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Content last modified 6/05/2009.

(CONFIDENTIAL FR)

September 6, 1974

MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Prepared for the Federal Open Market Committee

By the Staff

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

CONFIDENTIAL (FR) September 6, 1974

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M_1 grew at an annual rate of about 3.0 per cent in August, somewhat above the very low July rate but short of the 4.7 per cent indicated at the last Committee meeting. Fragmentary data for early September suggest that a sizable shortfall is continuing. As a result, M_1 growth for August and September combined now appears to be running at only a 2.6 per cent annual rate, below the low end of the Committee's range of tolerance, as shown in the table, while growth of M_2 is close to the low end of its range.

Growth of Monetary Aggregates and RPD's
in Aug.-Sept. Period

Reserve and Monetary Aggregates (Growth at SAAR in per cent)	Range of Tolerance	Latest Estimates	
M_1	4¾-6¾	2.6	
M_2	5½-7½	5.8	
RPD's	7¾-9¾	8.8	
Memo:			
Federal funds rate (per cent per annum)	11½-12½	Avg. for statement week ending	
		Aug. 21	12.31
		Aug. 28	11.84
		Sept. 4	11.64

(2) As evidence of weakness in the aggregates emerged, the Account Management supplied reserves more readily, expecting the Federal funds rate to move into the lower half of the Committee's 11½-12½ per cent

range of tolerance. The funds rate averaged 11.84 per cent and 11.64 per cent, respectively, in the 2 full statement weeks since the last meeting. Member banks showed a greater willingness to borrow in this period, and borrowings (apart from Franklin) averaged $2.2 billion, up about $400 million from the average in the previous four weeks.

(3) Net changes in short-term interest rates have been relatively minor since the last Committee meeting, although quotes on both Treasury bills and large bank CD's have moved over a rather wide range. Bill rates rose sharply early in the period, with the bid quote on the 3-month issue moving to a record 9¾ per cent, as the Treasury was in process of raising a sizable amount of new cash through additions to the supply of bills. Subsequently, with the Federal funds rate continuing to edge lower, bill rates turned down again, and most recently, the 3-month issue has traded around 9.25 per cent. Bank CD rates also moved up early in the inter-meeting period when a number of institutions were seeking to expand CD volume in anticipation of large September maturities, but since then they have dropped to levels close to those prevailing at the time of the last meeting. Announcement on September 4 of the Board action eliminating the 3 per cent marginal reserve requirement on large longer maturity bank CD's was interpreted by the market as evidence that monetary policy has become slightly less restrictive.

(4) Long-term debt markets remained under pressure during most of the inter-meeting period, with yields in most areas tending to edge a little higher. Contributing to this pressure were large current and prospective borrowings by Government sponsored agencies that support

housing. While some renewed problems developed in the placement and distribution of new corporate and municipal security issues, the degree of difficulty appears to be less than in early July. Mortgage rates continued to rise, as deposit inflows to thrift institutions were severely constrained.

(5) The table on the following page shows (in percentage annual rates of change) selected monetary and financial flows over various recent time periods. Appendix table III compares money supply growth rates computed on a quarterly-average basis with those computed on a last-month-of-quarter basis. Projected figures on the two bases are shown in appendix table IV for the three alternatives presented in the next section.

	Average of Past Three Calendar Years	Past Twelve Months	Past Six Months	Past Three Months	Past Month
	1971 -- 1973	Aug. '74 over Aug. '73	Aug. '74 over Feb. '74	Aug. '74 over May '74	Aug. '74 over July '74
Total reserves	8.5	9.9	12.3	8.2	-4.9
Nonborrowed reserves	7.6	6.9	0.1	--	-6.5
Reserves available to support private nonbank deposits	8.8	10.4	15.7	12.8	10.9
Concepts of Money					
M_1 (currency plus demand deposits) 1/	7.0	5.4	5.6	4.2	3.0
M_2 (M_1 plus time deposits at commercial banks other than large CD's)	10.4	8.5	7.2	7.6	6.6
M_3 (M_2 plus deposits at thrift institutions)	11.7	7.6	6.2	5.8	4.6
Bank Credit					
Total member banks deposits (bank credit proxy adj.)	10.5	10.3	15.2	9.6	5.9
Loans and investments of commercial banks 2/	12.8	11.3	12.8	10.7	10.0
Short-term Market Paper					
(Monthly average change in billions)					
Large CD's	1.0	1.5	3.0	3.4	-.8
Nonbank commercial paper	.2	.7	-.1	.5	1.5

1/ Other than interbank and U.S. Government.
2/ Based on month-end figures. Includes loans sold to affiliates and branches.

NOTE: All items are based on average of daily figures, except for data on total loans and investments of commercial banks, commercial paper, and thrift institutions--which are derived from either end-of-month or last Wednesday-of-month figures. Growth rates for reserve measures in this and subsequent tables are adjusted to remove the effect of discontinuities from breaks in the series when reserve requirements are changed.

Prospective developments

(6) Summarized below for Committee consideration are three alternative policy courses, with more detail presented in the table on the following page.

	Alt. A	Alt. B	Alt. C
Targets (Balance of 1974 and 1st qtr. of 1975)			
M_1	6½	5¾	5¼
M_2	8	7	6½
Credit proxy	6¾	5½	4¾
Associated ranges of tolerance for Sept.-Oct.			
M_1	3¾-5¾	3¼-5¼	2¾-4¾
M_2	5¾-7¾	5-7	4½-6½
RPD	7¼-9¼	6-8	5-7
Federal funds rate (inter-meeting period)	9¼-11¼	10-12	10¾-12¾

(7) The alternative longer-run targets for growth rates in the aggregates cover a seven-month period that encompasses the balance of 1974 (September and the fourth quarter) and the first quarter of 1975. It was assumed that the Committee would wish to continue looking ahead about two quarters in establishing its longer-run targets. However, at this time, if the targeted growth rates covered only the fourth and first quarters, they would be based on September levels that are almost wholly projected and subject to very considerable error since there are virtually no hard data yet available for that month. Since the August figures would provide a more reliable base, the alternative longer-run targets

Alternative Longer-Run Targets for Key Monetary Aggregates

	M_1			M_2			M_3		
	Alt. A	Alt. B	Alt. C	Alt. A	Alt. B	Alt. C	Alt. A	Alt. B	Alt. C
1974 Aug.	280.7	280.7	280.7	602.2	602.2	602.2	936.6	936.6	936.6
Sept.	281.4	281.3	281.2	605.1	604.8	604.7	940.9	939.8	939.2
Oct.	282.9	282.7	282.5	609.0	608.3	607.8	946.5	944.0	942.4
Dec.	286.4	285.9	285.4	617.4	615.9	614.4	957.1	952.7	949.5
1975 Mar.	291.4	290.2	289.3	630.4	626.6	623.2	973.5	965.0	959.4
					Rates of Growth				
Aug. '74--Mar. '75	6.5	5.8	5.3	8.0	6.9	6.0	6.8	5.2	4.2
Quarters:									
1974 3rd Q.	2.6	2.4	2.3	6.0	5.8	5.7	5.0	4.6	4.3
4th Q.	7.1	6.5	6.0	8.1	7.3	6.4	6.9	5.5	4.4
1975 1st Q.	7.0	6.0	5.5	8.4	6.9	5.7	6.9	5.2	4.2
Months:									
Sept.	3.0	2.6	2.1	5.8	5.2	5.0	5.5	4.1	3.3
Oct.	6.4	6.0	5.5	7.7	6.9	6.2	7.1	5.4	4.1

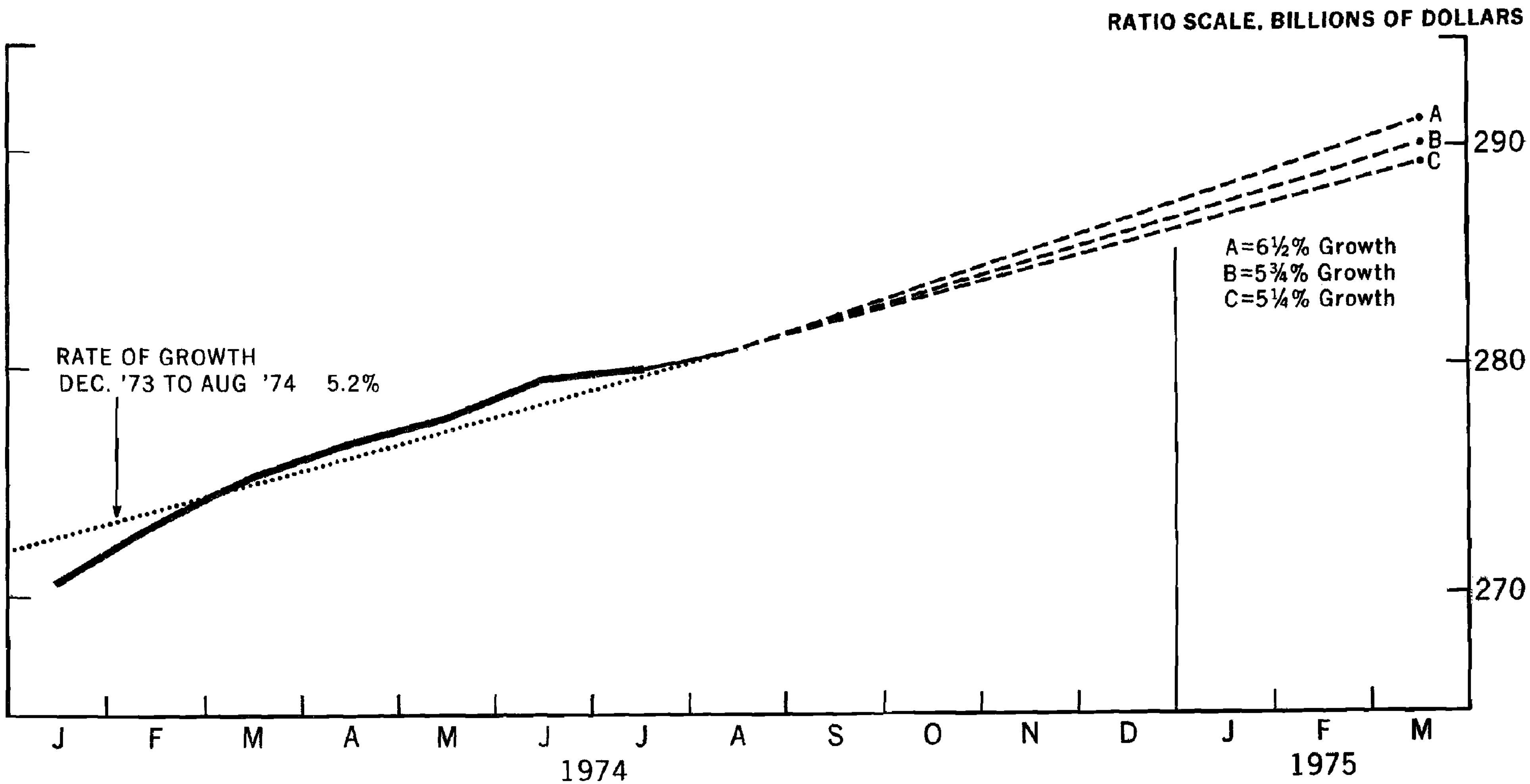
	Adjusted Credit Proxy			Total Reserves			RPD		
	Alt. A	Alt. B	Alt. C	Alt. A	Alt. B	Alt. C	Alt. A	Alt. B	Alt. C
1974 Aug.	489.3	489.3	489.3	37,269	37,269	37,269	35,365	35,365	35,365
Sept.	493.3	493.0	492.8	37,328	37,304	37,282	35,446	35,422	35,400
Oct.	496.3	495.5	494.6	37,696	37,625	37,555	35,451	35,381	35,311
Dec.	500.3	499.0	497.4	38,151	38,034	37,895	35,819	35,703	35,566
1975 Mar.	508.3	505.4	502.9	38,213	37,999	37,794	36,118	35,905	35,701
					Rates of Growth				
Aug. '74--Mar. '75	6.7	5.6	4.8	6.2	5.2	4.3	5.6	4.6	3.6
Quarters:									
1974 3rd Q.	8.4	8.2	8.0	8.2	8.0	7.7	9.3	9.0	8.8
4th Q.	5.7	4.9	3.7	11.3	10.4	9.1	6.9	5.9	4.6
1975 1st Q.	6.4	5.1	4.4	0.6	-0.4	-1.1	3.3	2.2	1.5
Months:									
Sept.	9.8	9.1	8.6	7.1	6.3	5.6	8.2	7.4	6.6
Oct.	7.3	6.1	4.4	19.5	18.0	16.4	8.3	6.7	5.1

are shown for a seven-month period including September. As may be seen from the chart on the following page, the level of M_1 in August reflects a 5.2 per cent annual rate of growth thus far this year; since this is reasonably consistent with recent Committee desires, the August level is not unreasonable as a base for formulating longer-run targets.

(8) Alternative C involves a 5¼ per cent growth rate for M_1 over the target period and assumes money market conditions about unchanged from those recently prevailing. Because of the shortfalls in M_1 in July and August, such a growth rate measured from August would imply lower levels of M_1 in coming months than were implicit in the longer-run target (of 5¼ per cent for the second half of 1974) that was adopted at the August Committee meeting. Alternative B contemplates a 5¾ per cent growth rate for M_1 from now on. Such a growth rate would compensate for recent shortfalls by early spring of next year--i.e., by early spring of 1975, the rate of increase in M_1 measured from mid-1974 would be around 5¼ per cent. The more rapid 6½ per cent growth rate for M_1 contemplated under alternative A would almost make up for the recent shortfall by year-end.

(9) The 5¼ per cent growth path for M_1 of alternative C is expected to be consistent with a Federal funds rate range centering

MONEY SUPPLY AND LONGER RUN TARGET PATHS



on 11¾ per cent, which is close to the rate that has prevailed on average since the last meeting. Over the two month September-October period M_1 growth would be expected to be in a 2¾-4¾ per cent, annual rate, range. The expectation of a continued relatively low growth rate over the near-term in part reflects the weakness in the fragmentary information thus far available for the early days of September, a period when a substantial recovery in growth had earlier been expected. M_1 growth is projected to pick up in October, with growth more rapid over the fourth quarter as a whole, since transactions demands for cash are assumed to strengthen if the staff forecast for about a 7 per cent annual rate of growth in nominal GNP is realized.

(10) With money market conditions assumed to be essentially unchanged under this alternative, little further net change in market interest rates generally would be expected between now and the next Committee meeting. The volume of new issues expected in corporate and municipal bond markets is fairly heavy over the week immediately ahead, but no new Treasury cash borrowing is anticipated until later in the year. In the mortgage market, rates have already adjusted upward substantially, and reduced demands for mortgage credit may limit further

upward rate adjustments. However, the spread between corporate bond yields and mortgages is still unfavorable to the latter, and high short-term market interest rates would be expected to continue diverting savings from banks and thrift institutions to market instruments.

(11) Given the market interest rates assumed under alternative C, growth in savings deposits at thrift institutions would be expected to remain barely positive, while net inflows of time deposits other than money market CD's to banks would be expected to expand at a modest pace. Banks have reduced reliance on money market CD's recently, and growth in these instruments over the months ahead would probably be slower than earlier in the year as bank loan growth is projected to abate somewhat. The reduced rate of expansion in economic activity is likely to temper bank credit demands, although the needs of borrowers under liquidity pressure could remain substantial. The recent Board action to remove the marginal reserve requirement on large time deposits maturing in four months or more is assumed to have a marginal effect on the structure of CD's issued by banks, but to have an insignificant effect on the total amount of CD's issued.

(12) Adoption of the somewhat higher 5¾ per cent growth rate of alternative B would be expected to entail a further decline in the

Federal funds rate over the next few weeks to around 11 per cent, the center of the 10-12 per cent range shown for this alternative. Growth of M_1 in the September-October period in a 3¼-5¼ per cent annual rate range might be anticipated. Growth over the fourth and first quarters would be considerably higher--around 6-6½ per cent, annual rate--to compensate for the marked weakness expected in September. The stimulative impact of the easing in money market conditions on money demand would be felt mainly in the fourth and first quarters; subsequently growth in M_1 could be expected to drop back to around the 5¾ per cent rate.

(13) If the funds rate were to decline to 11 per cent over the next few weeks, other rates would be likely to decline rather sharply on expectational grounds. Rate declines would probably be larger than justified by the stance of monetary policy and the likely strength of credit demands, if our nominal GNP forecast is correct. Thus interest rates would probably readjust upward to some degree as time goes on. Between now and the next Committee meeting the 3-month bill rate would be mostly in a 7¾-8¾ per cent range. A very modest recovery in savings flows at banks and thrift institutions might develop, and mortgage market rates would be under less pressure.

(14) Alternative A presents a more expansive policy alternative, characterized by a 6½ per cent long-run rate of growth in M_1 and a greater near-term decline in the Federal funds rate. Expectational effects on markets would be quite strong, and market interest rates generally could be expected to decline rather sharply. Improvement in the position of thrift institutions would be rather marked, and mortgage rates, after

some time, may begin to decline. Banks could expand CD offerings over the near-term to obtain funds for investment in longer-term market securities while high yields on the securities are still available.

(15) It was assumed in the preceding discussion that if the Committee adopts alternative B or A, it would want to have the money market conditions expected to be consistent with the higher growth rates for M_1 established between now and the next meeting. However, the Committee may wish to phase in any easing of market conditions over a longer period, particularly under alternative A. Thus, the funds rate could be permitted to decline in the inter-meeting period by less than implied by the mid-points of the ranges shown in the summary table of paragraph (6), in the expectation that some further decline would be sought later. If staff estimates of relationships between interest rates and monetary aggregates are correct, however, under such a procedure achievement of the indicated targets for the aggregates would require a somewhat larger total decline in the funds rate than if the move were accomplished quickly. For example, under alternative A, a drop in the funds rate to 10¾ per cent over the next five weeks, followed by a further decline to around 10 per cent by mid-November, could be envisaged.

Proposed directive

(16) Presented below are three alternative formulations for the operational paragraph of the directive, which are intended to correspond to the similarly lettered policy alternatives discussed in the preceding section. As will be noted, alternative A refers to the rate of growth in monetary aggregates "over recent months." Over the second quarter and the first 2 months of the third quarter, growth rates were 4.8 and 7.1 per cent for M_1 and M_2, respectively.

Alternative A

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions consistent with A HIGHER RATE OF ~~moderate~~ growth in monetary aggregates ~~over the months ahead~~ THAN HAS PREVAILED OVER RECENT MONTHS.

Alternative B

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions consistent with moderate growth in monetary aggregates over the months ahead.

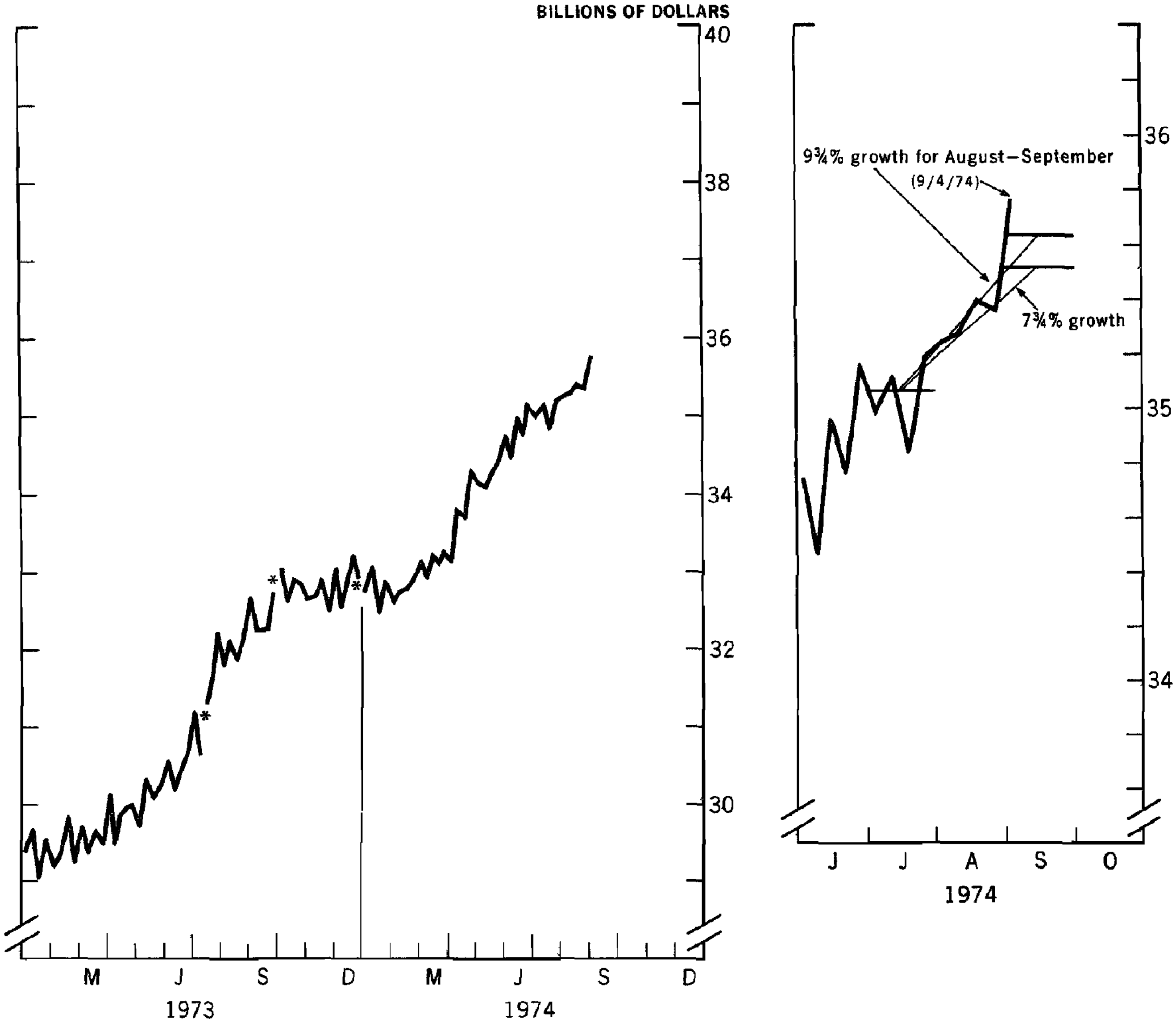
Alternative C

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions consistent with MODEST ~~moderate~~ growth in monetary aggregates over the months ahead.

CHART 1

STRICTLY CONFIDENTIAL (FR)
9/6/74

RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS



* Break in Series Actual Level of RPD After Changes in Reserve Requirements

CHART 2

STRICTLY CONFIDENTIAL (FR)
9/6/74

MONETARY AGGREGATES

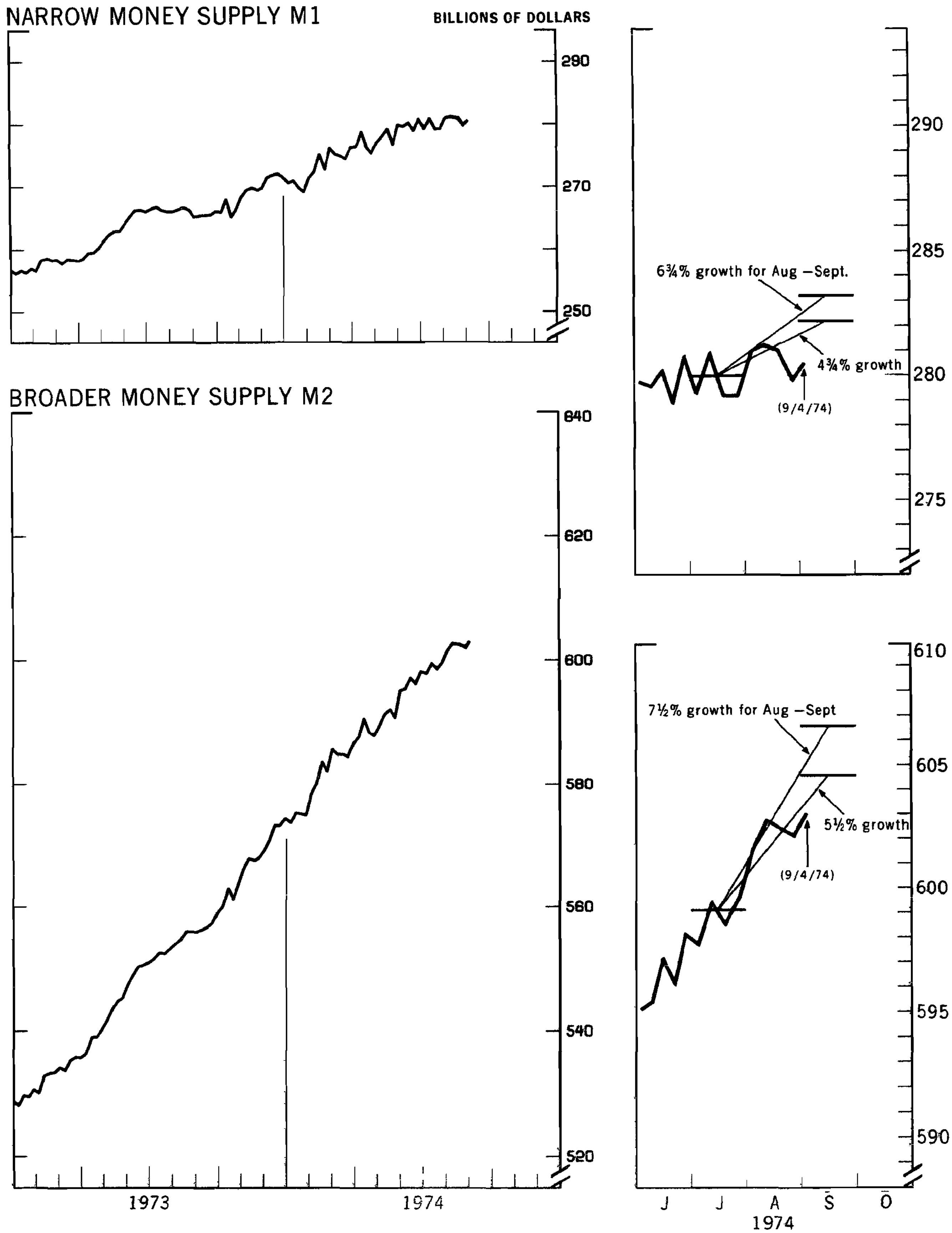
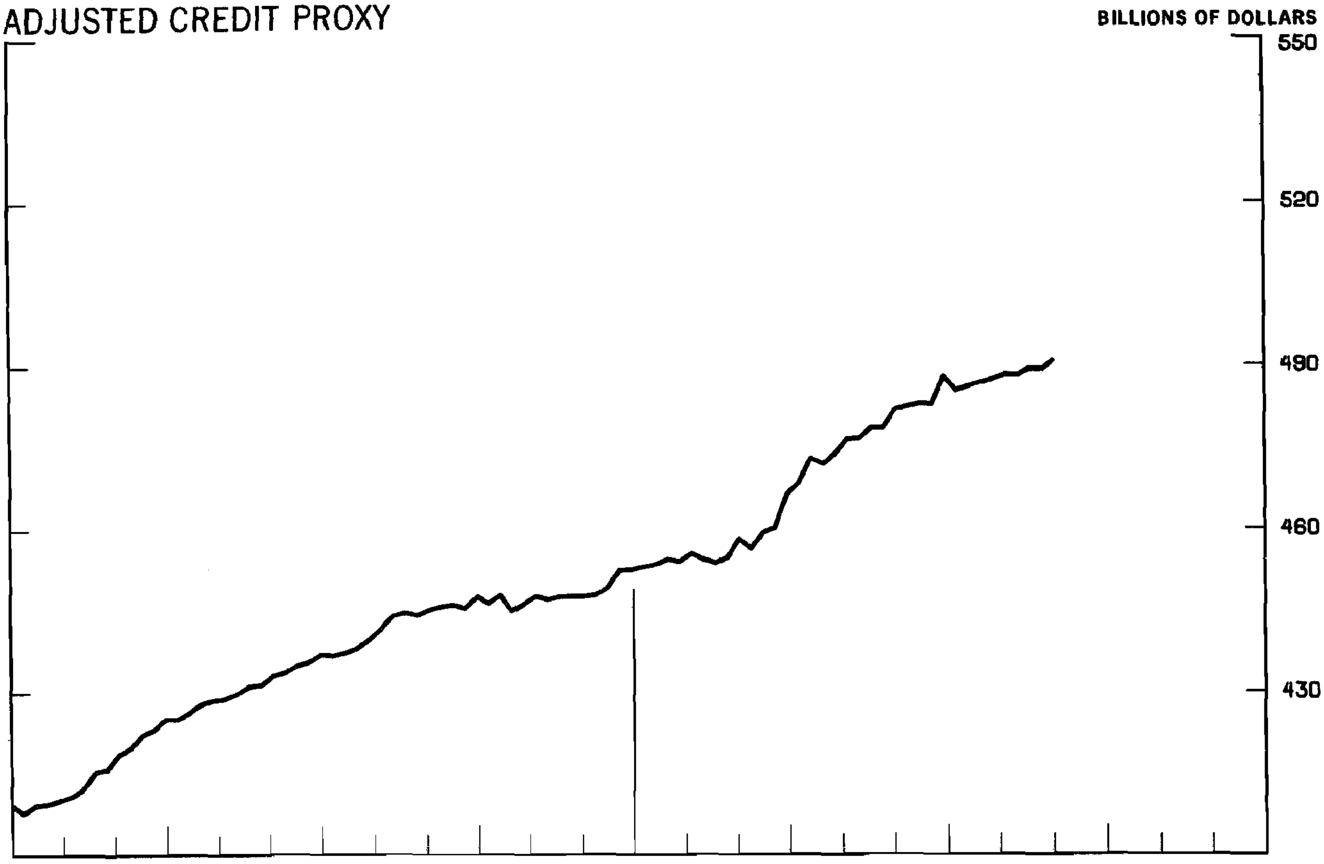


CHART 3

MONETARY AGGREGATES

ADJUSTED CREDIT PROXY



TOTAL RESERVES

*Break in series Actual Level of Total Reserves After Changes in Reserve Requirements

CHART 4

MONEY MARKET CONDITIONS AND INTEREST RATES

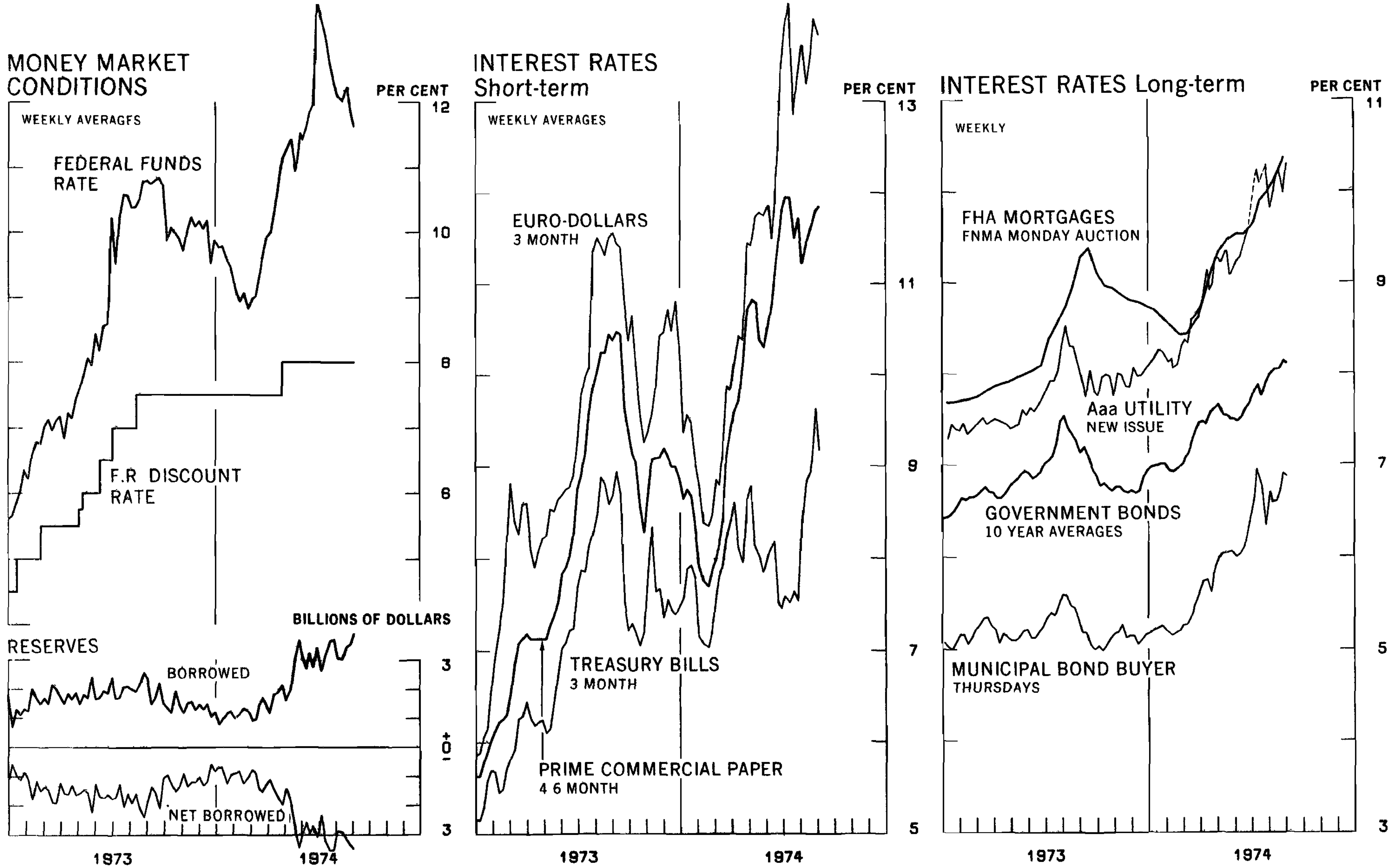


TABLE 1

STRICTLY CONFIDENTIAL

SEPTEMBER 6, 1974

BANK RESERVES
(ACTUAL AND CURRENT PROJECTIONS)

PERIOD	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES SEASONALLY ADJUSTED			
	SEAS ADJ	NON SEAS ADJ	TOTAL RESERVES	NONBORROWED RESERVES	PRIVATE DEMAND	OTHER TIME DEP	CD'S AND NON DEP	GOV'T AND INTERBANK
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MONTHLY LEVELS-$MILLIONS								
1974--JUN.	34,795	34,439	36,731	33,725	20,379	8,807	5,411	1,936
JUL.	35,047	34,840	37,421	34,120	20,449	8,866	5,570	2,374
AUG.	(35,365)	(35,053)	(37,269)	(33,933)	(20,405)	(8,997)	(5,737)	(1,904)
SEP.	(35,560)	(35,375)	(37,442)	(33,974)	(20,456)	(9,072)	(5,840)	(1,882)
ANNUAL RATES OF CHANGE								
QUARTERLY:								
1973--4TH QTR.	1.4		6.1	13.4	5.8	12.7		
1974--1ST QTR.	6.2		1.7	1.5	1.3	9.2		
2ND QTR.	20.3		20.4	1.1	1.7	7.1		
3RD QTR.	(8.8)		(7.7)	(3.0)	(1.5)	(12.0)		
MONTHLY:								
1974--JUN.	18.4		6.8	-7.4	2.2	11.8		
JUL.	8.7		22.5	14.1	4.1	8.0		
AUG.	(10.9)		(-4.9)	(-6.6)	(-2.6)	(17.7)		
SEP.	(6.6)		(5.6)	(1.4)	(3.0)	(10.0)		
AUG.-SEP.	(8.8)		(0.3)	(-2.6)	(0.2)	(13.9)		
WEEKLY LEVELS-$MILLIONS								
JUL. 3	35,164	34,961	37,446	34,011	20,437	8,854	5,503	2,282
10	34,994	34,583	37,102	34,462	20,316	8,848	5,552	2,108
17	35,107	34,891	37,828	34,653	20,674	8,841	5,607	2,721
24	34,847	34,756	37,428	33,787	20,326	8,882	5,524	2,581
31	35,191	35,079	37,315	33,625	20,483	8,898	5,625	2,124
AUG. 7	35,243	34,925	37,101	34,012	20,346	8,942	5,727	1,858
14	35,279	34,952	37,112	34,072	20,392	8,989	5,753	1,833
21	35,401	35,058	37,412	33,975	20,447	8,996	5,694	2,011
28	35,363	35,098	37,311	33,778	20,399	9,040	5,742	1,948
SEP. 4	35,772	35,473	37,600	33,693	20,490	9,042	5,807	1,828

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF AUG. 20, 1974, THE COMMITTEE AGREED ON A RPD RANGE OF 7.75 TO 9.75 PERCENT FOR THE AUGUST-SEPTEMBER PERIOD.

TABLE 2

STRICTLY CONFIDENTIAL

SEPTEMBER 6, 1974

MONETARY AGGREGATES
(ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED)

PERIOD	MONEY SUPPLY NARROW (M1)	MONEY SUPPLY BROAD (M2)	ADJUSTED CREDIT PROXY	U.S. GOVT. DEPOSITS	TIME AND SAVINGS DEPOSITS TOTAL	TIME AND SAVINGS DEPOSITS OTHER THAN CD S	TIME AND SAVINGS DEPOSITS CD S	NONDEPOSIT SOURCES OF FUNDS
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MONTHLY LEVELS-$BILLIONS								
1974--JUN.	279.6	596.2	483.1	3.7	399.9	316.5	83.3	10.3
JUL.	280.0	598.9	486.9	2.5	404.3	319.0	85.4	11.2
AUG.	(280.7)	(602.2)	(489.3)	(5.3)	(406.2)	(321.5)	(84.6)	(10.6)
SEP.	(281.2)	(604.7)	(492.8)	(6.7)	(408.8)	(323.5)	(85.3)	(11.0)
PERCENT ANNUAL GROWTH								
QUARTERLY								
1973--4TH QTR.	8.9	11.0	3.3		6.1	12.6		
1974--1ST QTR.	5.6	9.0	8.5		15.4	12.2		
2ND QTR.	6.4	7.7	20.9		23.7	8.7		
3RD QTR.	(2.3)	(5.7)	(8.0)		(8.9)	(8.8)		
MONTHLY								
1974--JUN.	7.8	10.6	13.3		16.7	12.3		
JUL.	1.7	5.4	9.4		13.2	9.5		
AUG.	(3.0)	(6.6)	(5.9)		(5.6)	(9.4)		
SEP.	(2.1)	(5.0)	(8.6)		(7.7)	(7.5)		
AUG.-SEP.	(2.6)	(5.8)	(7.3)		(6.7)	(8.5)		
WEEKLY LEVELS-$BILLIONS								
JUL. 3	280.8	598.1	487.9	3.1	402.4	317.4	85.0	10.7
10	279.3	597.8	485.3	3.3	403.2	318.5	84.7	10.4
17	280.9	599.4	486.2	2.1	404.0	318.5	85.4	10.8
24	279.2	598.5	487.0	2.1	405.2	319.3	85.9	12.1
31	279.2	599.6	487.7	2.3	405.9	320.3	85.6	11.7
AUG. 7	281.0	601.5	488.8	4.0	405.5	320.6	84.9	11.0
14	281.2	602.7	488.6	5.0	406.2	321.5	84.7	9.8
21	281.0	602.4	489.6	5.8	406.0	321.4	84.6	10.5
28 P	279.8	602.1	489.3	6.1	406.4	322.2	84.2	11.1
SEP. 4 PE	280.5	603.0	490.9	6.0	407.6	322.5	85.1	11.0

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY
PE - PARTIALLY ESTIMATED

STRICTLY CONFIDENTIAL (FR)

SEPTEMBER 6, 1974

TABLE 3

RESERVE EFFECTS OF
OPEN MARKET OPERATIONS AND OTHER RESERVE FACTORS
(Millions of dollars, not seasonally adjusted)

		Open Market Operations 1/					Daily Average Reserve Effect 2/			△ in reserve categories		△Target
		Bills & Accept.	Coupon Issues	Agency Issues	RP's Net 3/	TOTAL	Open Market Operations	△ Bank Member Borrowing	Other 4/ Factors	req. res. against U.S.G. and interb.	available res. 5/ (6)+(7)+(8)-(9)	available reserves 5/
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Monthly												
1974--Feb		-32	30	74	--	71	9	143	-1,505	-356	-997	-875
March		-64	190	122	1,531	1,780	-74	166	-358	-323	57	-30
April		790	172	312	-485	789	922	362	-338	173	773	315
May		653	207	185	1,111	2,155	1,970	866	-2,239	207	390	-130
June		-544	176	237	-984	-1,115	-673	420	74	-400	221	
July		898	125	726	-3,760	-2,011	1,601	309	-901	471	538	
Aug.		862	--	235	2,225	3,322	141					
Sept.												375
Oct.												
Weekly												
1974--July	3	292	176	305	-170	603	197	647	-106	383	355	
	10	58	--	298	128	484	46	-795	343	-28	-378	
	17	288	125	291	-426	278	811	535	-390	648	308	
	24	446	--	145	-72	518	-469	466	-404	-272	-135	
	31	1	--	-3	-3,787	-3,789	-195	49	-67	-536	323	
Aug	7	66	--	-3	366	430	-589	-601	906	-130p	-154p	
	14	-138	--	--	1,820	1,682	-161	-49	231	-5p	26p	
	21	881	--	--	1,232	2,113	2,003	397	-2,155p	139p	106p	
	28	567	--	--	-4,768	-4,200	-145	96	-62p	-151p	40p	
Sept	4	-518	--	221	5,742	5,446	56	373	-154p	-100p	375p	
	11											
	18											
	25											

1/ Represents change in System's portfolio from end-of-period to end-of-period; includes redemptions in regular bill auctions.
2/ Represents change in daily average level for preceding period.
3/ Includes matched sale-purchase transactions as well as RP's.
4/ Sum of changes in vault cash, currency in circulation, Treasury operations, F.R. float, gold and foreign accounts, and other F.R accounts.
5/ Reserves to support private nonbank deposits. Target change for Aug. and Sept. reflects the target adopted at the Aug. 20, 1974 FOMC meeting.
Target change for previous months reflect the bluebook patterns that are consistent with target ranges that were adopted during the month.

TABLE 4

SECURITY DEALER POSITIONS AND BANK POSITIONS
Millions of dollars

Period	U S. Govt. Security Dealer Positions		Dealer Positions		Member Bank Reserve Positions				
					Excess** Reserves	Borrowing at FRB**		Basic Reserve Deficit	
	Bills	Coupon Issues	Corporate Bonds	Municipal Bonds		Total	Seasonal	8 New York	38 Others
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1973--High	3,796	1,299	197	384	631	2,561	163	-5,243	-10,661
Low	897	-301	0	36	-240	688	3	-1,831	- 4,048
1974--High	3,238	2,203	253	371	432	3,906	176	-5,911	-12,826
Low	-289	-309	0	27	-83	776	13	-2,447	- 7,241p
1973--Aug	1,690	39	0	70	177	2,165	163	-2,689	- 4,940
Sept	2,745	395	6	80	216	1,852	148	-3,173	- 5,355
Oct.	2,565	484	44	226	227	1,476	126	-3,814	- 6,090
Nov.	2,804	793	90	148	239	1,393	84	-4,469	- 8,186
Dec	3,441	973	105	276	307	1,298	41	-4,682	- 9,793
1974--Jan.	3,102	540	114	254	162	1,051	18	-4,753	-10,893
Feb	2,436	1,619	120	263	184	1,162	17	-5,262	-10,769
Mar	1,986	583	68	239	134	1,314	32	-5,030	-11,058
Apr.	1,435	99	39	78	182	1,736	40	-3,952	-11,603
May	408	85	142	83	178	2,590	102	-3,171	- 9,091
June	580	9	66	124	204	3,020	134	-4,445	- 9,920
July	457	-214	14	79	162	3,075	149	-3,522	- 9,555
Aug	*1,758	*398	33	108	227p	3,336p	164p	-4,271p	- 8,990p
1974--July 3	75	-76	0	50	369	3,435	126	-3,794	- 8,966
10	26	-145	15	90	278	2,640	137	-4,116	-10,178
17	24	-309	0	63	-16	3,175	152	-3,972	- 9,826
24	284	-263	13	27	115	3,641	155	-2,669	- 9,758
31	1,673	-209	14	144	184	3,690	163	-3,111	- 8,957
Aug 7	2,065	-178	4	87	228p	3,089p	176p	-4,466	- 9,938
14	*2,290	* 772	24	117	145p	3,040p	160p	-5,174	- 9,382
21	*1,657	* 487	47	131	263p	3,437p	166p	-4,172	- 8,605
28	*1,226	* 489	75	59	183p	3,533p	161p	-3,041p	- 8,567p
Sept. 4	*2,669	*459	86p	45p	432p	3,906p	152p	-3,974p	- 7,241p
11									
18									
25									

NOTE: Government security dealer trading positions are on a commitment basis. Trading positions, which exclude Treasury bills financed by repurchase agreements maturing in 16 days or more, are indicators of dealer holdings available for sale over the near-term. Other security dealer positions are debt issues still in syndicate, excluding trading positions. The basic reserve deficit is excess reserves less borrowing at Federal Reserve less net Federal funds purchases. Weekly data are daily averages for statement weeks, except for corporate and municipal issues in syndicate which are Friday figures.

* STRICTLY CONFIDENTIAL
** Monthly averages for excess reserves and borrowings are weighted averages of statement week figures.

TABLE 5

SELECTED INTEREST RATES
Per cent

	Short-Term						Long-Term				
		Treasury Bills		90-119 Day	CD's New Issue-NYC		Aaa Utility			U.S. Government	FNMA
	Federal Funds	90-Day	1-Year	Commercial paper	60-89 Day	90-119 Day	New Issue	Recently Offered	Municipal Bond Buyer	(10-yr. Constant Maturity)	Auction Yields
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1973 -- High	10.84	8.95	8.43	10.50	10.50	10.75	8.52	8.30	5.59	7.54	9.37
Low	5.61	5.15	5.42	5.63	5.38	5.50	7.29	7.26	4.99	6.42	7.69
1974 -- High	13.55	9.63	9.54	12.25	12.25	12.00	10.31	10.31	6.95	8.14	10.38
Low	8.81	7.04	6.39	7.88	8.00	7.88	8.05	8.14	5.16	6.93	8.43
1973 -- Aug.	10.50	8.67	8.32	10.26	10.25	10.40	8.36	8.22	5.48	7.40	8.83
Sept.	10.78	8.29	8.07	10.31	10.31	10.50	7.88	7.99	5.10	7.09	9.32
Oct.	10.01	7.22	7.17	9.14	9.15	8.08	7.90	7.94	5.05	6.79	9.01
Nov.	10.03	7.83	7.40	9.11	9.06	8.91	7.90	7.94	5.18	6.73	8.84
Dec.	9.95	7.45	7.01	9.28	9.44	9.13	8.00	8.04	5.12	6.74	8.78
1974 -- Jan.	9.65	7.77	7.01	8.86	9.05	8.83	8.21	8.22	5.22	6.99	8.71
Feb.	8.97	7.12	6.51	8.00	8.09	7.97	8.12	8.23	5.20	6.96	8.48
Mar.	9.35	7.97	7.34	8.64	8.69	8.56	8.46	8.42	5.41	7.21	8.53
Apr.	10.51	8.33	8.08	9.92	9.81	9.78	8.98	8.94	5.73	7.51	9.07
May	11.31	8.23	8.21	10.82	10.83	10.90	9.24	9.13	6.02	7.58	9.41
June	11.93	7.90	8.16	11.18	11.06	10.88	9.38	9.36	6.13	7.54	9.54
July	12.92	7.55	8.04	11.93	11.83	11.83	10.20	10.04	6.68	7.81	9.84
Aug.	12.01	8.96	8.88	11.79	11.69	11.91	10.07	10.19	6.69	8.04	10.25
1974 -- July 3	13.55	7.45	8.36	11.95	11.75	11.75	--	9.79	6.64	7.68	9.65
10	13.34	7.58	8.32	12.09	12.25	12.00	10.25	10.16	6.95	7.82	--
17	13.04	7.51	7.84	12.25	11.88	12.00	10.10	10.10	6.78	7.88	9.90
24	12.60	7.63	7.75	11.90	11.50	11.63	--	10.09	6.34	7.77	--
31	12.29	7.53	8.13	11.45	11.75	11.75	10.30	10.28	6.70	7.90	9.98
Aug. 7	12.09	8.42	8.50	11.55	11.75	11.75	9.82	10.15	6.58	7.99	--
14	12.02	8.84	8.52	11.68	11.75	11.88	10.10	10.02	6.61	8.04	10.12
21	12.23	8.94	8.80	11.85	11.63	12.00	10.26	10.28	6.73	8.05	--
28	11.84	9.63	9.54	12.00	11.63	12.00	9.99	10.26	6.91	8.14	10.38
Sept. 4	11.64	9.18	9.26	11.94	11.63	12.00	10.31p	10.27p	6.88	8.12p	--
11											
18											
25											
Daily - Aug. 29	11.67	9.02	9.33	12.00	--	--	--	--	--	8.15	--
Sept. 5	11.63p	9.33	9.12	11.88	--	--	--	--	--	n.a.	--

NOTE: Weekly data for columns 1 to 4 are statement week averages of daily data. Columns 5 and 6 are one-day Wednesday quotes. For columns 7, 8 and 10 the weekly date is the mid-point of the calendar week over which data are averaged. Column 9 is a one-day quote for Thursday following the end of the statement week. Column 11 gives FNMA auction data for the Monday preceding the end of the statement week. The FNMA auction yield is the average yield in the bi-weekly auction for short-term forward commitments for Government underwritten mortgages.

September 6, 1974

APPENDIX TABLE I
RESERVES AND MONETARY VARIABLES

Period	RESERVES			MONEY STOCK MEASURES (Revised Series)			BANK CREDIT MEASURES		OTHER (Revised Series)		OTHER			
	Total	Non-borrowed	Available to support Private Deposits	M_1	M_2	M_3	Adjusted Credit Proxy	Total Loans and Investments	Total time	Time other than CD's	Thrift Institution Deposits 1/	CD's	Non-deposit funds	U.S. Gov't. Demand
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	(Per Cent Annual Rates of Growth)											(Dollar Change in Billions)		
Annually														
1970	+6.0	+9 3	+8 7	+6.0	+8 4	+8.3	+8.2	+8 1	+17.9	+11.1	+8.0	+14.4	-8.4	+1.2
1971	+7.2	+7 8	+6.9	+6.3	+11 2	+13.3	+9.4	+11.2	+18 2	+16 7	+17 1	+7.7	-7.6	-0.4
1972	+10 6	+7 7	+10 1	+8 7	+11.1	+13 0	+11.6	+14.6	+15 7	+13.5	+16.6	+10.4	+0.4	--
1973	+7 8	+7 2	+9.3	+6.1	+8 9	+8.8	+10 6	+13.5	+16.0	+11.4	+8.6	+19 4	+3.0	-1.2
Semi-Annually:														
1st Half 1972	+10.8	+11.0	+8 3	+7 7	+10.7	+12 4	+11.2	+13.6	+15.4	+13.8	+15.7	+4.4	-0.2	-1.0
2nd Half 1972	+9 9	+4.1	+11 5	+9 4	+10.9	+12 8	+11 3	+14.7	+14.8	+12.3	+16 3	+6.0	+0.6	+0.1
1st Half 1973	+6.7	+1.6	+10.3	+7.7	+9.1	+9 7	+13.8	+16.6	+20.8	+10 4	+10.7	+18.6	+1 2	-0.8
2nd Half 1973	+8.6	+12.7	+7.8	+4.4	+8.2	+7 5	+7.0	+9.6	+10.2	+11.8	+6.1	+0.8	+1.8	-0.4
1st Half 1974	+11.0	+1.3	+13 3	+6.0	+8.4	+ 7.7	+14.9	+13.9	+20.0	+10.6	+6.4	+20.5	+2.9	-1.2
Quarterly:														
1st Qtr. 1972	+8 7	+9 1	+9 6	+9.0	+12.3	+13.5	+10.5	+15 7	+14.5	+15 5	+15.9	+0.7	-0.3	-0.4
2nd Qtr 1972	+12.6	+12 6	+6 9	+6.2	+8.9	+11 0	+11.6	+11.1	+15.7	+11.7	+14.9	+3.7	+0.1	+0.3
3rd Qtr. 1972	+4.4	-0 9	+10 4	+8 7	+10.8	+13.3	+10.2	+13.0	+14.3	+12.7	+17.8	+2.4	+0.3	-1.1
4th Qtr. 1972	+15.1	+9 2	+12.2	+9.9	+10.6	+12.0	+12.1	+15.8	+14 8	+11.4	+14 2	+3.6	+0.3	+1.2
1st Qtr 1973	+6.4	-3 6	+7.8	+3.8	+6.9	+8.6	+14.6	+19.9	+22.7	+9.9	+11.4	+11.2	+0.5	+1.5
2nd Qtr. 1973	+6.9	+7 0	+12.5	+11.5	+11.1	+10.6	+12.6	+12.7	+17.8	+10.6	+9.7	+7 4	+0 7	-2.3
3rd Qtr. 1973	+10.6	+11.3	+14.2	--	+5.3	+5 1	+10 5	+12 7	+14.0	+10.6	+4.6	+4.7	+1.7	-0.3
4th Qtr 1973	+6.1	+13.4	+1 4	+8.9	+11.0	+9.8	+3.3	+6 3	+6.1	+12.6	+7.6	-3.9	+0.1	-0.1
1st Qtr 1974	+1.7	+1.5	+6.2	+5.6	+9.0	+8.9	+8.5	+15.9	+15.4	+12.2	+8.6	+4.9	+1.2	-1.2
2nd Qtr 1974	+20.4	+1 1	+20 3	+6.4	+7.7	+6.4	+20.9	+11.5	+23.7	+8 7	+4.1	+15.6	+1.7	--
Monthly:														
1973--Jan	+30.1	+26.8	+15.9	+4.7	+9 4	+10.8	+9 7	+17.8	+16.5	+12.9	+13.7	+1.3	+0.6	+0.6
Feb.	-21 1	-38.5	-2.9	+5.6	+6 3	+8.1	+11.1	+23 7	+22.3	+7.0	+11.6	+4.4	-0.5	-0.6
Mar	+10.5	+1.8	+10.3	+0.9	+5 2	+6.6	+22.3	+17.2	+28.2	+9.6	+8 7	+5.5	+0.4	+1.5
Apr.	+14.7	+20.1	+10.0	+6.0	+8 3	+8.6	+15.4	+13.1	+22.5	+10.0	+9.0	+3.8	+0.2	-0.5
May	+5.4	+0.5	+9.9	+13.9	+11 8	+10.9	+11.0	+16.6	+18.8	+10.8	+9.4	+2.9	+0.3	-1.9
June	+0.5	+0.2	+17.3	+14.2	+12.8	+11.9	+11.1	+8 2	+11.2	+10 7	+10.4	+0 7	+0.2	+0.1
July	+27.2	+24.9	+18 5	+4.1	+5.7	+6.3	+8.6	+14.5	+12.8	+7.6	+7.3	+1.9	+0.9	-1.4
Aug.	-5.1	-13.5	+10.1	-0.5	+6.5	+5.0	+17.0	+18.2	+18 9	+13 0	+2.3	+2.4	+0 6	+0.9
Sept.	+9.4	+21.9	+13.3	-3.6	+3.7	+3.9	+5.7	+5 2	+9 8	+10.8	+4.2	+0.4	+0.2	+0.2
Oct.	+12.1	+26 7	+1.0	+5 0	+11.0	+9.3	+1.6	+7.7	+3.7	+16 1	+6.8	-2.9	-0.4	+1.0
Nov.	-4.3	-1.6	-6.3	+11.7	+11.5	+10.1	+2 7	+7.4	+3 3	+11.4	+7.2	-1 8	+0.2	-0.2
Dec.	+10.5	+14.4	+9.4	+9.8	+10.2	+9.6	+5 6	+3.6	+11.3	+10.1	+8.6	+0.8	+0.3	-0.9
1974--Jan	+35.7	+45.9	+6.9	-3.5	+6.3	+7.1	+12.5	+14.7	+21.8	+16.0	+8.6	+2.7	+0.1	+1.3
Feb.	-24.8	-30.4	-0.3	+11.1	+12.7	+10.9	+1.3	+15.5	+14.9	+13.8	+7.8	+1.1	+0.2	-3.2
Mar.	-5.4	-10.0	+11.9	+9.2	+7.8	+8.3	+11.3	+16.8	+9.0	+6.6	+9.2	+1.1	+0.9	+0.7
Apr.	+32.7	+19.0	+19.7	+6.5	+7.2	+7.0	+31.6	+16.0	+30.5	+7.7	+6.6	+7.7	+1.0	+0 8
May	+20.8	-8.2	+21.7	+4.8	+5.1	+4.2	+16.8	+10.2	+22.6	+5.8	+2.5	+5.8	+1.1	-0.7
June	+6.8	-7.4	+18 4	+7.8	+10.6	+7.9	+13.3	+7.8	+16.7	+12.3	+3.6	+2.1	-0.4	-0.1
July	+22.5	+14.1	+8.7	+1.7	+5.4	+4.9	+9.4	+13.1	+13.2	+9.5	+3.2	+2.1	+0.9	-1.2

1/ Growth rates are based on estimated monthly average levels derived by averaging end of current month and end of previous month reported data

NOTE: Reserve Requirements on Eurodollar borrowings are included beginning October 16, 1969, and requirements on bank-related commercial paper are included beginning October 1, 1970

p - Preliminary

APPENDIX TABLE II
RESERVES AND MONETARY VARIABLES
(Seasonally adjusted, billions of dollars)

Period	RESERVES Total	RESERVES Non-borrowed	RESERVES Available to Support Pvt. Deposits	MONEY STOCK MEASURES M_1 Total	MONEY STOCK MEASURES M_1 Pvt. Dep.	MONEY STOCK MEASURES M_2	MONEY STOCK MEASURES M_3	BANK CREDIT MEASURES Adj. Credit Proxy	BANK CREDIT MEASURES Total Loans & Invest-ments	OTHER Total Time	OTHER Time Other Than CD's	OTHER Thrift Insti-tution Deposits	OTHER CD's	OTHER Non-Dep. Funds	OTHER U.S. Gov't Demand
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
				Revised	*Series*					Revised Series					
ANNUALLY															
Dec. 1970	29,193	28,861	27,099	221 2	172 2	425.2	642.7	332 9	438.5	229.2	203.9	217 5	25.3	11.6	6.5
Dec 1971	31,299	31,173	28,965	235 2	182.6	473 0	727 9	364.3	487.6	270.9	237.9	254.8	33.0	4.0	6.1
Dec. 1972	31,410	30,360	29,053	255 7	198 7	525 5	822.8	406 4	559.0	313.3	269 9	297 2	43.4	4.4	6.1
MONTHLY:															
1973--Jan.	32,199	31,037	29,439	256.7	199.6	529.6	830.2	409.7	567.3	317.6	272.9	300.6	44.7	5.0	6.7
Feb.	31,634	30,040	29,368	257 9	200.4	532.4	835.8	413.5	578.5	323.6	274.5	303.5	49.1	4.5	6.1
Mar.	31,910	30,085	29,621	258.1	200 1	534.7	840.4	421 2	586 8	331.2	276.6	305.7	54.6	4.9	7.6
Apr	32,300	30,589	29,867	259 4	200.8	538 4	846.4	426.6	593.2	337.4	278.9	308 0	58.4	5.1	7.1
May	32,445	30,602	30,114	262 4	203.4	543 7	854 1	430.5	601.4	342.7	281 4	310.4	61 3	5.4	5.2
June	*32,459*	*30,608*	*30,548*	*265 5*	*206 2*	*549 5*	*862.6*	434.5	605.5	345.9	283.9	313.1	62.0	5.6	5.3
July	33,576	31,622	31,358	266.4	206 9	552 1	867.1	437.6	612.8	349.6	285.7	315.0	63.9	6.5	3.9
Aug.	33,906	31,741	32,038	266.3	206 4	555.1	870 7	443 8	622 1	355.1	288.8	315.6	66.3	7.1	4.8
Sept.	34,173	32,321	32,394	265 5	205 3	556 8	873 5	445.9	624.8	358.0	291.4	316.7	66.7	7.3	5 0
Oct.	34,942	33,466	32,845	266.6	206 1	561.9	880 3	446 5	628.8	359.1	295.3	318 5	63.8	6.9	6.0
Nov	34,857	33,463	32,714	269 2	208 2	567.3	887 7	447.5	632.7	360.1	298.1	320.4	62.0	7.1	5.8
Dec	35,105	33,807	32,912	271.4	209.7	572.1	894 8	449.6	634.6	363.5	300.6	322.7	62 8	7 4	4.9
1974--Jan	35,850	34,799	32,799	270.6	208.7	575.1	900.1	454.3	642 4	370.1	304.6	325.0	65.5	7.5	6.2
Feb	35,108	33,916	32,791	273.1	210.4	581.2	908.3	454.8	650.7	374.7	308.1	327.1	66.6	7.7	3.0
Mar	34,949	33,634	33,117	275.2	211.9	585.0	914.6	459 1	659.8	377.5	309.8	329.6	67.7	8.6	3.7
Apr	35,902	34,166	33,660	276.7	212.8	588.5	919.9	471.2	668.6	387.1	311.8	331.4	75.4	9.6	4.5
May	36,523	33,933	34,270	277.8	213.4	591.0	923.1	477.8	674 3	394.4	313.3	332.1	81.2	10 7	3.8
June	36,731	33,725	34,795	279.6	214.8	596.2	929.2	483.1	679.3	399.9	316.5	333 1	83.3	10.3	3.7
July	37,421	34,120	35,047	280.0	215.1	598.9	933.0	486.9	686.7	404.3	319.0	334.0	85.4	11.2	2.5
WEEKLY.															
1974--April 3	35,398	33,895	33,240	276.3	212.9	586.6	--	466 3	--	381.8	310.3	--	71.5	9.5	4.8
10	35,040	33,846	33,117	276.4	212.3	587.7	--	468.4	--	385.1	311.3	--	73.9	9.3	5.0
17	*36,161*	*34,345*	33,794	278.7	214.6	590.6	--	472.9	--	386.7	311.9	--	74.8	9.4	5.0
24	36,003	34,064	33,722	276.3	712.4	588.4	--	471 8	---	388.9	312.0	--	76.9	9.7	4.0
May 1	36,742	34,585	34,277	275.3	211.5	587.9	--	473.8	--	390.5	312.5	--	78.0	10.2	4.4
8	36,385	34,768	34,151	277.1	212.7	589.5	--	476.4	--	392.1	312.4	--	79.7	10.4	5.3
15	36,572	34,595	34,104	278.0	213.7	591.3	--	476.6	--	393.8	313.3	--	80.6	10.8	3.3
22	36,659	33,569	34,250	279.2	214.6	592.1	--	478.5	--	394.9	312.9	--	82.0	11.1	3.2
29	36,447	32,841	34,434	276.7	212.2	590.8	--	478.4	--	396.6	314.0	--	82.5	11.0	3.0
June 5	*36,514*	*33,460*	*34,754*	*279.8*	215.3	595.1	--	481.9	--	397.2	315.3	--	81.9	10.6	3.7
12	36,122	33,393	34,467	279.6	214.6	595.4	--	482.5	--	398.4	315.8	--	82.5	10.1	4.7
19	36,967	33,744	34.963	280.2	215.4	597.1	--	482.9	--	400.4	316.9	--	83.5	9.7	3.5
26	36,851	34,063	34,775	278.9	214.2	596.1	--	482 .8	--	401.4	317.2	--	84.1	10 4	3.3
July 3	37,446	34,011	35,164	280.8	216.0	598.1	--	487.9	--	402.4	317.4	--	85.0	10.7	3.1
10	37,102	34,462	34,994	279.3	214.2	597.8	--	485.3	--	403.2	318.5	--	84.7	10.4	3.3
17	37,828	34,653	35,107	280.9	216.1	599.4	--	486.2	--	404.0	318.5	--	85.4	10.8	2.1
24	37,428	33,787	34,847	279.2	214.3	598.5	--	487.0	--	405.2	319.3	--	85.9	12.1	2.1
31	*37,315*	*33,625*	*35,191*	*279.2*	*214.4*	*599.6*	--	487.8	--	405.9	320.3	--	85.6	11.7	2.3
Aug. 7	37,101	34,012	35,243	281.0	215.6	601.5	--	488.8	--	405.5	320.6	--	84.9	11.0	4.0
14	37,112	34,072	35,279	281.2	215.6	602.7	--	488.6	--	406.2	321.5	--	84.7	9.8	5.0
21 p	37,412	33,975	35,401	281.0	215.4	602.4	--	489.6	--	406.0	321.4	--	84.6	10.5	5.8
28 p	37,311	33,778	35,363	279.8	214.1	602.1	--	489.3	--	406.4	322.2	--	84.2	11.1	6.1

1/ Estimated monthly average levels derived by averaging end of current month and end of previous month reported data.

NOTE Reserve requirements on Eurodollar borrowings are included beginning October 16, 1969, and requirements on bank-related commercial paper are included beginning October 1, 1970. Adjusted credit proxy includes mainly total member bank deposits subject to reserve requirements, bank-related commercial paper and Eurodollar borrowings of U.S. banks. Weekly data are daily averages for statement weeks. Monthly data are daily averages except for nonbank commercial paper figures which are for last day of month Weekly data are not available for M_3, total loans and investments and thrift institution deposits.

p - Preliminary.

Appendix Table III

Growth Rate in Money Supply
(Per cent change at an annual rate)

		M_1		M_2		M_3	
		M	Q	M	Q	M	Q
1972	I	9.0	5.3	12.3	11.0	13.5	12.5
	II	6.2	8.2	8.9	9.8	11.0	11.7
	III	8.7	8.2	10.8	10.8	13.3	13.0
	IV	9.9	8.4	10.6	10.2	12.0	12.2
1973	I	3.8	7.0	7.0	8.8	8.6	10.2
	II	11.5	7.5	11.1	8.8	10.6	9.0
	III	--	5.6	5.3	7.9	5.1	7.5
	IV	8.9	4.5	11.0	8.9	9.8	7.9
1974	I	5.6	5.8	9.0	9.4	8.9	9.1
	II	6.4	7.3	7.7	7.9	6.4	7.2

M = Annual rates of growth calculated from average levels in the final months of the quarters.

Q = Annual rates calculated from average levels in all three months of the quarters.

Appendix Table IV

Growth Rates in Money Supply for Alternatives

		M_1		M_2		M_3	
		M	Q	M	Q	M	Q
				Alt. A			
1974	III	2.6	3.9	6.0	6.9	5.0	5.5
	IV	7.1	5.7	8.1	7.4	6.9	6.4
1975	I	7.0	5.9	8.4	7.9	6.9	6.5
				Alt. B			
1974	III	2.4	3.9	5.8	6.8	4.6	5.4
	IV	6.5	5.1	7.3	6.7	5.5	5.0
1975	I	6.0	5.3	6.9	6.7	5.2	5.0
				Alt. C			
1974	III	2.3	3.7	5.7	6.8	4.3	5.3
	IV	6.0	4.8	6.4	6.1	4.4	4.1
1975	I	5.5	4.6	5.7	5.6	4.2	4.0

M = Annual rates of growth calculated from average levels in last months of the quarters.

Q = Annual rates calculated from average levels in all three months of the quarters.

Appendix Table V

Money Supply Growth Rates

	M_1	M_1 less Foreign Official Deposits	M_1 less Foreign Official Deposits and Deposits due to Foreign Commercial Banks
1973 January	4.7	5.2	5.3
February	5.6	5.6	6.7
March	0.9	0.5	0.9
April	6.0	6.5	6.6
May	13.9	13.0	11.8
June	14.2	14.7	14.4
July	4.1	3.6	2.8
August	-0.5	-0.5	--
September	-3.6	-3.6	-3.7
October	5.0	5.5	4.6
November	11.7	10.9	10.1
December	9.8	9.9	8.2
1974 January	-3.5	-4.0	-5.0
February	11.1	11.2	11.3
March	9.2	10.2	9.9
April	6.5	3.9	4.0
May	4.8	6.6	5.8
June	7.8	6.1	6.2
July	1.7	3.0	1.3
August	3.0	3.5	4.4

NOTE: Growth rates from January 1974 to date have been revised to reflect changes due to April 1974 call report benchmark adjustments to M_1.