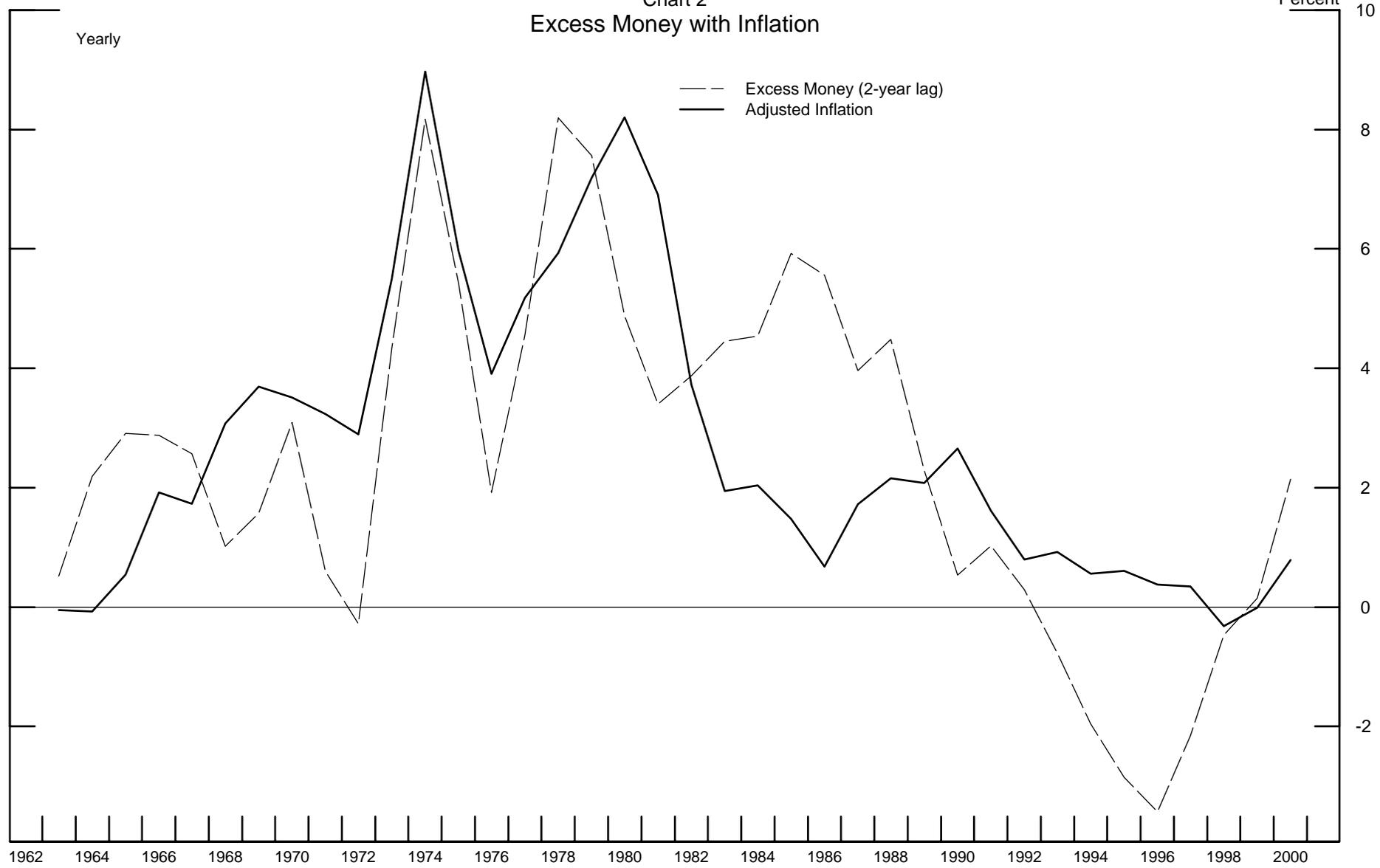


Chart 2
Excess Money with Inflation



*Inflation is Q4/Q4 growth rates of GDP Deflator.
 *Excess Money is 2-year moving average of Q4/Q4 growth rates of actual M2 less Reference Value.
 *Reference Value is the sum of Potential GDP Growth, Inflation of 1.5%, and Trend Velocity of 0%.
 *Potential GDP based on Congressional Budget Office estimates for each year, published in The Budget and Economic Outlook: Fiscal Years 2002-2011.
 *Inflation Rate of 1.5% in the GDP Deflator assumed to be consistent with reasonable price stability.