



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

REC'D IN RECORDS SECTION

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November 21, 1961

TO: Federal Open Market Committee

FROM: Ralph A. Young

From time to time inquiries and suggestions have been received from members of the Committee and their staffs concerning the background, construction, and interpretation of one aspect or another of the reserve projections and estimations prepared by the staff at the Board and the New York Bank. Such comments have been particularly frequent this past year, with the introduction of a regular staff projections memorandum for each meeting of the Committee, and the more recent addition of a related chart displaying the trend of adjusted required and "available" reserves.

To provide an organized forum for the explanation and discussion of these reserves data, the staffs at the New York Bank and the Board have collaborated in the preparation of a day and a half seminar to follow the December 19 meeting of the Federal Open Market Committee. A brief outline of the intended contents of the seminar is attached. What is contemplated is an informal program in which explanatory remarks by staff specialists can be followed by group discussion of problems and applications with respect to each significant reserve factor or measure.

Attendance by any interested Federal Reserve representative is invited for all or any part of the sessions to be held on Tuesday afternoon, December 19, and Wednesday, December 20. To assist preparations for the program, however, it would be appreciated if you would indicate the names of representatives of your Bank who would plan to attend. A set of background material and illustrations will be prepared for each participant.

Questions and communications with respect to the reserves seminar can be addressed to Mr. Robert C. Holland of the Board staff.

*Ralph A. Young*  
Ralph A. Young, Secretary,  
Federal Open Market Committee.

Attachment

Seminar on Reserve  
Projections and Estimations  
Room 1202, Board of Governors  
Washington, D. C.  
December 19, 1961

Tuesday, December 19, P. M.

- I. Introduction
- II. Projecting required reserves
  - A. Board method of projecting seasonal and Government deposit changes
  - B. New York method of projecting expected required reserves
- III. Summary reserve measures - I
  - A. Projected reserve targets
  - B. Available reserves

Wednesday, December 20

- IV. Projecting market factors affecting reserves
  - A. Float
  - B. Currency in circulation
  - C. Vault cash allowable as reserves
  - D. Gold stock and foreign accounts
  - E. Treasury operations
  - F. Other items
- V. Summary reserves measures - II
  - A. Nonborrowed reserves
  - B. Free reserves
- VI. Critique of methods and results