Money stock plus time deposits at all commercial banks declined somewhat from September to November after growing at a 4-percent rate from June to September, at a 9-percent rate from March 1965 to June 1966, and at an 8-percent rate from 1961 to 1965. In the 1950's this broader measure of money went up at an average 3.4-percent rate.

A particular net stimulative or restrictive effect on the economy may be obtained with various mixes of monetary and fiscal policies. During most of 1966 the particular combination of policies prevailing was one of relatively expansive fiscal developments and relatively restrictive monetary actions. This mix required larger borrowing by the Federal Government and a lesser growth in money than a mix with more restrictive fiscal action and less restrictive monetary action and tended to place upward pressure on interest rates. The higher rates were of some benefit in keeping the country's balance of payments from deteriorating since they reduced the incentive to seek higher rates abroad. On the other hand, higher interest rates adversely affect some sectors of the economy, such as housing.

FEDERAL RESERVE SYSTEM ACTIONS DURING 1966

Federal Reserve credit [1]

	Annual rates of change	
	December 1965–April 1966	April 1966–November 1966
	Percent	*Percent*
Federal Reserve credit [2]	+9.3	+3.2
Federal Reserve holdings of U.S. Government securities	+8.0	+3.4
Total reserves of member banks	+6.9	−2.3
Reserves available for private demand deposits	+4.1	−3.1

[1] Adjusted for reserve requirement changes.
[2] Federal reserve credit excluding float and a few minor items.

Discount rate

	Percent
In effect Jan. 1, 1966	4½
In effect Dec. 20, 1966	4½

Reserve requirements

	Percent of deposits				
	Demand deposits		Time deposits, all member banks		
				Other time deposits	
	Reserve city banks	All other member banks	Savings deposits	Up to $5,000,000	In excess of $5,000,000
In effect Jan. 1, 1966	16½	12	4	4	4
July 14,[1] 21,[2] 1966					5
Sept. 8,[1] 15,[2] 1966					6
In effect Dec. 20, 1966	16½	12	4	4	6

[1] Effective date for reserve city banks.
[2] Effective date for all other member banks.