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Content last modified 6/05/2009.

September 12, 1975

Strictly Confidential (FR) Class I FOMC

MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

September 12, 1975

MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Recent developments

(1) M_1 grew at a 4½ per cent annual rate in August, and data suggest some pick up in September. For the August-September period, M_1 is now projected to grow at an annual rate of 5.7 per cent, about the mid-point of its range of tolerance. Growth of consumer-type time deposits also slowed in August, and M_2 is projected during the August-September period at a 7½ per cent annual rate, somewhat below the lower end of its target of tolerance.

Growth in Monetary Aggregates and RPD's over August-September Period 1/

Reserve and monetary aggregates (Growth at SAAR in per cent)	Ranges of Tolerance	Latest Estimates
M_1	4½ to 7	5.7
M_2	8¼ to 10¼	7.5
RPD	-1½ to 4	-3.7

Memo:

Federal funds rate (per cent per annum)	Ranges of Tolerance	Avg. for statement week ending	
	5¾ to 7	Aug. 20	6.15
		27	6.23
		Sept. 3	6.06
		10	6.15

1/ These figures do not incorporate the regular quarterly benchmark revision of monetary aggregates that will be published this coming Thursday. The revisions (based on the April call report) lowered the rate of growth for M_1 in the first half of 1975 from 5 to 4.1 per cent. The level of M_1 was reduced by \$1.3 billion in April and by \$1.2 billion on average in the second quarter. All tables on subsequent pages of this report (with the exception of table 1 and 2 following the charts) are based on the new series. The new and old series are compared in Appendix table IV.

(2) Business loans at banks remained about unchanged in August, following a small July advance, but the volume of commercial and finance company paper outstanding rose $600 million, as the wide differential between the bank prime and commercial paper rates continued to make the paper market relatively attractive. Banks allowed CD's to run off for the seventh straight month, and the bank credit proxy declined.

(3) Following the August FOMC meeting, the Desk continued to provide reserves consistent with the Federal funds rate remaining in a range of 6-1/8 to 6-1/4 per cent. On the basis of data for the aggregates that became available after Labor Day, the staff reduced its projection of M_1 growth for August-September to the lower part of the Committee's range of tolerance and its projection of M_2 growth below the bottom of the range. In view of the expectation of a substantial strengthening in demands for money and credit over coming months, and the likelihood that a decline in the Federal funds rate may have to be reversed shortly, the Committee concurred on September 5 in the Chairman's recommendation to instruct the Desk to continue aiming at a Federal funds rate in a 6-1/8 to 6-1/4 per cent area, leaning toward the lower figure. In the most recent statement week, the funds rate averaged 6.15 per cent.

(4) Treasury bill rates have changed little on balance since the August meeting, even though the Treasury continued to add significantly to the supply of bills. The 3-month bill was most recently trading around 6.45 per cent. Private short-term rates, on the other hand, increased 10-15 basis points, as the demand for funds in the commercial paper market rose.

(5) Over most of the intermeeting period, yields on Treasury coupon issues edged lower, and corporate bond yields remained about unchanged, reflecting the stability of short-term rates, System purchases of coupon issues in late August, and a lull in the volume of new offerings in both sectors. Municipal yields rose to record levels during the intermeeting period as the financial problems facing New York City continued to cast a pall. However, on September 9, the New York State legislature adopted a financial plan that would avoid a near-term default on the City's outstanding securities and cover the City's cash needs through mid-December. In response, the market atmosphere improved and prices of MAC issues strengthened. Following the Treasury's September 10 announcement of its sizable cash requirements over the remainder of 1975, however, yields in all bond markets adjusted upward. Throughout the intermeeting period, mortgage rates advanced as demands for mortgage funds expanded and lenders became more uncertain as to the cost and availability of savings funds.

(6) The Treasury indicated that it would be raising about $44 to $47 billion in the second half of 1975, which is about $3-$6 billion more than previously announced. Allowing for the funds already raised since mid-year, the remaining cash need to be covered between now and year-end appears to be in the $23-$26 billion range. A substancial amount of this will be auctioned between now and the next Committee meeting. The Treasury will raise $1 billion of new cash in the monthly 2-year note auction on September 16, and will offer $2 billion of 29-month notes on September 24. It is also likely that another $5½ billion will be auctioned in the note market near the time of the next Committee meeting on October 21. Meanwhile, the Treasury will also be adding to weekly and monthly bill auctions, though in the case of the weekly auctions by somewhat lesser amounts than in recent months.

(7) The table on the following page shows (in percentage annual rates of change) selected monetary and financing flows over various time periods.

	Calendar Year	Twelve Months	Past Six Months	Past Three Months	Past Month
	1974	Aug. '75 over Aug. '74	Aug. '75 over Feb. '75	Aug. '75 over May 75	Aug. '75 over July '75
Total reserves	8.5	-1.2	-2.0	--	-14.4
Nonborrowed reserves	10.7	8.6	-2.4	-1.7	-11.5
Reserves available to support private nonbank deposits	8.9	-0.9	-2.0	0.3	-6.0
Concepts of Money (Revised Series)					
M_1 (currency plus demand deposits) 1/	4.8	5.0	8.6	8.3	4.1
M_2 (M_1 plus time deposits at commercial banks other than large CD's)	7.2	8.6	11.2	11.3	6.3
M_3 (M_2 plus deposits at thrift institutions)	6.8	10.6	14.2	14.2	9.9
M_4 (M_2 plus CD's)	10.6	6.7	5.8	5.8	-1.1
M_5 (M_3 plus CD's)	9.0	9.2	10.4	10.4	5.0
Bank Credit					
Total member bank deposits (bank credit proxy adj.)	10.2	3.2	3.1	1.7	-4.7
Loans and investments of commercial banks 2/	9.2	1.8	4.3	4.3	6.8
Short-term Market Paper					
(Monthly average change in billions)					
Large CD's	2.2	-.5	-2.4	-2.5	-4.1
Nonbank commercial paper	.4	.1	-.2	.1	.2

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 averages 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

(8) Summarized below for Committee consideration are specifications for three alternative short-run policy courses. More detailed figures--including longer-run growth rates--are presented in the tables on pp. 6a and 6b.

	Alt. A	Alt. B	Alt. C
Ranges of tolerance for Sept.-Oct.			
M_1	6½-8½	6-8	5½-7½
M_2	8-10	7½-9½	6¾-8¾
RPD	2½-4½	2-4	1½-3½
Federal funds rate (intermeeting range)	5¾-7	6-7½	6½-8

(9) Following relatively slow growth in the July-August period, in September and October M_1 is expected to expand at rates more nearly consistent with the underlying strength of transactions demands. Deposit expansion in the previous months had been dampened as the public brought deposit holdings into a more normal relationship with income and interest rates, following the sharp bulge in late spring resulting from special Treasury payments. This process now appears to have been completed. Under alternative A --which assumes the same Federal funds rate range for the forthcoming intermeeting period as that adopted at the last meeting--M_1 is expected to rise at an annual rate in the 6½-8½ per cent area over this and the next month on average. M_2 growth is also likely to accelerate, mainly reflecting the more rapid expansion in demand deposits.

Alternative Levels and Growth Rates 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
Levels									
1975 August	294.5	294.5	294.5	653.9	653.9	653.9	1064.8	1064.8	1064.8
September	296.2	296.1	296.1	658.6	658.4	658.2	1073.5	1073.3	1073.0
October	298.2	298.0	297.8	663.7	663.2	662.4	1082.4	1081.5	1080.3
1975 QII	289.1	289.1	289.1	637.0	637.0	637.0	1029.7	1029.7	1029.7
QIII	294.7	294.7	294.7	654.3	654.3	654.2	1064.8	1064.7	1064.6
QIV	300.4	300.2	299.8	668.9	667.8	666.5	1090.9	1088.9	1086.6
1976 QI	305.5	304.8	304.1	682.3	679.8	676.7	1113.3	1108.7	1103.4
QII	310.2	308.5	307.3	694.6	689.6	684.0	1133.6	1125.2	1116.1
Growth Rates									
1975 September	6.9	6.5	6.5	8.6	8.3	7.9	9.8	9.6	9.2
October	8.1	7.7	6.9	9.3	8.7	7.7	9.9	9.2	8.2
QIII	7.7	7.7	7.7	10.9	10.9	10.8	13.6	13.6	13.6
QIV	7.7	7.5	6.9	8.9	8.3	7.5	9.8	9.1	8.3
1976 QI	6.8	6.1	5.7	8.0	7.2	6.1	8.2	7.3	6.2
QII	6.2	4.9	4.2	7.2	5.8	4.3	7.3	6.0	4.6
QII '75-QIV '75	7.8	7.7	7.4	10.0	9.7	9.3	11.9	11.5	11.1
QIV '75-QII '76	6.5	5.5	5.1	7.7	6.5	5.3	7.8	6.7	5.4
QII '75-QII '76	7.3	6.7	6.3	9.0	8.3	7.4	10.1	9.3	8.4

MEMO
Committee Target Ranges — M_1: 5-7½; M_2: 8½-10½; M_3: 10-12

Alternative Levels and Growth Rates for Key Monetary Aggregates (cont'd)

		M_4			M_5			Credit Proxy		
		Alt. A	Alt. B	Alt. C	Alt. A	Alt. B	Alt. C	Alt. A	Alt. B	Alt. C
Levels										
1975	August	731.9	731.9	731.9	1142.9	1142.9	1142.9	503.3	503.3	503.3
	September	736.0	735.9	735.7	1150.9	1150.8	1150.5	504.6	504.5	504.4
	October	740.3	740.1	739.7	1159.0	1158.4	1157.5	507.2	507.1	507.0
1975	QII	723.0	723.0	723.0	1115.8	1115.8	1115.8	503.0	503.0	503.0
	QIII	733.5	733.5	733.4	1144.0	1144.0	1143.9	504.4	504.4	504.3
	QIV	746.0	745.4	744.7	1168.0	1166.5	1164.8	511.2	510.9	510.6
1976	QI	762.0	760.2	758.1	1193.1	1189.0	1184.9	520.6	519.5	518.4
	QII	777.3	773.4	769.9	1216.3	1209.0	1202.1	527.9	525.5	523.8
Growth Rates										
1975	September	6.7	6.6	6.2	8.4	8.3	8.0	3.1	2.9	2.6
	October	7.0	6.8	6.5	8.4	7.9	7.3	6.2	6.2	6.2
	QII	5.8	5.8	5.8	10.1	10.1	10.1	1.1	1.1	1.0
	QIV	6.8	6.5	6.2	8.4	7.9	7.3	5.4	5.2	5.0
1976	QI	8.6	7.9	7.2	8.6	7.7	6.9	7.4	6.7	6.1
	QII	8.0	6.9	6.2	7.8	6.7	5.8	5.6	4.6	4.2
QII '75-QIV '75		6.4	6.2	6.0	9.4	9.1	8.8	3.3	3.1	3.0
QIV '75-QII '76		8.4	7.5	6.8	8.3	7.3	6.4	6.5	5.7	5.2
QII '75-QII '76		7.5	7.0	6.5	9.0	8.4	7.7	5.0	4.5	4.1

However, growth in consumer-type time and savihgs deposits also is expected to strengthen a little, at least temporarily, from its reduced August rate.

(10) If Federal funds over the next few weeks were to continue trading in the recent 6-1/8--6¼ per cent range, market interest rates generally would be likely to show little further net change. Interest rates on Treasury securities--particularly bills and short-intermediate issues--have been adjusting upward recently in response to the cash need and financing package announced by the Treasury on Wednesday. Some further yield increases could occur, though, as the new securities are auctioned, with about $8½ billion of new cash to be raised through auctions of coupon issues between now and around the time of the next meeting.

(11) Business borrowing in the corporate bond market over the weeks ahead is likely to be at a slower rate than in the first half of this year, though picking up from the reduced August pace and still quite sizable by historical standards. The prospective volume of state and local government issues remains relatively large. The municipal market could be stabilized, for a time, by the assistance package for New York City enacted by the New York State legislature. It is possible that the period of calm may last into the fall, but there are still substantial uncertainties in the market, typified by the slow reception initially accorded the recent offering of generously priced short-term New York State issues.

(12) Given the large amount of Treasury borrowing that is being compressed into the next month or so, as well as the still sensitive

state of the municipal market, a significant rise in the Federal funds rate--for example, toward the upper end of the 5-3/4--7 per cent range of alternative A--would likely lead to substantial further yield advances. Interest rate increases would be accentuated if strengthening credit demands on banks from businesses and consumers were at the same time reducing bank willingness to add to Treasury security holdings.

(13) While alternative A basically assumes little or no change in the Federal funds rate between now and the next meeting, the staff believes the funds rate would have to rise later in the fall if the monetary aggregates are to remain on track with the Committee's longer-run objectives. A funds rate in the 7-7½ per cent area would be expected by late fall, assuming a longer-run M_1 objective characterized by 7¼ per cent growth from QII '75 to QII '76 (the assumption of the Green Book GNP projection), with further funds rate increases anticipated in the first half of next year. Attainment of a longer-run 6¼ per cent annual rate of growth in M_1 would be likely to require more prompt and intensive pressure on the funds market. In view of the further interest rate increases expected given either of these two M_1 growth rates, we have assumed, in working out all of the alternatives in this bluebook, a small upward adjustment in Regulation Q ceilings around year-end of ¼ to ½ percentage point on time certificates. With this assumption, longer-run M_2 growth is projected toward the low end of the Committee's announced target range under alternative A.

(14) Alternative C encompasses an immediate substantial tightening of the money market and is characterized by a Federal funds rate range for the intermeeting period of 6½-8 per cent, centering on 7¼ per cent. With growth in nonborrowed reserves more constrained, member bank borrowing under this alternative would be likely to rise to $400 million or more, given the 6 per cent discount rate. Nonetheless, growth of M_1 in September-October would probably be reduced somewhat, to the 6-8 per cent area. Interest rates generally would rise quite sharply during the next month under this alternative, particularly given the very large Treasury financing demands described in paragraph (6). A rise in the 3-month bill rate to 8 per cent or a little above would not be unlikely, and the yield on 2-year Treasury notes could exceed 9 per cent.

(15) Such rate levels would undoubtedly divert savings flows away from banks and thrift institutions. The staff would expect the annual rate of growth in consumer-type time deposits at banks and deposits at thrift institutions to drop to around a 7-8 per cent rate in October. Pressures on such flows would be intensified later in the fall and early next year, when further increases in the Federal funds rate would be expected.

(16) Under alternative C mortgage market conditions may be expected to tighten rather promptly, with rates rising further over the next few weeks and with lenders becoming less willing to make loan commitments. Under alternative A, and to a certain extent under alternative B (to be discussed below), strains on the mortgage market would be more delayed and less severe. The assumed adjustment in Regulation Q ceilings would temper the impact of upward market rate adjustments on savings inflows to thrift institutions after year-end, but the mortgage market would still be expected to come under additional pressure next year.

(17) Alternative B contemplates a modest tightening of money market conditions between now and the next Committee meeting, as indicated by the 6-3/4 per cent mid-point of a 6-7½ per cent Federal funds rate range. As in the other alternatives, additional tightening would appear to be necessary later this year and early next year. The staff has assumed that the Federal funds rate under this alternative would probably rise to the 7½-8 per cent area by late fall. This particular funds rate pattern would be consistent with a one-year growth rate for M_1 between QII '75 and QII '76 of 6-3/4 per cent. Given the downward revision of $1.2 billion in the average level of M_1 in the second quarter of 1975, such a growth rate would result in the same average level of M_1 in the second quarter of 1976 as was implied by the 6¼ per cent growth path presented in the previous bluebook.

Proposed directive

(18) Given below is a proposed operational paragraph if the Committee wishes to continue formulating its instructions in terms of desired growth in monetary aggregates over the months ahead. No alternatives are presented for this formulation, in the expectations that the reference to desired growth will be taken to apply to the longer-term targets and that the Committee will not be reconsidering its present 5 to 7½ per cent target range--with which all of the short-run operating alternatives discussed in the preceding sections are consistent--until the October meeting.

"Monetary aggregates" proposal

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.

(19) Should the Committee desire to formulate the directive in terms of bank reserve and money market conditions, the language needed would depend on the specific conditions sought. These alternative "money market" directives intended to correspond to the similarly lettered policy alternatives are given below.

Alternative "money market" proposals

Alternative A

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to ~~achieve~~ MAINTAIN ABOUT THE PREVAILING bank reserve and money market conditions OVER THE PERIOD IMMEDIATELY AHEAD, PROVIDED THAT MONETARY AGGREGATES APPEAR TO BE GROWING AT ABOUT THE RATES CURRENTLY EXPECTED ~~consistent with moderate growth in monetary aggregates over the months ahead.~~

Alternative B

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve SOMEWHAT FIRMER bank reserve and money market conditions OVER THE PERIOD IMMEDIATELY AHEAD, PROVIDED THAT MONETARY AGGREGATES DO NOT APPEAR TO BE GROWING AT RATES BELOW THOSE CURRENTLY EXPECTED ~~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 FIRMER bank reserve and money market conditions OVER THE PERIOD IMMEDIATELY AHEAD, PROVIDED THAT MONETARY AGGREGATES DO NOT APPEAR TO BE GROWING AT RATES BELOW THOSE CURRENTLY EXPECTED ~~consistent with moderate growth in monetary aggregates over the months ahead.~~

CHART 1

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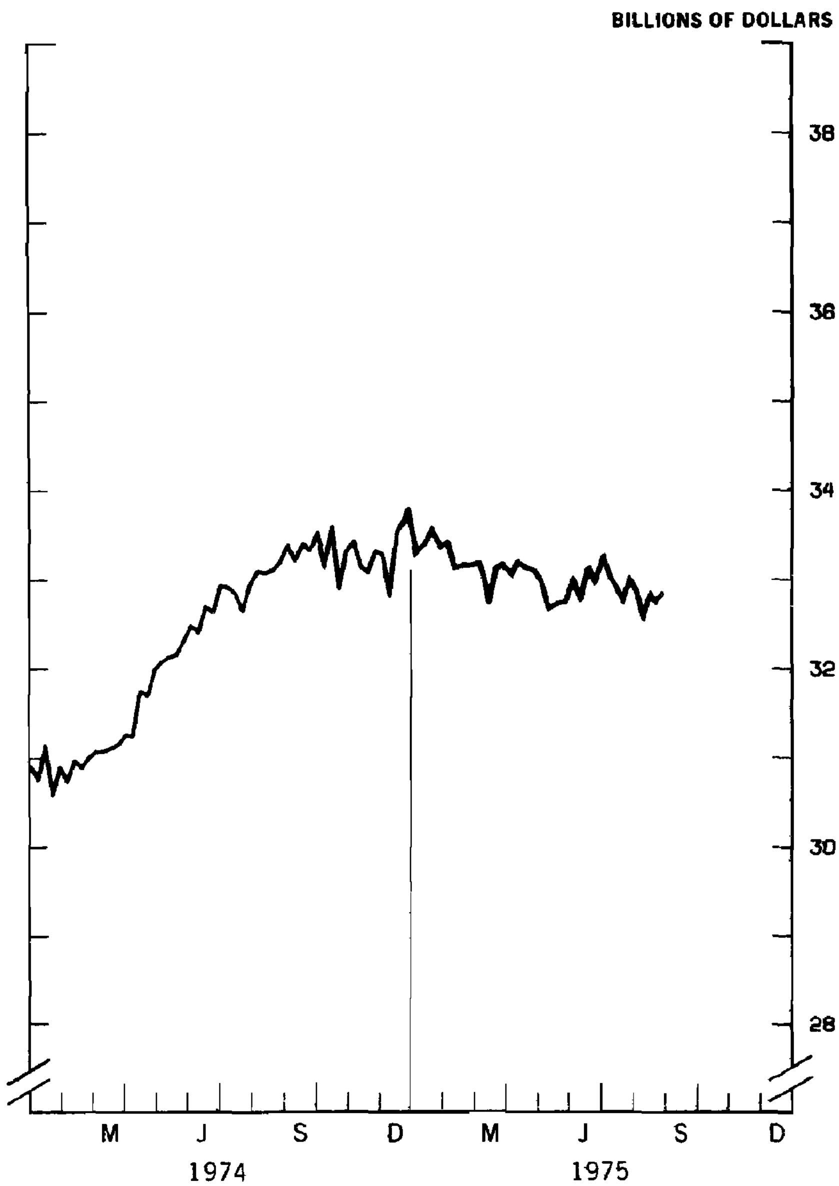
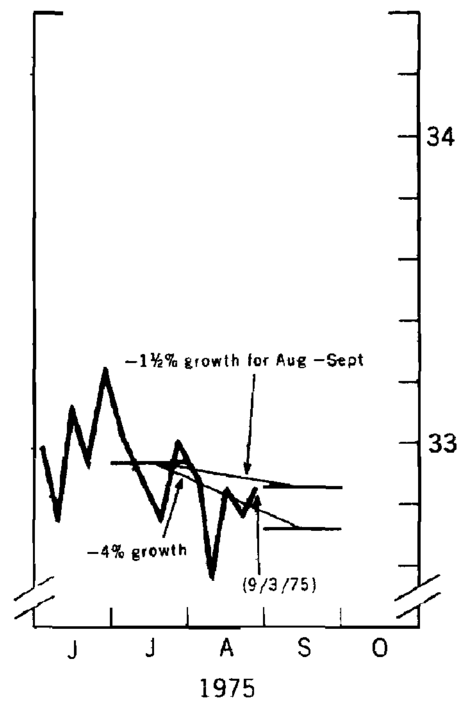
RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS





RPD series has been adjusted to remove discontinuities associated with changes in reserve requirement ratios

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MONETARY AGGREGATES

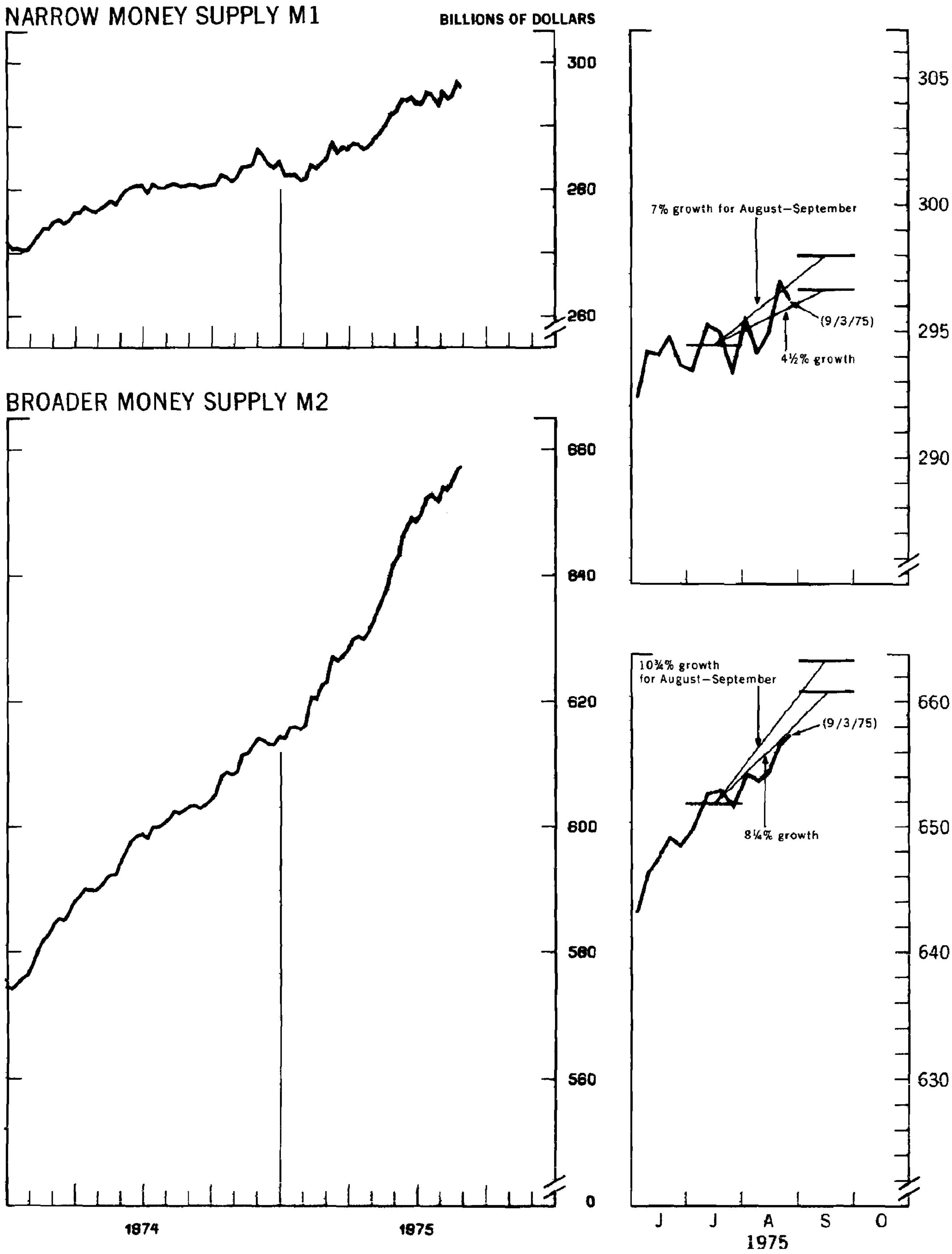
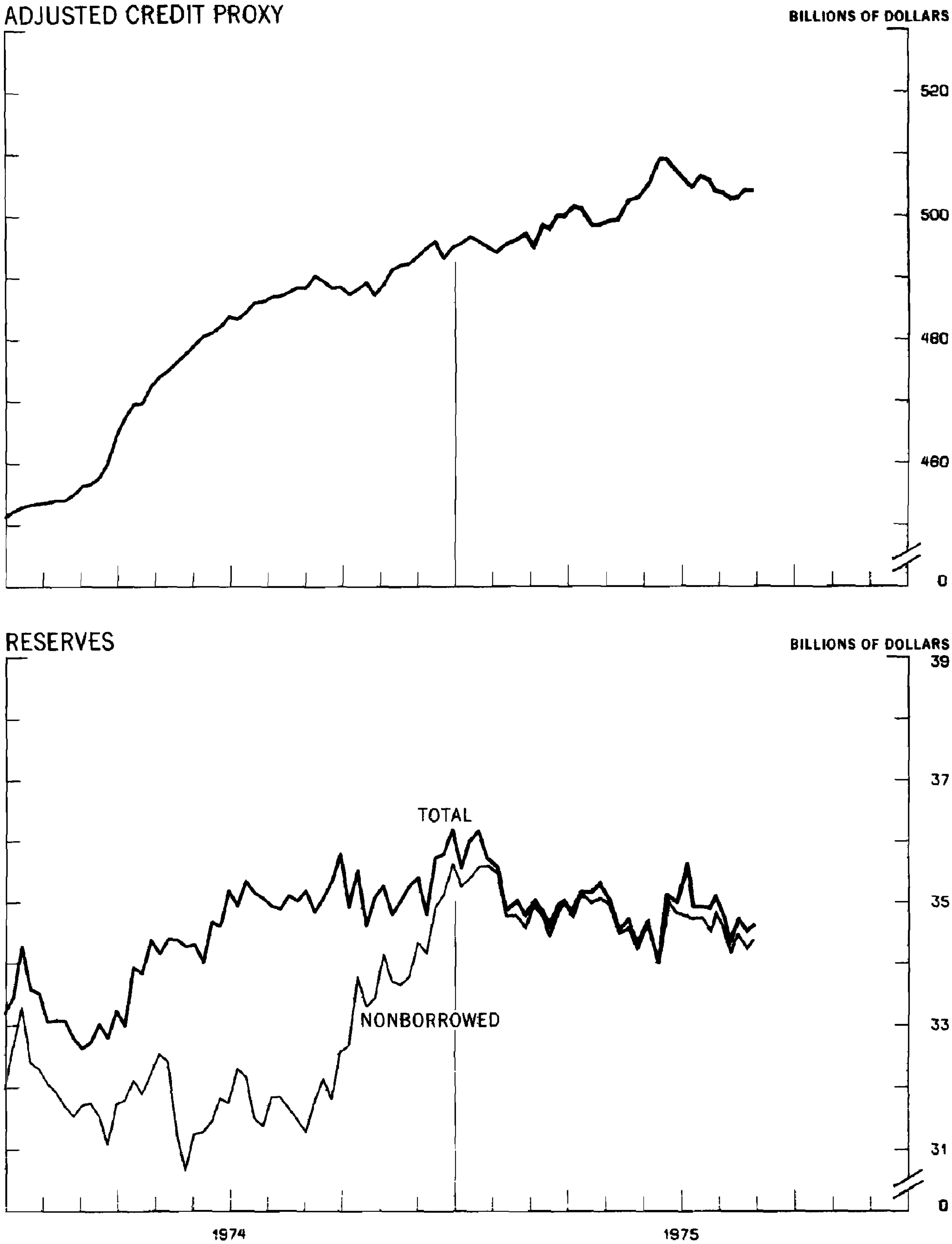


CHART 3 9/12/75

MONETARY AGGREGATES



Total and nonborrowed reserve series have been adjusted to remove discontinuities associated with changes in reserve requirement ratios

CHART 4

MONEY MARKET CONDITIONS AND INTEREST RATES

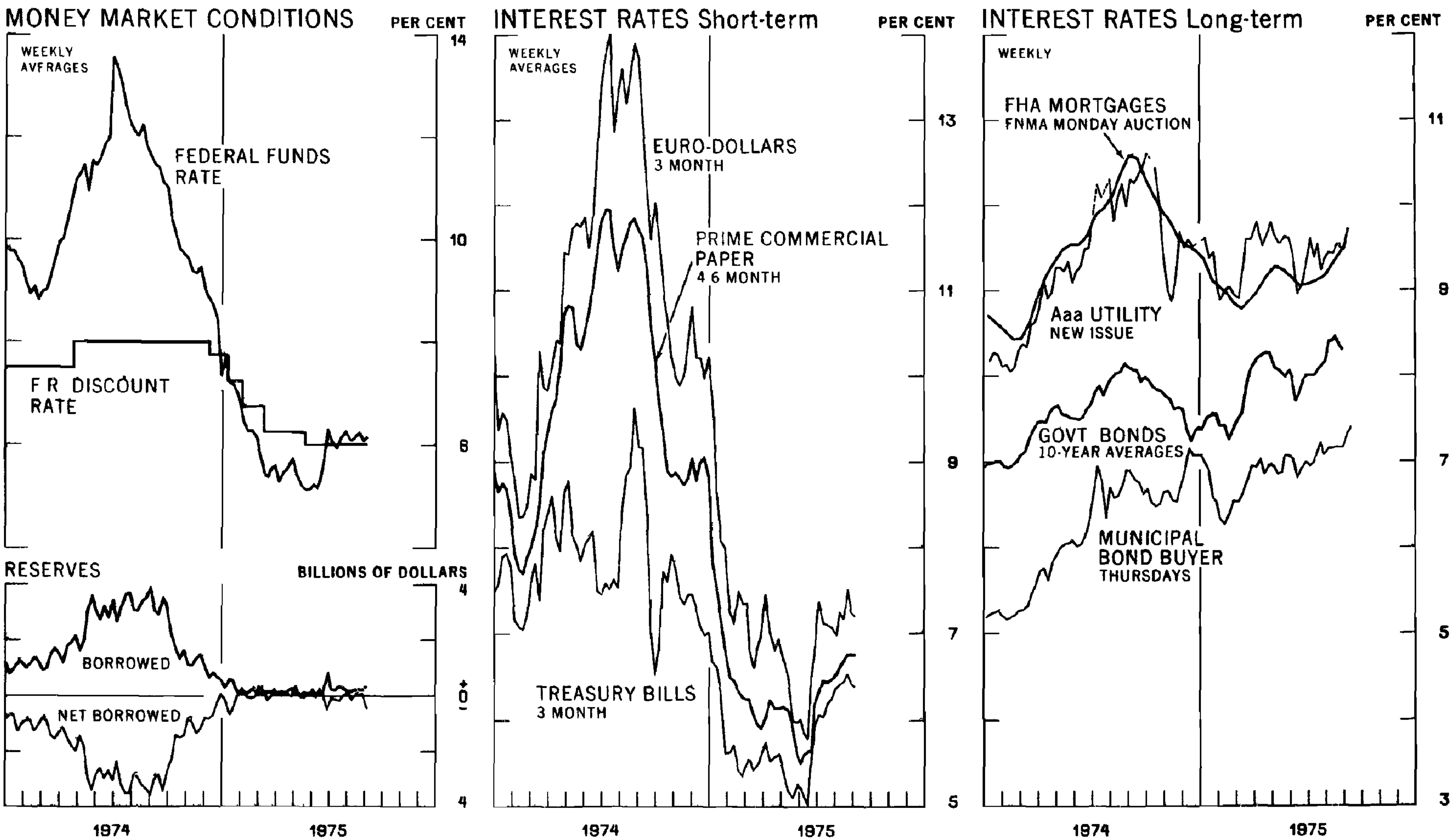


TABLE 1

BANK RESERVES

(ACTUAL AND CURRENT PROJECTIONS)

Period	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES SEASONALLY ADJUSTED				
	SA	NSA	Total Reserves	Nonborrowed Reserves	Total Required	Private Demand	Other Time Deposits	CD's and Nondeposits	Gov't. and Interbank
	1	2	3	4	5	6	7	8	9
MONTHLY LEVELS-$MILLIONS									
1975--JUNE	32,995	32,734	34,872	34,645	34,671	19,799	8,665	4,330	1,877
JULY	32,938	32,812	34,991	34,690	34,803	19,847	8,613	4,290	2,053
AUG.	32,772	32,524	34,571	34,359	34,372	19,796	8,698	4,079	1,799
SEPT.	(32,735)	(32,548)	(34,585)	(34,275)	(34,437)	(19,874)	(8,749)	(3,965)	(1,850)
PERCENT ANNUAL GROWTH									
QUARTERLY									
1975--1ST QTR.	-4.7		-8.3	-1.4	-7.7	-4.2	-7.6		
2ND QTR.	0.5		1.2	-0.2	1.2	11.7	-9.2		
3RD QTR.	-3.2		-3.3	-4.3	-2.7	1.5	3.9		
QUARTERLY-AV									
1975--1ST QTR.	-1.4		-0.9	11.5	-0.7	-3.3	-0.1		
2ND QTR.	-2.5		-3.7	-2.8	-3.6	8.0	-12.0		
3RD QTR.	-1.3		-1.1	-2.8	-1.2	5.7	-1.7		
MONTHLY									
1975--JUNE	9.1		10.3	4.8	8.8	24.3	-6.9		
JULY	-2.1		4.1	1.6	4.6	2.9	-7.2		
AUG.	-6.0		-14.4	-11.5	-14.9	-3.1	11.8		
SEPT.	(-1.4)		(0.5)	(-2.9)	(2.3)	(4.7)	(7.0)		
AUG.-SEPT.	(-3.7)		(-7.0)	(-7.2)	(-6.3)	(0.8)	(9.5)		
WEEKLY LEVELS-$MILLIONS									
1975--JULY 9	33,025	32,598	34,924	34,702	34,791	19,962	8,600	4,330	1,899
16	32,888	32,766	34,916	34,714	34,843	19,866	8,618	4,330	2,028
23	32,753	32,769	34,896	34,514	34,693	19,675	8,604	4,270	2,143
30	33,003	33,025	35,077	34,824	34,796	19,865	8,622	4,235	2,074
AUG. 6	32,885	32,617	34,751	34,571	34,552	19,857	8,653	4,176	1,867
13	32,563	32,262	34,331	34,152	34,315	19,749	8,677	4,121	1,768
20	32,853	32,633	34,687	34,483	34,476	19,890	8,696	4,057	1,834
27	32,758	32,551	34,515	34,243	34,216	19,688	8,744	4,027	1,758
SEPT. 3	32,852	32,609	34,613	34,391	34,292	19,811	8,727	3,993	1,761

NOTE: RESERVE SERIES HAVE BEEN ADJUSTED TO REMOVE DISCONTINUITIES ASSOCIATED WITH CHANGES IN RESERVE REQUIREMENT RATIO. DATA SHOWN IN PARANTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF AUG. 19, 1975 THE COMMITTEE AGREED ON A RPD RANGE OF -1.5 TO -4.0 PERCENT FOR THE AUG.-SEPT. PERIOD.

Table 2

CONFIDENTIAL (F.R.)
CLASS II-FOMC

SEPT. 12, 1975

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-$BILLIONS								
1975--JUNE	294.0	647.3	507.5	3.8	437.3	353.3	84.1	7.0
JULY	294.5	651.7	505.3	2.5	439.3	357.2	82.1	6.8
AUG.	295.6	655.2	503.3	2.9	437.6	359.6	78.0	7.0
SEPT.	(297.3)	(659.9)	(504.5)	(2.2)	(440.0)	(362.5)	(77.4)	(7.0)
PERCENT ANNUAL GROWTH								
QUARTERLY								
1975--1ST QTR.	2.4	8.4	3.1		10.1	13.6	-2.2	
2ND QTR.	11.0	13.3	7.5		6.8	15.3	-25.4	
3RD QTR.	4.5	7.8	-2.4		2.5	10.4	-31.9	
QUARTERLY-AV								
1975--1ST QTR.	1.0	6.4	4.1		12.8	11.1	19.2	
2ND QTR.	9.0	11.3	5.2		5.3	13.4	-24.0	
3RD QTR.	7.6	10.8	1.1		4.6	13.4	-31.6	
MONTHLY								
1975--JUNE	17.8	18.8	15.1		11.6	19.7	-19.6	
JULY	2.0	8.2	-5.2		5.5	13.2	-28.5	
AUG.	4.5	6.4	-4.7		-4.6	8.1	-59.9	
SEPT.	(6.9)	(8.6)	(2.9)		(6.6)	(9.7)	(-9.2)	
AUG.-SEPT.	(5.7)	(7.5)	(-0.9)		(1.0)	(8.9)	(-34.3)	
WEEKLY LEVELS-$BILLIONS								
1975--JULY 9	293.5	649.7	504.6	2.9	439.7	356.1	83.6	6.5
16	295.3	652.5	506.3	2.9	440.1	357.2	82.9	6.6
23	295.0	652.8	505.9	2.5	439.5	357.9	81.6	7.0
30	293.4	651.7	503.9	2.0	438.8	358.3	80.5	7.0
AUG. 6	295.6	654.2	503.8	2.7	438.0	358.6	79.4	6.8
13	294.1	653.7	502.7	2.5	438.2	359.5	78.7	6.8
20	294.9	654.4	503.1	2.7	437.4	359.5	77.9	7.1
27	297.0	656.7	504.0	3.1	436.7	359.7	77.0	7.3
SEPT. 3 P	296.3	657.3	504.0	3.6	438.0	361.0	77.1	7.1

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.   P - PRELIMINARY

CONFIDENTIAL (FR)
CLASS II - FOMC
SEPTEMBER 12, 1975

TABLE 3

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

	Open Market Operations 1/					Daily Average Reserve Effects 2/			Δ In Reserve Categories		Δ Target
	Bills & Accept	Coupon Issues	Agency Issues	RP's Net	Total	Open Market Operations	Δ Member Bank Borrowing	Other 4/ Factors	Req. res. against U.S.G. and interb.	available res. 5/ (6)+(7)+(8)-(9)	available reserves5/
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1975--Feb.	-1,015	316	295	714	309	-1,241	-243	-499	-344	-1,627	-670
Mar.	112	1,301	207	-1,758	-136	53	-41	-773	13	-774	-495
Apr.	1,319	1,070	-2	5,442	7,829	2,229	4	-1,767	54	412	495
May	197	50	-97	-3,357	-3,207	5,064	-50	-5,747	1	-734	-170
June	-413	958	-6	-1,855	-1,317	-3,165	211	3,438	-96	580	215
July	-2,302	--	-2	-623	-2,926	-832	-10	553	167	-456	-325
Aug.	-371	274	313	1,007	1,222	-1,332	-51p	-206p	-123p	-1,466p	-45
Sept.											
Oct.											
1975--July 2	15	624	-1	-4,183	-3,545	1,832	683	-1,740	345	430	
9	-192	--	--	-5,357	-5,549	-2,692	-649	2,472	-250	-619	
16	-214	--	--	5,094	4,880	-1,599	-20	1,871	84	168	
23	-1,206	--	-1	569	-638	505	180	-651	31	3	
30	-337	--	--	-300	-637	-128	-129	358	-155	256	
Aug. 6	-382	966*	--	-3,822	-3,238**	-1,154**	-73	781	-37	409	
13	-573	-566*	--	2,488	1,349**	-1,521**	-2	1,134	36	-425	
20	5	-399*	--	3,067	2,673**	1,865**	26	-1,425	95	371	
27	321	--	313	-2,632	-1,998	575	68	-792p	-67p	-82p	
Sept. 3	-113	273	-1	2,225	2,384	747	-50	-633p	6p	58p	
10	-223	--	-1	-3,833	-4,057	-1,857	163	1,208p	31p	-517p	
17											
24											

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 preceeding 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. & Sept. reflects the target adopted at the Aug. 19, 1975 FOMC meeting. Target change for previous months reflects the bluebook patterns that are consistent with target ranges that were adopted during the month.
* Special certificate (Direct Treasury borrowing from F.R.) ** Reflects special certificate purchase.
P- Preliminary.

CONFIDENTIAL (FR)
CLASS II --FOMC
SEPTEMBER 12, 1975

TABLE 4
NET CHANGES IN SYSTEM HOLDINGS OF SECURITIES 1/
($ millions, not seasonally adjusted)

Period	Treasury Bills Net Change 2/	Treasury Coupons Net Purchases 3/ Within 1-year	1 - 5	5 - 10	Over 10	Total	Federal Agencies Net Purchases 4/ Within 1-year	1 - 5	5 - 10	Over 10	Total	Net Change Outright Holdings Total 5/	RP's Net 6/
1972	- 490	87	789	539	167	1,582	46	592	253	168	1,059	1,631	-1,358
1973	7,232	207	579	500	129	1,415	120	400	244	101	864	9,273	- 46
1974	1,280	320	797	434	196	1,747	439	1,665	659	318	3,082	6,303	- 154
1974--Qtr. II	874	160	232	109	54	555	106	430	229	103	870	2,188	- 358
Qtr. III	945	49	118	62	73	302	195	726	165	117	1,203	2,620	- 986
Qtr. IV	- 43	102	215	131	45	492	138	371	130	53	691	1,402	- 238
1975--Qtr. I	-2,093	33	1,054*	625	312	2,024*	69	169	285	61	584	508	53
Qtr. II	1,086	218	1,135*	454	273	2,079*	--	--	-2	--	-2	3,076	230
1975--Mar.	115	19	620*	451	212	1,301*	--	2	166	42	210	1,620	-1,758
Apr.	1,295	148	485	274	164	1,070	--	--	-2	--	-2	2,387	5,442
May	143	50	--	--	--	50r	--	--	--	--	--	150	-3,357
June	- 352	20	650 *	180	109	958*	--	--	--	--	--	539	-1,855
July	-2,305	--	--	--	--	--	--	--	--	--	--	-2,304	-623
Aug.	-369	13	150	64	47	274r	41	229	49	34	353	216	1,007
1975--July 2	5	4	497*	67	57	624*	--	--	--	--	--	638	-4,183
9	- 188	--	--	--	--	--	--	--	--	--	--	-192	-5,357
16	- 208	--	--	--	--	--	--	--	--	--	--	-214	5,094
23	-1,199	--	--	--	--	--	--	--	--	--	--	-1,207	569
30	- 337	--	--	--	--	--	--	--	--	--	--	-337	-300
Aug. 6	- 373	--	--	--	--	--	--	--	--	--	--	584	-3,822
13	- 565	--	--	--	--	--	--	--	--	--	--	-1,138	2,488
20	--	--	--	--	--	--	--	--	--	--	--	-394	3,067
27	312	--	--	--	--	--	41	229	49	34	353	634	-2,632
Sept. 3	-116	13	150	64	47	273	--	--	--	--	--	159	2,225
10	-200	--	--	--	--	--	--	--	--	--	--	-223	-3,833
17													
24													

1/ Change from end-of-period to end-of-period.
2/ Outright transactions in market and with foreign accounts, and redemptions (-) in bill auctions.
3/ Outright transactions in market and with foreign accounts and short-term notes acquired in exchange for maturing bills. Excludes maturity shifts, rollovers of maturing coupon issues, and direct Treasury borrowings from the System.
4/ Outright transactions in market and with foreign accounts only. Excludes redemptions and maturity shifts.
5/ In addition to net purchases of securities, also reflects changes in System holdings of bankers' acceptances, direct Treasury borrowings from the System, and redemptions (-) of Agency and Treasury coupon issues.
6/ Includes changes in both RP's (+) and matched sale-purchase transactions (-).
* Revised to include short-term coupons acquired in exchange for maturing bills.

TABLE 5
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)
1974--High	3,678	2,203	253	384	628	3,906	176	-7,870	-12,826
Low	-289	-309	0	27	-168	647	13	-2,447	- 6,046
1975--High	6,094	2,845	464	389	577	871	40	-7,387	-11,390
Low	1,586	532	0	48	-50	18	5	-1,757	- 8,070
1974--Aug.	1,758	398	33	108	197	3,337	164	-4,231	- 9,224
Sept.	2,309	552	23	85	180	3,282	139	-4,235	- 8,250
Oct.	2,174	654	25	166	197	1,813	117	-4,602	- 8,689
Nov.	2,900	1,608	83	268	205	1,252	67	-6,322	- 9,715
Dec.	2,985	1,836	175	149	258	727	32	-5,960	-10,169
1975--Jan.	2,501	2,050	97	79	147	398	14	-5,378	- 9,744
Feb.	3,329	2,121	144	166	198	147	11	-6,318	- 9,533
Mar.	3,143	2,521	307	195	195	96	7	-5,732	-10,302
Apr.	2,737	1,617	35	115	143	110	6	-4,079	-10,426
May	4,744	1,752	91	170	155	66	9	-3,965	- 9,567
June	5,201	1,351	89	118	201	227	11	-5,821	- 9,344
July	4,231	1,246	60	135	188	259	17	-5,546	- 9,896
Aug.	*4,020	*1,204	44	181	211p	180p	37p	-3,964	- 9,966
1975--July 2	4,197	1,791	58	108	396	871	15	-5,652	- 8,267
9	4,029	1,310	36	151	133	222	13	-6,593	-10,124
16	4,426	1,064	74	111	73	202	16	-6,582	-10,928
23	4.237	1,295	72	170	203	382	19	-4,759	- 9,773
30	4,241	963	63	138	281	253	20	-4,306	- 8,785
Aug. 6	3,958	1,995	96	138	199	180	29	-4,082	- 9,547
13	4,007	1,150	33	215	16	179	35	-4,988	-10,640
20	*4,045	* 769	4	207	211	204	35	-3,672	- 9,733
27	*4,618	*1,152	0	155	299p	272p	40p	-3,313	- 9,870
Sept. 3	*4,294	*1,103	1	183	321p	222p	51p	-2,838p	- 9,399p
10	*5,070	* 894	48p	90p	47p	385p	54p	-4,928p	-10,293p
17									
24									

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 for sale over the near-term. Other security dealer positions issues still in syndicate, excluding trading positions. The basic reserve deficit is excess reserves less borrowing at Federal Reserves 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 6

SELECTED INTEREST RATES
(Per Cent)

Period	Short-Term						Long-Term				
	Federal Funds	Treasury Bills		90-119 Day Commercial Paper	CD's New Issue-NYC		Aaa Utility		Municipal Bond Buyer	U.S. Government (20-yr. Constant Maturity)	FNMA Auctions Yields
		90-day	1-year		60-89 Day	90-119 Day	New Issue	Recently Offered			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1974--High	13.55	9.63	9.54	12.25	12.25	12.00	10.61	10.52	7.15	8.68	10.59
Low	8.45	6.53	6.39	7.88	8.00	7.88	8.05	8.14	5.16	7.40	8.43
1975--High	7.70	7.02	7.26	9.34	9.00	9.00	9.80	9.71	7.40	8.57	9.70
Low	5.13	5.02	5.46	5.38	5.25	5.38	8.89	9.06	6.27	7.63	8.78
1974--Aug.	12.01	8.96	8.88	11.79	11.69	11.91	10.07	10.19	6.69	8.60	10.25
Sept.	11.34	8.06	8.52	11.36	11.19	11.38	10.38	10.30	6.76	8.60	10.58
Oct.	10.06	7.46	7.59	9.55	9.35	9.33	10.16	10.23	6.57	8.37	10.22
Nov.	9.45	7.47	7.29	8.95	8.78	8.72	9.21	9.34	6.61	7.99	9.87
Dec.	8.53	7.15	6.79	9.18	9.00	8.84	9.53	9.56	7.05	7.91	9.53
1975--Jan.	7.13	6.26	6.27	7.39	7.43	7.45	9.36	9.45	6.82	7.88	9.25
Feb.	6.24	5.50	5.56	6.36	6.00	6.25	8.97	9.09	6.39	7.71	8.93
Mar.	5.54	5.49	5.70	6.06	5.88	6.03	9.35	9.38	6.74	7.99	8.82
Apr.	5.49	5.61	6.40	6.11	5.85	6.03	9.67	9.66	6.94	8.36	9.06
May	5.22	5.23	5.91	5.70	5.44	5.63	9.63	9.65	6.97	8.22	9.27
June	5.55	5.34	5.86	5.67	5.34	5.51	9.20	9.33	6.94	8.04	9.09
July	6.10	6.13	6.64	6.32	6.05	6.25	9.42	9.43	7.06	8.17	9.14
Aug.	6.14	6.44	7.16	6.59	6.31	6.63	9.45	9.49	7.17	8.50	9.41
July 2	6.31	5.94	6.45	6.20	5.88	6.00	9.62	9.30	6.96	8.13	9.07
9	6.06	6.06	6.51	6.28	6.00	6.13	9.38	9.45	6.98	8.16	--
16	5.93	6.04	6.49	6.25	6.00	6.13	9.53	9.57	7.09	8.13	9.10
23	6.14	6.19	6.72	6.35	6.13	6.50	9.25	9.33	7.22	8.18	--
30	6.25	6.25	6.83	6.38	6.25	6.50	9.37	9.35	7.09	8.27	9.17
Aug. 6	6.09	6.37	6.99	6.50	6.38	6.50	9.44	9.51	7.16	8.49	--
13	6.08	6.41	7.15	6.58	6.25	6.63	9.43	9.49	7.17	8.50	9.32
20	6.15	6.44	7.23	6.63	6.25	6.63	9.53	9.54	7.18	8.53	--
27	6.23	6.52	7.26	6.63	6.38	6.75	9.49	9.50	7.18	8.48	9.50
Sept. 3	6.06	6.40	7.08	6.69	6.38	6.75	--	9.41	7.34	8.47	--
10	6.15	6.39	7.06	6.75	6 38	6.88	9.63p	9.52p	7.40	8 57p	9.70
17											
24											
Daily--Sept. 4	6.19	6.33	7.03	6 75	--	--	--	--	--	8.46	--
11	6.21p	6.46	7.23	6.75	--	--	--	--	--	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 preceeding the end of the statement week. The FNMA auction yield is the average yield in bi-weekly auction for short-term forward commitments for Government underwritten mortgages.

P-- Preliminary.

APPENDIX TABLE 1-A

MONEY AND CREDIT AGGREGATE MEASURES

SEPT. 12, 1975

Period	RESERVES[1/]			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non borrowed	Available to Support Pvt Deposits	Adj Credit proxy	Total Loans and Invest-ments	M_1	M_2	M_3	M_4	M_5	M_6	M_7
	1	2	3	4	5	6	7	8	9	10	11	12
	(Per cent annual rates of growth)											
ANNUALLY:												
1972	10.8	7.5	10.1	11.3	14.6	8.7	11.1	13.2	12.5	14.0	12.9	12.9
1973	7.9	7.3	9.2	10.4	13.5	6.1	8.8	8.8	11.6	10.6	11.2	11.9
1974	8.5	10.7	8.9	10.2	9.2	4.8	7.2	6.8	10.6	9.0	9.1	8.9
SEMI-ANNUALLY:												
1ST HALF 1974	10.8	0.4	12.6	14.5	15.0	6.3	8.7	7.9	13.3	10.9	11.0	11.0
2ND HALF 1974	5.9	21.0	4.9	5.4	3.1	3.1	5.5	5.4	7.5	6.7	6.9	6.5
1ST HALF 1975	-3.6	-0.8	-2.1	5.3	3.4	6.0	10.6	12.9	7.5	10.7	10.0	9.8
QUARTERLY:												
3RD QTR. 1974	8.2	5.5	9.1	6.7	7.3	1.0	4.2	3.9	5.8	4.9	5.6	6.3
4TH QTR. 1974	3.6	36.0	0.8	4.2	-1.0	5.3	6.7	6.9	9.0	8.4	8.1	6.5
1ST QTR. 1975	-8.3	-1.4	-4.7	3.1	4.3	0.8	7.6	9.9	6.3	8.8	7.9	7.6
2ND QTR. 1975	1.2	-0.2	0.5	7.5	2.3	11.2	13.4	15.6	8.6	12.3	12.0	11.8
QUARTERLY-AV:												
3RD QTR. 1974	11.3	1.2	12.1	9.9	10.6	3.5	6.0	5.2	9.0	7.2	7.6	8.1
4TH QTR. 1974	1.4	27.3	2.5	3.5	0.2	3.9	6.2	5.8	7.3	6.6	6.8	6.2
1ST QTR. 1975	-0.9	11.5	-1.4	4.1	0.1	-0.3	5.8	7.8	7.4	8.8	8.0	7.0
2ND QTR. 1975	-3.7	-2.8	-2.5	5.2	3.5	8.6	11.2	13.7	6.6	10.6	9.9	9.8
MONTHLY:												
1974--AUG.	-3.9	-5.6	10.8	6.4	11.1	0.4	4.6	3.8	4.4	3.7	4.2	5.3
SEPT.	6.8	9.6	7.8	4.2	-6.9	0.9	3.0	3.0	4.4	4.0	4.4	5.0
OCT.	-3.1	51.9	-1.5	-0.2	1.4	3.8	8.4	7.1	9.8	8.0	8.8	8.5
NOV.	-1.6	18.5	-2.7	5.2	5.0	8.5	7.9	7.7	5.7	6.2	5.8	3.6
DEC.	15.5	34.7	6.5	7.6	-9.4	3.4	3.7	5.9	11.4	10.8	9.4	7.3
1975--JAN.	7.9	19.4	0.0	3.6	3.5	-11.8	2.5	5.6	6.7	7.9	8.2	7.5
FEB.	-27.3	-19.1	-8.6	-0.2	2.8	3.4	8.4	9.9	6.1	8.2	7.0	6.9
MAR.	-5.5	-4.1	-5.5	5.8	6.7	11.0	11.6	13.9	6.1	10.2	8.2	8.5
APR.	8.3	8.1	2.9	5.1	2.4	3.4	7.3	11.7	4.2	9.2	9.6	9.5
MAY	-14.7	-13.2	-10.3	2.4	3.8	11.3	13.4	14.9	7.0	10.7	10.0	9.8
JUNE	10.3	4.8	9.1	15.1	0.9	18.7	19.2	19.7	14.3	16.6	16.1	15.7
JULY	4.1	1.6	-2.1	-5.2	5.3	2.0	8.2	12.5	4.1	9.5	9.3	9.0
AUG. P	-14.4	-11.5	-6.0	-4.7	6.4	4.1	6.3	9.8	-1.1	4.8	5.1	5.1

NOTES: RESERVE REQUIREMENTS ON EURODOLLAR BORROWINGS ARE INCLUDED BEGINNING OCTOBER 16, 1969, AND REQUIREMENTS ON BANK-RELATED COMMERCIAL PAPER ARE INCLUDED BEGINNING OCTOBER 1, 1970.

1/ BASED ON DATA ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS.

P - PRELIMINARY.

APPENDIX TABLE 1-B

MONEY AND CREDIT AGGREGATE MEASURES

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

SEPT. 12, 1975

Period	RESERVES 1/			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non borrowed	Available to Support Pvt Deposits	Adj Credit proxy	Total Loans and Invest ments	M_1	M_2	M_3	M_4	M_5	M_6	M_7
	1	2	3	4	5	6	7	8	9	10	11	12
1972	30,327	29,278	28,039	406.4	559.0	255.8	525.7	844.9	569.7	888.8	985.5	1013.1
1973	32,711	31,413	30,610	448.7	634.4	271.5	572.2	919.6	636.0	983.4	1095.4	1133.6
MONTHLY:												
1974--AUG.	34,988	31,652	33,064	487.5	699.2	280.5	601.9	962.6	685.7	1046.4	1167.2	1209.9
SEPT.	35,187	31,904	33,278	489.2	695.2	280.7	603.4	965.0	688.2	1049.9	1171.5	1214.9
OCT.	35,097	33,284	33,236	488.3	696.0	281.6	607.6	970.7	693.8	1056.9	1180.1	1223.5
NOV.	35,050	33,798	33,160	491.2	697.4	283.6	611.6	976.9	697.1	1062.4	1185.8	1227.2
DEC.	35,503	34,776	33,341	494.3	691.9	284.4	613.5	981.7	703.7	1072.0	1195.1	1234.7
1975--JAN.	35,737	35,339	33,341	495.8	693.9	281.6	614.8	986.3	707.6	1079.1	1203.3	1242.4
FEB.	34,925	34,777	33,103	495.7	695.5	282.4	619.1	994.4	711.2	1086.5	1210.3	1249.5
MAR.	34,764	34,658	32,951	498.1	699.4	285.0	625.1	1005.9	714.8	1095.7	1218.6	1258.3
APR.	35,003	34,892	33,032	500.2	700.8	285.8	628.9	1015.7	717.3	1104.1	1228.3	1268.3
MAY	34,574	34,508	32,748	501.2	703.0	288.5	635.9	1028.3	721.5	1113.9	1238.5	1278.7
JUNE	34,872	34,645	32,995	507.5	703.5	293.0	646.1	1045.2	730.1	1129.3	1255.1	1295.4
JULY	34,991	34,690	32,938	505.3	706.6	293.5	650.5	1056.1	732.6	1138.2	1264.8	1305.1
AUG. P	34,571	34,359	32,772	503.3	710.6	294.5	653.9	1064.7	731.9	1142.8	1270.2	1310.6
WEEKLY:												
1975--JULY 9	34,924	34,702	33,025	504.6		292.6	648.5		732.1			
16	34,916	34,714	32,888	506.3		294.3	651.3		734.2			
23	34,896	34,514	32,753	505.9		294.0	651.7		733.3			
30	35,077	34,824	33,003	503.9		292.4	650.5		731.0			
AUG. 6	34,751	34,571	32,885	503.8		294.6	653.0		732.4			
13	34,331	34,152	32,563	502.7		293.1	652.4		731.1			
20	34,687	34,483	32,853	503.1		293.9	653.2		731.1			
27P	34,515	34,243	32,758	504.0		296.0	655.5		732.4			
SEPT. 3P	34,613	34,391	32,852	504.2		295.2	656.0		733.0			

NOTES: ADJUSTED CREDIT PROXY INCLUDES MAINLY TOTAL MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS, LOANS SOLD TO BANK-RELATED INSTITUTIONS, AND EURODOLLAR BORROWINGS OF U.S.BANKS. WEEKLY DATA ARE DAILY AVERAGES FOR STATEMENT WEEKS. MONTHLY DATA ARE DAILY AVERAGES. WEEKLY DATA ARE NOT AVAILABLE FOR M3, M5, M6, M7, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

1/ ESTIMATED MONTHLY AVERAGE LEVELS DERIVED BY AVERAGING END OF CURRENT MONTH AND END OF PREVIOUS MONTH REPORTED DATA.

P - PRELIMINARY

APPENDIX TABLE 2-A

SEPT. 12, 1975

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares 1/	Credit Union Shares 1/	CD's	Savings Bonds 1/	Short Term U.S. Gov't Securities 1/	Commercial Paper 1/
	1	2	3	4	5	6	7	8	9	10
					(Per cent annual rates of growth)					
ANNUALLY:										
1972	8.2	8.9	15.7	13.5	16.7	18.0	31.0	6.1	0.5	15.0
1973	8.3	5.5	16.2	11.4	8.5	13.9	45.3	5.1	30.9	38.8
1974	10.2	3.1	15.1	9.4	5.6	11.8	41.5	4.8	15.7	3.4
SEMI-ANNUALLY:										
1ST HALF 1974	9.7	5.2	18.6	10.9	5.9	13.0	54.9	4.3	19.2	12.5
2ND HALF 1974	10.2	1.0	10.5	7.6	5.1	9.9	22.1	5.2	11.2	-5.4
1ST HALF 1975	9.7	5.8	8.5	14.7	16.3	22.5	-13.7	6.1	2.3	3.5
QUARTERLY:										
3RD QTR. 1974	8.0	-1.1	9.1	7.1	3.1	7.6	17.2	5.2	18.2	25.6
4TH QTR. 1974	12.1	3.2	11.7	7.9	6.9	12.0	25.9	5.2	4.0	-34.2
1ST QTR. 1975	9.4	0.2	10.1	13.6	13.1	20.4	-2.2	6.4	-7.3	1.0
2ND QTR. 1975	9.8	11.4	6.8	15.3	18.9	23.5	-25.4	5.6	12.2	6.0
QUARTERLY-AV:										
3RD QTR. 1974	6.8	2.4	12.9	8.3	3.4	10.9	31.8	4.6	19.1	20.8
4TH QTR. 1974	11.6	1.7	9.7	8.2	4.9	10.6	15.2	5.8	10.8	-9.4
1ST QTR. 1975	8.9	-1.7	12.8	11.1	10.8	17.6	19.2	5.8	-3.3	-20.2
2ND QTR. 1975	9.3	8.9	5.3	13.4	17.6	22.5	-24.0	5.7	2.0	8.1
MONTHLY:										
1974--AUG.	13.0	-3.3	7.1	8.6	1.8	9.1	2.9	3.9	14.4	31.8
SEPT.	7.3	-1.1	6.8	4.5	2.9	9.1	14.3	5.8	12.2	19.7
OCT.	10.9	2.2	13.5	11.9	4.3	9.0	19.8	5.8	24.1	2.8
NOV.	16.2	5.6	4.4	7.7	7.1	13.4	-9.7	5.8	-2.0	-55.3
DEC.	8.9	1.7	16.8	4.0	9.2	13.2	67.4	3.8	-9.9	-52.2
1975--JAN.	5.3	-13.9	18.9	15.3	9.9	17.5	31.9	7.6	15.9	-15.2
FEB.	10.6	3.9	8.2	12.6	11.5	17.2	-7.8	5.7	-15.7	6.1
MAR.	12.2	10.6	3.1	12.5	17.6	25.4	-30.0	5.7	-21.9	12.2
APR.	1.7	5.0	4.7	10.6	18.4	20.8	-18.7	5.6	20.3	9.1
MAY	12.1	10.5	3.9	15.0	17.1	20.4	-39.4	5.6	0.0	6.0
JUNE	15.4	18.6	11.6	19.7	20.2	28.1	-19.6	5.6	15.9	3.0
JULY	5.1	1.1	5.5	13.2	18.9	23.5	-28.5	7.4	9.8	0.0
AUG. P	8.4	3.2	-4.6	8.1	14.4	26.9	-59.9	7.4	7.8	3.0

NOTES: RESERVE REQUIREMENTS ON EURODOLLAR BORROWINGS ARE INCLUDED BEGINNING OCTOBER 16, 1969, AND REQUIREMENTS ON BANK-RELATED COMMERCIAL PAPER ARE INCLUDED BEGINNING OCTOBER 1, 1970.
1/ GROWTH RATES ARE BASED ON ESTIMATED MONTHLY AVERAGE LEVELS DERIVED BY AVERAGING END OF CURRENT MONTH AND END OF PREVIOUS MONTH REPORTED DATA.
P - PRELIMINARY.

APPENDIX TABLE 2-B

SEPT. 12, 1975

COMPONENTS OF MONEY STOCK AND RELATED MEASURES

Period	Currency	Demand Deposits	Total Time Deposits	Time Other Than CD's	Mutual Savings Bank and S & L Shares 1/	Credit Union Shares 1/	CD's	Savings Bonds 1/	Short Term U.S. Gov't Securities 1/	Commercial Paper 1/	Non-deposit Funds	U S Gov't Demand
	1	2	3	4	5	6	7	8	9	10	11	12
ANNUALLY:												
1972	56.9	198.9	313.8	269.9	297.5	21.6	43.9	57.0	39.8	27.6	4.3	5.6
1973	61.6	209.9	364.5	300.7	322.8	24.6	63.8	59.9	52.1	38.3	6.6	3.9
MONTHLY:												
1974--AUG.	65.5	215.0	405.2	321.5	334.2	26.5	83.8	61.7	59.1	42.6	9.0	6.2
SEPT.	65.9	214.8	407.5	322.7	335.0	26.7	84.8	62.0	59.7	43.3	8.6	6.3
OCT.	66.5	215.2	412.1	325.9	336.2	26.9	86.2	62.3	60.9	43.4	7.9	3.7
NOV.	67.4	216.2	413.5	328.0	338.2	27.2	85.5	62.6	60.8	41.4	7.6	4.6
DEC.	67.9	216.5	419.3	329.1	340.8	27.5	90.3	62.8	60.3	39.6	8.4	1.9
1975--JAN.	68.2	213.4	426.0	333.2	343.6	27.9	92.7	63.2	61.1	39.1	7.6	0.7
FEB.	68.7	213.7	428.8	336.7	346.9	28.3	92.1	63.5	60.3	39.3	6.5	0.6
MAR.	69.4	215.6	429.9	340.1	352.0	28.9	89.8	63.8	59.2	39.7	6.5	0.7
APR.	69.5	216.3	431.5	343.1	357.4	29.4	88.4	64.1	60.2	40.0	6.7	2.1
MAY	70.2	218.3	432.9	347.4	362.5	29.9	85.5	64.4	60.2	40.2	7.4	2.1
JUNE	71.1	221.9	437.1	353.1	368.6	30.6	84.1	64.7	61.0	40.3	7.0	3.8
JULY	71.3	222.1	439.1	357.0	374.4	31.2	82.1	65.1	61.5	40.3	6.8	2.5
AUG. P	71.9	222.6	437.4	359.4	378.9	31.9	78.0	65.5	61.9	40.4	7.0	2.9
WEEKLY:												
1975--JULY 9	71.5	221.1	439.5	355.9			83.6				6.5	2.9
16	71.3	223.0	439.9	357.0			82.9				6.6	2.9
23	71.4	222.6	439.3	357.7			81.6				7.0	2.5
30	71.4	220.9	438.6	358.2			80.5				7.0	2.0
AUG. 6	71.8	222.8	437.8	358.4			79.4				6.8	2.7
13	71.9	221.2	438.0	359.3			78.7				6.8	2.5
20	71.8	222.1	437.3	359.3			77.9				7.1	2.7
27P	72.0	223.9	436.5	359.5			77.0				7.3	3.1
SEPT. 3P	72.0	223.2	437.8	360.8			77.1				7.2	3.6

Appendix Table III

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

	M_1		M_2		M_3	
	M	Q	M	Q	M	Q
1973 I	3.4	6.8	7.3	9.1	8.8	10.4
II	11.3	7.3	10.6	8.6	10.5	9.1
III	0.6	5.5	5.6	7.8	5.2	7.5
IV	8.7	5.0	10.8	8.9	9.8	7.9
QIV '72-QIV '73	6.1	6.3	8.8	8.9	8.8	9.0
1974 I	5.5	5.8	9.3	9.6	8.9	9.1
II	7.0	7.3	7.9	8.3	6.8	7.6
III	1.0	3.5	4.2	6.0	3.8	5.2
IV	5.3	3.9	6.7	6.2	6.9	5.8
QIV '73-QIV '74	4.8	5.2	7.2	7.7	6.8	7.1
1975 I	2.4	-0.3	8.4	5.8	10.4	7.8
II	11.0	8.6	13.3	11.2	15.6	13.7

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

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

Appendix Table IV
Impact of Benchmark Revisions on Money Stock Growth Rates
(Seasonally adjusted, per cent annual rates)

	M_1 Old	M_1 Revised	M_2 Old	M_2 Revised	M_3 Old	M_3 Revised
Quarterly: end-of-quarter to end-of-quarter						
1975 I	2.4	0.8	8.4	7.6	10.4	9.9
II	11.0	11.2	13.3	13.4	15.6	15.6
Quarterly average:						
1975 I	1.0	-0.3	6.4	5.8	8.3	7.8
II	9.0	8.6	11.3	11.2	13.8	13.7
Monthly						
1975 Jan.	-9.3	-11.8	3.9	2.5	6.5	5.6
Feb.	5.5	3.4	9.4	8.4	10.5	9.9
Mar.	11.0	11.0	11.8	11.6	14.0	13.9
Apr.	4.2	3.4	7.7	7.3	11.9	11.7
May	10.9	11.3	13.1	13.4	14.7	14.9
June	17.8	18.7	18.8	19.2	19.6	19.7
July	2.0	2.0	8.2	8.2	12.4	12.5
Aug.	4.5	4.1	6.4	6.3	9.9	9.8