

CONFIDENTIAL (FR)

SUPPLEMENT

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the
Federal Open Market Committee

By the Staff
Board of Governors
of the Federal Reserve System

February 3, 1967

maximum on lines of credit will continue to be discouraged from incurring further Bank indebtedness.

The Treasury's \$7.5 billion cash refunding drew over \$42 billion of subscriptions for the new 15-month and 5-year notes. Allotments were set at 10 per cent of subscriptions for the shorter-term issue with subscriptions up to \$100,000 awarded in full. On the 5-year note, the allotment was an unusually low 7 per cent and subscriptions up to \$50,000 were allotted in full.

International Developments

The Swedish central bank (Sveriges Riksbank) has reduced its discount rate from 6 per cent to 5-1/2 per cent effective February 3.

Corrections:

Page III-18. Third sentence, first paragraph, should begin as follows: "Commercial banks, which had stayed fairly near their unusually high year-earlier levels of net takings in the second and third quarters, and life insurance companies . . .".

The heading of the table on page IV-6 should be "Short-term Rates," and after each rate except Federal Funds "3-month" should be inserted. Insert after Federal Funds: Euro-dollar call money: 4-7/8 per cent at end January 1966, 6-1/4 per cent in middle of September 1966, 5-1/8 per cent near end of January 1967.