Deposit	In Effect Jan. 1, 1972	In Effect Dec. 31, 1972
Savings Deposits	4½%	4½%
Other Time Deposits:		
Multiple maturity:		
30-89 days	4½	4½
90 days to 1 year	5	5
1 year to 2 years	5½	5½
2 years and over	5¾	5¾
Single maturity:		
Less than \$100,000		
30 days to 1 year	5	5
1 year to 2 years	5½	5½
2 years and over	5¾	5¾
\$100,000 and over		
30-59 days	2/	2/
60-89 days	2/	2/
90-179 days	6¾	6¾
180 days to 1 year	7	7
1 year or more	7½	7½

¹A member bank may not pay a rate in excess of the maximum rate payable by state banks or trust companies on like deposits under the laws of the state in which the member bank is located.

²Effective June 24, 1970, maximum interest rates on these maturities were suspended until further notice.

Percent Reserve Requirements¹

	Net Demand Deposits up to \$5 Million		Net Demand Deposits in Excess of \$5 Million		Time Deposits up to \$5 Million & Savings Deps.	Time Deposits in Excess of \$5 Million	
	Reserve City Banks	Other Member Banks	Reserve City Banks	Other Member Banks			
In effect January 1, 1972	17	12½	17½	13	3	5	
Net Demand Deposits							
	\$2 Million or Less	Over \$2 Million to \$10 Million	Over \$10 Million to \$100 Million	Over \$100 Million to \$400 Million	Over \$400 Million (Reserve City)	Time Deposits up to \$5 Million & Savings Deps.	Time Deposits in Excess of \$5 Million
In effect Nov. 9, 1972 ----	8	10	12	16½; 13½	17½	3	5
Nov. 16, 1972 ----	8	10	12	13	17½	3	5
In effect Dec. 31, 1972 ----	8	10	12	13	17½	3	5

¹Amendments to Federal Reserve Regulations D and J became effective on November 9, 1972. The amendment to Regulation D, "Reserves of Member Banks," introduced a restructuring of reserve requirements. Under the new structure reserve requirements are based on the size of the member bank's net demand deposits, not on its geographic location. Regulation J, "Collection of Checks and Other Items by Federal Reserve Banks," was amended to require all banks using the Federal Reserve check collection facilities to pay for checks drawn on them the same day the Federal Reserve presents the check for payment.

²16½ percent on the former designation of Reserve City Banks and 13 percent on Other Member Banks.

NOTE: A change in the procedure for computing reserve requirements on commercial paper was put into effect November 9, 1972. Commercial paper is used as a marginal figure to compute required reserves. The level of net demand deposits is used as a base for determining the reserve requirement on commercial paper. If net demand deposits are less than the upper limit of a net demand deposit size group, the portion of commercial paper it takes to reach the upper limit of that group has the same reserve requirement as net demand deposits of that group. The portion of commercial paper exceeding that size group, if any, has the percentage requirement of the next higher group.