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(CONFIDENTIAL FR)

November 15, 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

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M_1 grew at a 5.1 per cent annual rate in October, and data for early November suggest that the growth rate in prospect for the October-November period is $5\frac{1}{2}$ per cent,^{1/} slightly below the midpoint of the tolerance range adopted by the FOMC at its October meeting. Growth in M_2 for the two months appears likely to exceed the upper end of its tolerance range; flows into time and savings deposits other than money market CD's have responded much more than expected to the sharp decline in interest rates since late August. Deposit inflows at S&L's and mutual savings banks also improved significantly in October and early November, but less markedly than at commercial banks.

^{1/} These figures are based on the money supply series before revision. The revised series, which reflects mid-year benchmarks and seasonal factor review, will be published Thursday, November 21. The revised money supply figures are used in the table on page 5, in the section of this blue book covering prospective developments, and in appendix tables IV and V. Changes in the old and revised series are compared in appendix table VI.

Growth of Monetary Aggregates and RPD's
in October-November Period

<u>Reserve and Monetary Aggregates (Growth at SAAR in per cent)</u>	<u>Range of Tolerance</u>	<u>Latest Estimates</u>
M ₁	4½-7½	5.6
M ₂	5½-8½	8.9
RPD	5½-8	-2.5
<u>Memo:</u>		
Federal funds rate (per cent per annum)	9--10½	Avg. for statement week ending
		Oct. 23 9.81
		Oct. 30 9.72
		Nov. 6 9.63
		Nov. 13 9.37

(2) The adjusted credit proxy declined at about a 1.5 per cent annual rate in October, the first monthly decline in this series since early 1970. This reduction was largely attributable to a sharp decline in U.S. Treasury deposits. In addition, with loans and investments increasing little, banks were less aggressive bidders for large CD's and allowed non-deposit liabilities to decline. RPD's were much weaker than expected and appear to be declining over the two-month period.

(3) Following the last FOMC meeting, the Account Manager lowered the funds rate from somewhat above 10 per cent to around 9½ per cent, the midpoint of the range adopted by the Committee at its October meeting. By the end of October, incoming data indicated that M₁ and M₂ were expanding at rates near the midpoint and upper end of their respective tolerance ranges. A literal reading of the aggregates would have led the

Manager to shade the funds rate slightly on the high side of $9\frac{3}{4}$ per cent, to the extent consistent with even keel. But, in view of the evidence of additional weakness in economic activity, restraint in the lending policies of banks and other institutions, and the severe financial problems of the construction industry, Chairman Burns recommended, on October 31, that the funds rate target be reduced to $9\frac{1}{2}$ per cent for the time being. The majority of Committee members concurred in this recommendation. With Federal funds trading around $9\frac{1}{2}$ per cent in the past two statement weeks, member bank borrowing has declined markedly further to an average of around \$1.1 billion.

(4) Short-term market interest rates have generally declined from 30 to 100 basis points further since the October FOMC meeting, and bank prime rates have continued to follow the downward course of these market rates but with a lag. Downward pressures on short rates were fostered in part by the decline in the funds rate and expectations of further declines associated with growing evidence of economic weakness. Such expectations were reinforced by the Board's November 13 announcement of a change in reserve requirement regulations. Treasury bill rates had tended to resist the general trend until quite recently because of pressures created by actual and prospective additions to the supply of bills. The Treasury has been adding \$200 million to the weekly bill auction since October, and on November 14 announced that it will raise $\$4\frac{1}{2}$ billion more in the bill area by early December.

The 3-month bill closed at 7.32 per cent on Friday, about 30 basis points below its level at the time of the previous FOMC meeting.

(5) Long-term yields have also been under downward pressure since the October Committee meeting, particularly in the corporate market, where yields have fallen by more than a full percentage point despite the continuation of an exceptionally heavy financing schedule. Mortgage market rates have begun to decline in response to the general downtrend in other interest rates and the improvement of deposit flows at thrift institutions. Treasury note and bond yields dropped moderately even though the Treasury conducted three cash auctions totalling \$4.9 billion, mainly to refund \$4.3 billion of publicly-held debt maturing on November 15. Dealers were awarded nearly half of these offerings and have made relatively good progress in distributing their awards.

(6) The table on the following page shows (in percentage annual rates of change) selected monetary and financial flows over various recent time periods; monetary aggregate figures in this table are on a revised basis. Appendix table IV 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 V 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 Months
	1971 -- 1973	Oct. '74 over Oct. '73	Oct. '74 over Apr. '74	Oct. '74 over Jul. '74	Oct. '74 over Sept. '74
Total Reserves	8.6	8.2	8.7	.5	-1.2
Nonborrowed reserves	7.7	7.6	8.7	18.0	50.2
Reserves available to support private nonbank deposits	8.8	9.1	10.9	6.0	-.3
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) <u>1/</u>	7.0	5.7	3.7	2.1	3.8
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	10.4	8.2	6.2	5.5	8.2
M ₃ (M ₂ plus deposits at thrift institutions)	11.7	7.3	5.2	4.7	6.9
<u>Bank Credit</u>					
Total member banks deposits (bank credit proxy adj.)	10.4	9.6	8.4	3.4	-0.2
Loans and investments of commercial banks <u>2/</u>	12.8	10.0	5.8	.2	--
<u>Short-term Market Paper</u>					
(Monthly average change in billions)					
Large CD's	1.1	1.8	2.1	.9	1.4
Nonbank commercial paper	--	.5	.6	.6	.9

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

(7) Three alternatives are summarized below for Committee consideration (with additional detail presented in the table on the following page). The longer-run targets shown continue to encompass the seven-month period from August 1974 to March 1975, and the shorter-run ranges of tolerance cover the November-December period.

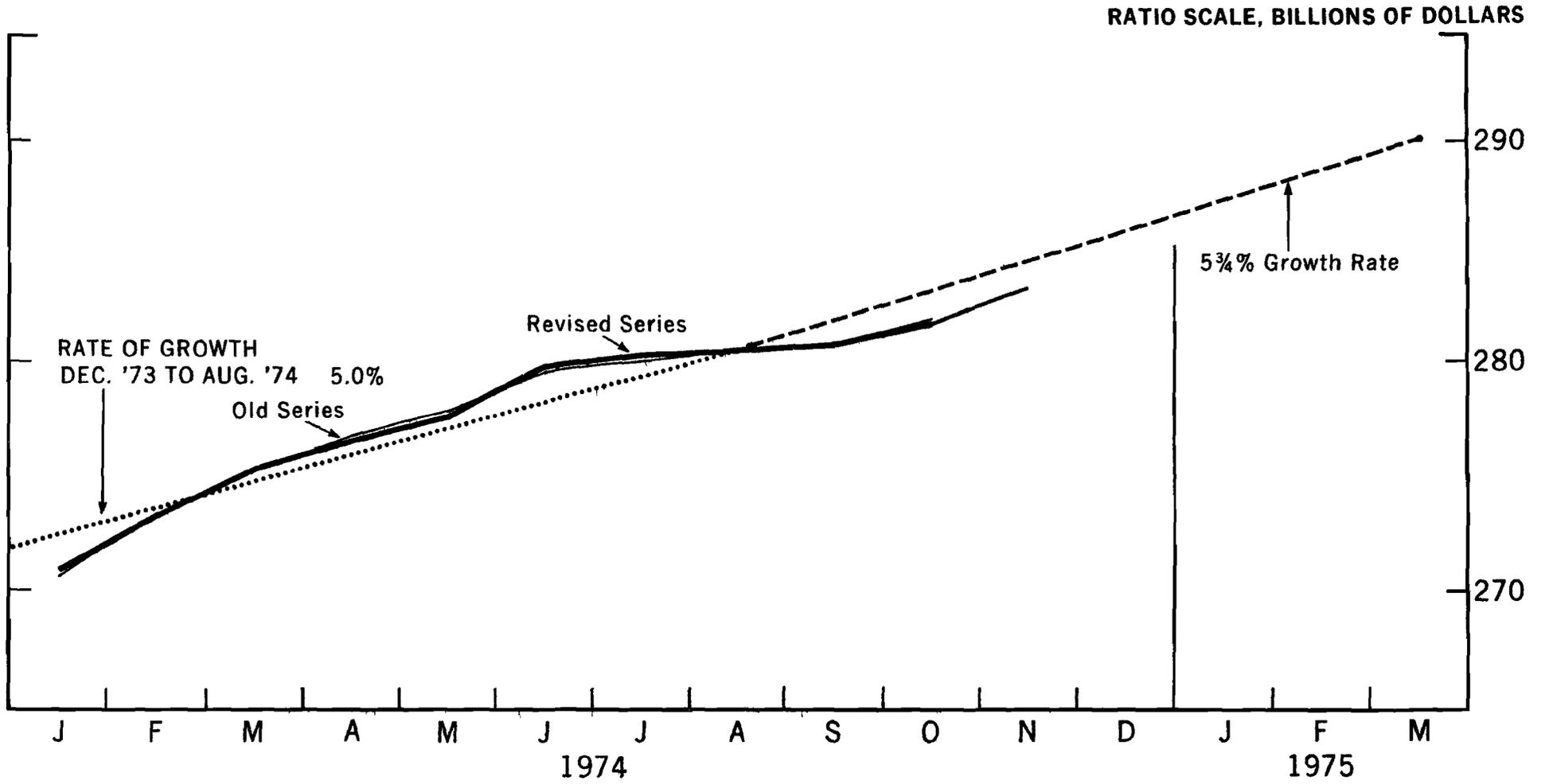
	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Targets (Aug. '74-Mar. '75)			
M ₁	6½	5½	5
M ₂	9½	8	7
Credit proxy	5½	5	4
Associated ranges of tolerance for Nov.-Dec.			
M ₁	7½-9½	7-9	6½-8½
M ₂	9-11	8½-10½	7½-9½
RPD	4½-6½	3-5	2½-4½
Federal funds rate (inter-meeting range)	7½-9½	8½-10½	9-11

(8) Alternative B continues the 5½ per cent annual growth rate for M₁ previously adopted by the Committee. The Federal funds rate range shown for this alternative between now and the next meeting is centered on 9½ per cent, and thus represents a slight further easing in money market conditions. This easing appears to be required because the rebound in M₁ growth this fall has thus far been somewhat more modest than expected; moreover, projected growth in nominal GNP has been weakened slightly. In the two-month November-December period, M₁ growth

Alternative Longer-Run Targets for Key Monetary Aggregates

		<u>M₁</u>			<u>M₂</u>			<u>M₃</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1974	Oct.	281.7	281.7	281.7	607.7	607.7	607.7	945.0	945.0	945.0
	Nov.	283.5	283.4	283.2	612.7	612.4	612.2	952.0	951.5	951.1
	Dec.	285.8	285.5	285.2	617.8	617.1	616.5	959.9	958.4	956.9
1975	Mar.	291.1	290.0	288.9	634.7	630.3	626.1	983.2	977.1	971.2
		<u>Rates of Growth</u>			<u>Rates of Growth</u>			<u>Rates of Growth</u>		
Aug. '74--Mar. '75		6.5	5.8	5.1	9.3	8.1	6.9	8.5	7.4	6.3
Quarters:										
1974	4th Q.	7.1	6.7	6.3	9.4	8.9	6.9	8.9	8.3	7.7
1975	1st Q.	7.4	6.3	5.2	10.9	8.6	6.8	9.7	7.8	6.0
Months:										
	Nov.	7.7	7.2	6.4	9.9	9.3	8.9	8.9	8.3	7.7
	Dec.	9.7	8.9	8.5	10.0	9.2	8.4	10.0	8.7	7.3
		<u>Adjusted Credit Proxy</u>			<u>Total Reserves</u>			<u>RPD</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1974	Oct.	488.2	488.2	488.2	36,874	36,874	36,874	34,909	34,909	34,909
	Nov.	491.3	491.0	490.9	36,892	36,880	36,870	34,989	34,987	34,968
	Dec.	493.2	492.6	492.3	36,892	36,818	36,761	34,804	34,732	34,675
1975	Mar.	503.4	501.1	499.1	36,602	36,463	36,347	34,886	34,748	34,633
		<u>Rates of Growth</u>			<u>Rates of Growth</u>			<u>Rates of Growth</u>		
Aug. '74--Mar. '75		5.6	4.8	4.1	2.7	2.1	1.6	4.3	3.6	3.1
Quarters:										
1974	4th Q.	3.4	2.9	2.6	4.3	3.5	2.9	3.4	2.6	2.0
1975	1st Q.	8.3	6.9	5.5	-0.3	-1.0	-1.6	3.9	3.2	2.5
Months:										
	Nov.	5.6	4.9	4.7	-1.5	-1.9	-2.2	0.5	0.1	-0.2
	Dec.	4.6	3.9	3.4	15.8	13.8	12.2	10.3	8.2	6.6

MONEY SUPPLY AND LONGER RUN TARGET PATHS



is indicated to be in a 7-9 per cent annual rate range under this alternative, reflecting the cumulative impact of the monetary easing that has already occurred and an expected sharp, temporary spurt in M_1 growth late in the year when U.S. Government deposits are projected to decline substantially (after seasonal adjustment).

(9) Alternative A provides for the greater easing in money market conditions over the near term that would be needed if the Committee were to adopt higher longer-run targets for the monetary aggregates, indexed by a $6\frac{1}{2}$ per cent growth rate for M_1 . The funds rate range for this alternative centers on $8\frac{1}{2}$ per cent. Alternative C provides for the tightening of money market conditions that would be required if the Committee were to lower its longer-run target for M_1 to 5 per cent.

(10) As indicated earlier, credit market participants appear to expect a further easing in monetary policy and a continued decline in the Federal funds rate. U.S. Government security dealers have built up positions substantially in the recent refunding and will probably participate heavily in the forthcoming Treasury bill offerings. The recent very large sales of corporate bonds at sharply declining yields also seem to reflect market sentiment that interest rates have peaked. If the Federal funds rate were to remain around $9\frac{1}{2}$ per cent, however, expectations of further rate declines would tend to weaken and market rates might well back up. If the funds rate were to edge lower, averaging around $9\frac{1}{2}$ per cent, the 3-month Treasury bill rate might fluctuate in a $7-7\frac{1}{2}$ per cent range, and the 3-month commercial

paper rate could decline slightly further (by an 1/8 or 1/4 percentage point). Corporate bond yields, however, probably will not decline much, if any, further from their present sharply reduced levels. The volume of new offerings is expected to remain strong and the recent surge of investor interest is likely to moderate at current yield levels, given continuing inflationary expectations.

(11) Under alternative B, net inflows at banks of time and savings deposits other than money market CD's would probably remain fairly substantial. With offering rates on small-denomination deposits at Regulation Q ceilings, we have assumed that the new reserve requirement structure will not at present have a significant impact on the growth of consumer-type time and savings deposits. The position of mutual savings banks and savings and loan associations should continue improving over the period ahead, as their deposit flows continue to recover. The recovery in thrift institution flows, in combination with reduced bond yields, would be likely to encourage some further easing in mortgage market conditions. Mortgage markets would ease at a more rapid pace under alternative A, since there would be a more substantial rebound in deposit inflows at thrift institutions as market interest rates dropped further.

(12) Bank credit growth over the months ahead is likely to be moderate. In view of concerns about liquidity and capital, banks have become quite cautious in their lending and investment policies. While the prime loan rate could be expected to decline further under either alternative A or B, it would still probably remain high relative

to market rates in the weeks ahead. This would work to temper business loan growth at banks. Growth in mortgages and consumer loans is likely to remain weak, as demands remain slack and banks scrutinize loan applications carefully. Banks may, however, show more interest in security acquisitions in the period ahead than they have most recently, particularly under alternative A but also to some extent under alternative B, to take advantage of the apparent opportunity for capital gains. We have assumed that banks would be willing in the months ahead to expand their outstanding CD's at a moderate pace partly in order to acquire investments.

Proposed directive

(13) 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. In all three alternatives, it is proposed to delete the reference to Treasury financing because the quarterly refunding announced on October 30 has been completed.

Alternative A

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

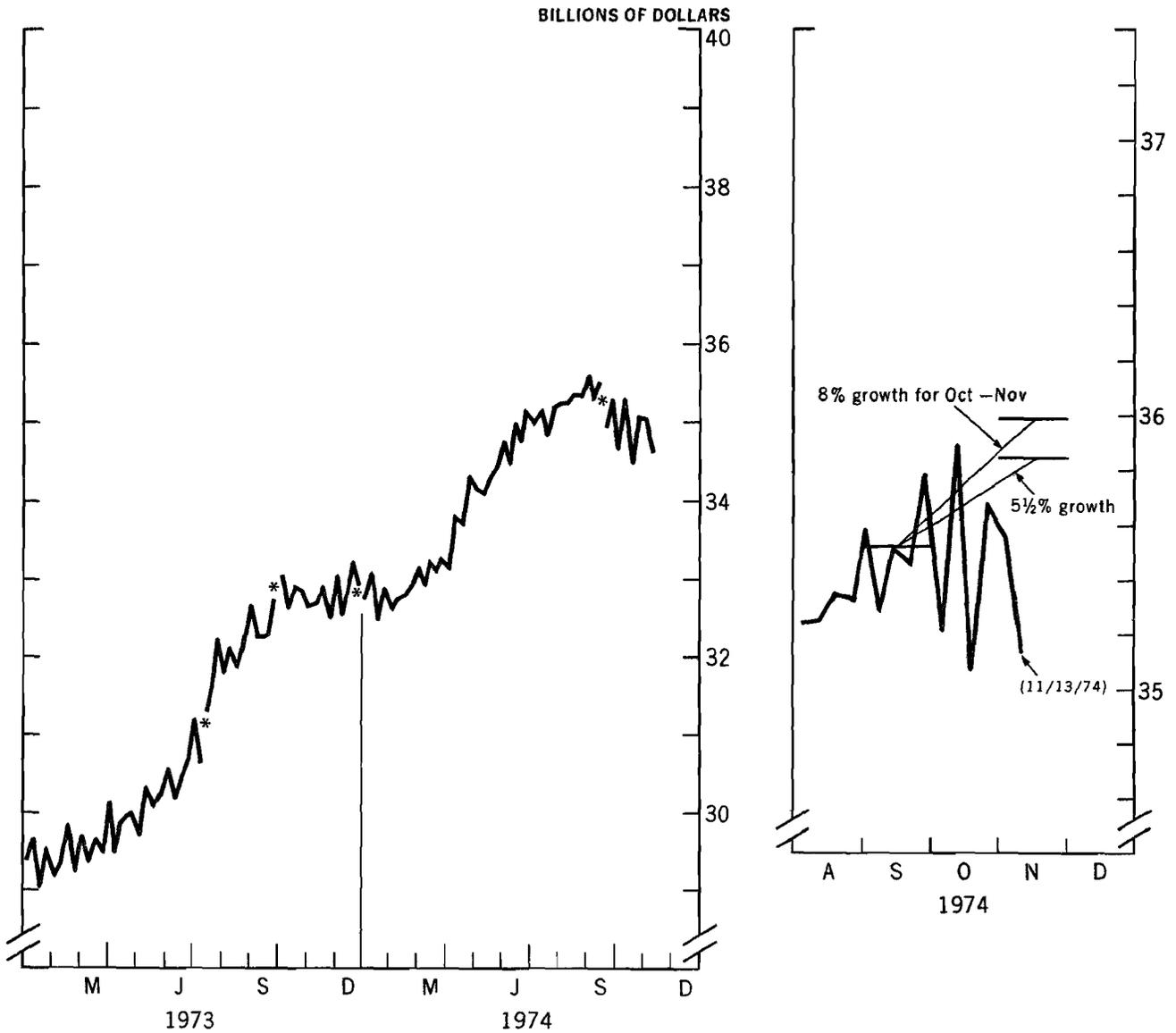
Alternative B

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

Alternative C

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

RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS

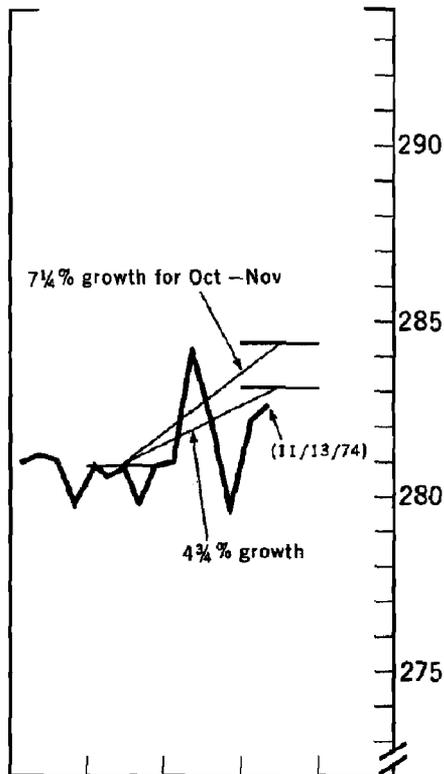
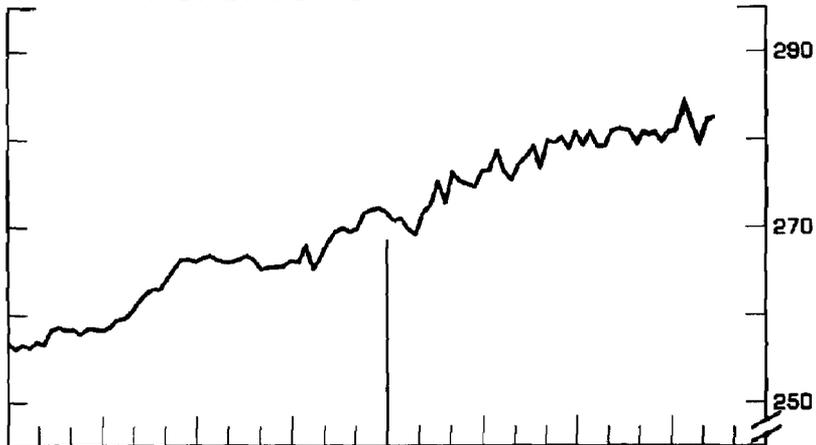


* Break in Series, Actual Level of RPD After Changes in Reserve Requirements

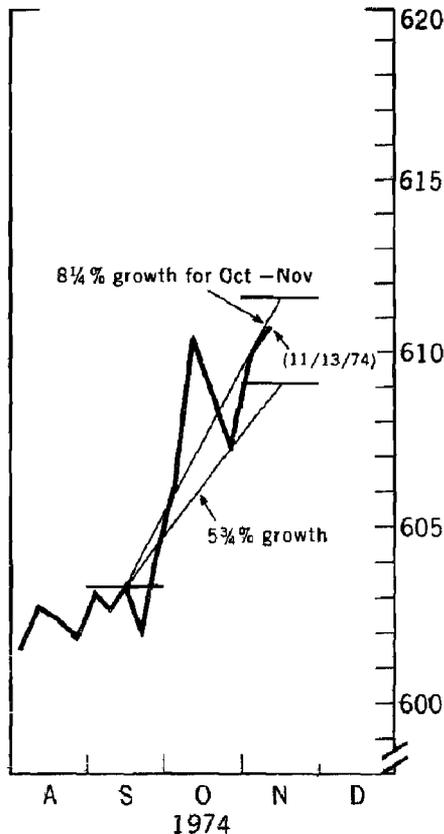
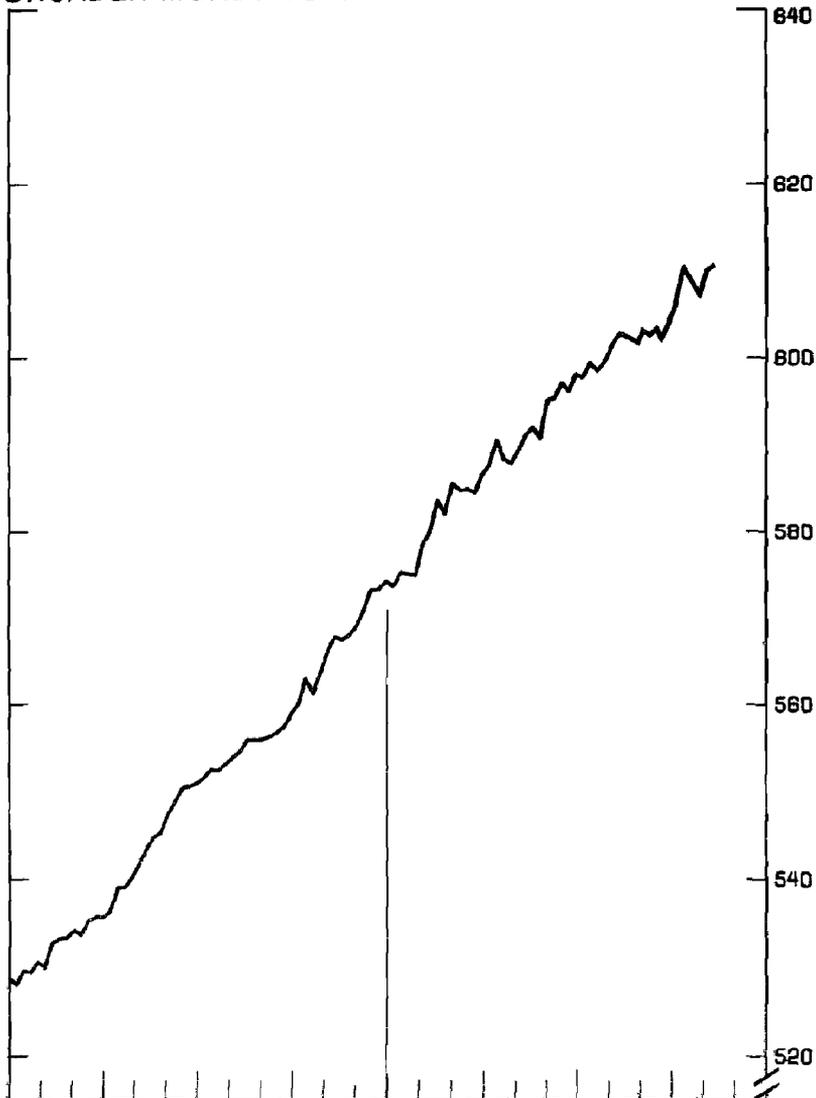
MONETARY AGGREGATES

NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS



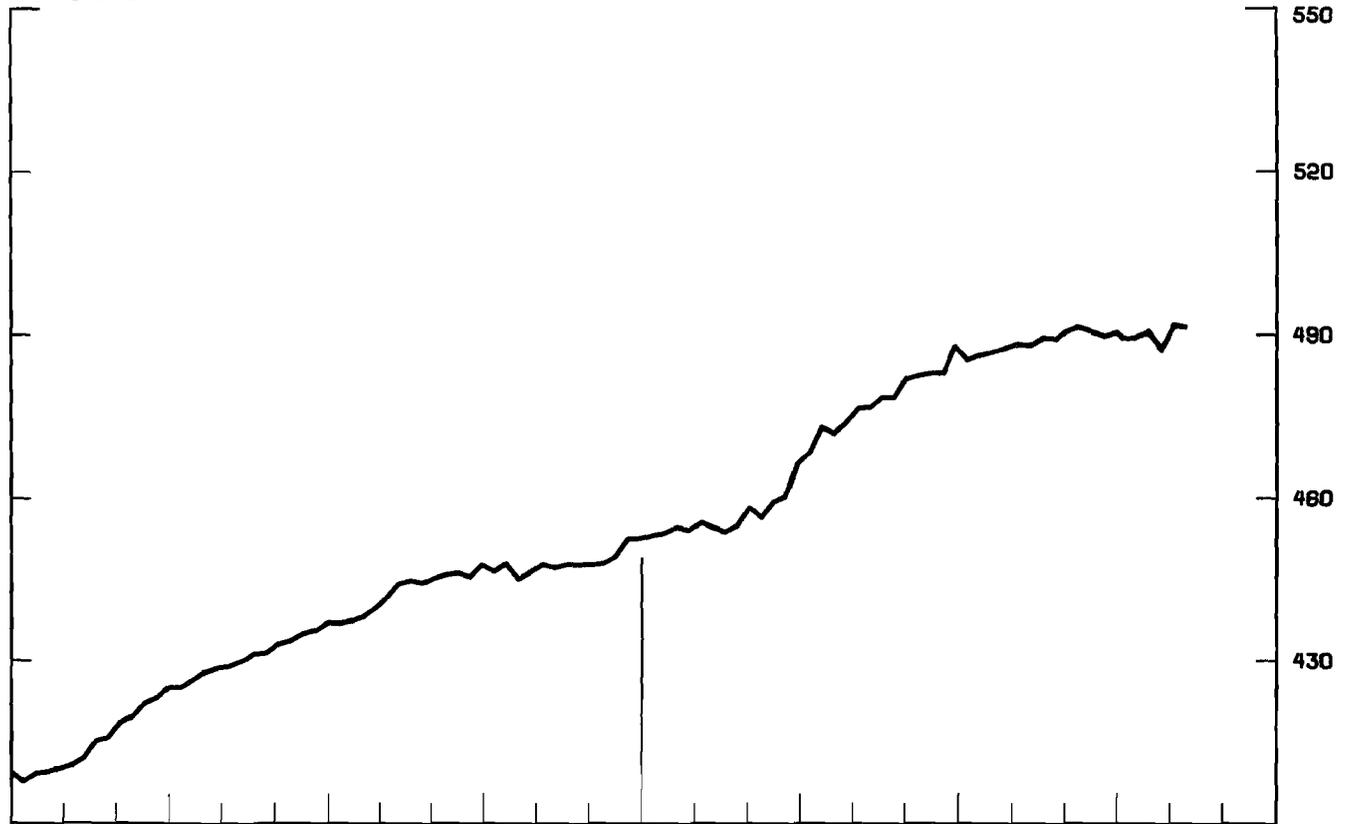
BROADER MONEY SUPPLY M2



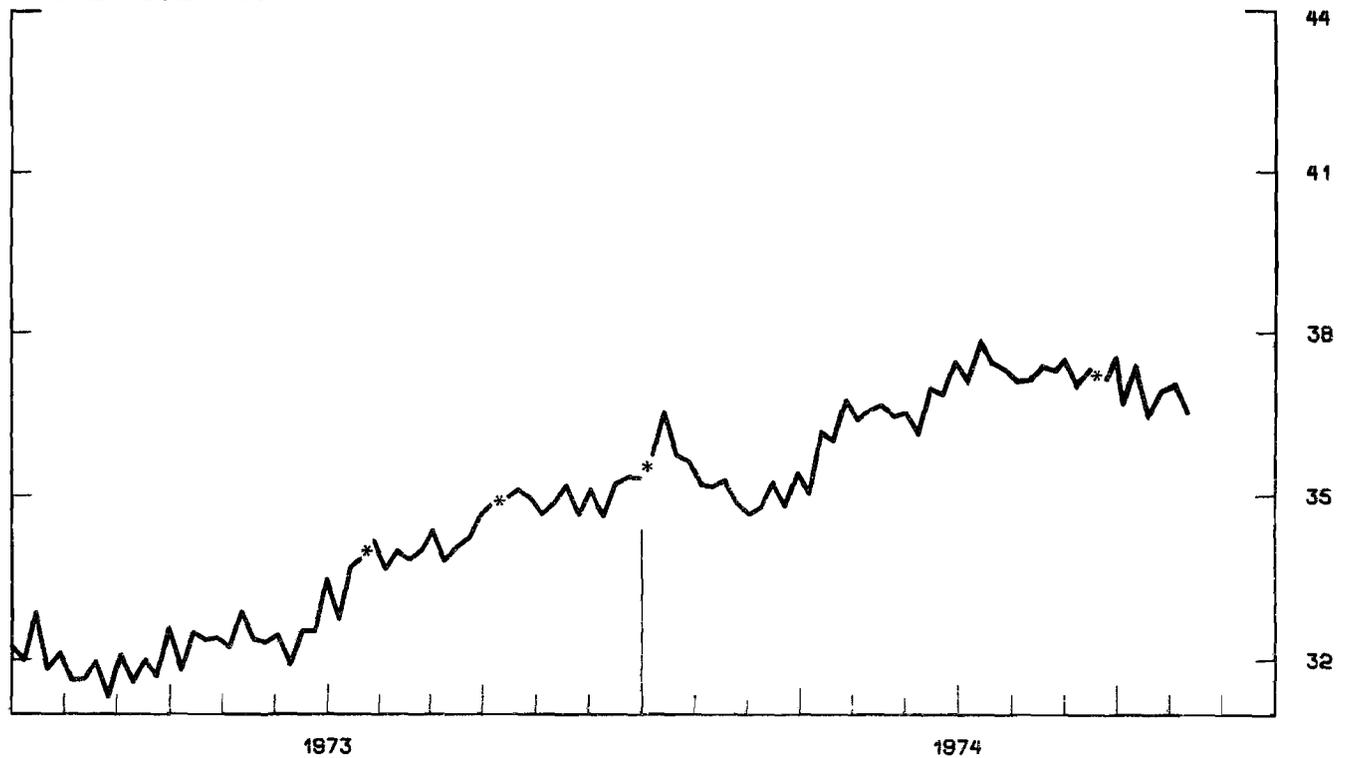
MONETARY AGGREGATES

ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



TOTAL RESERVES

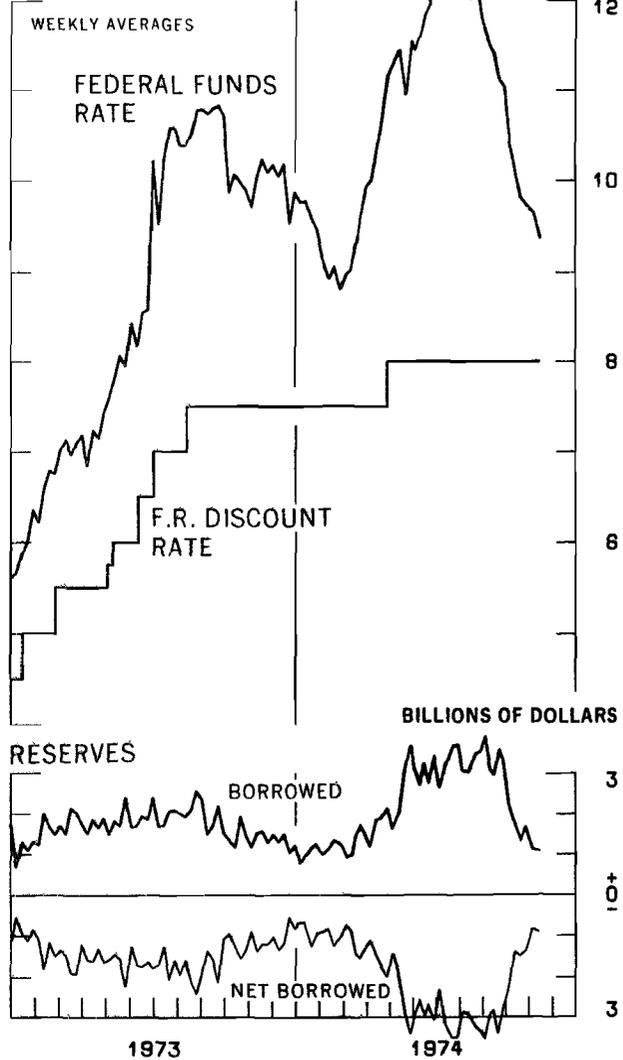


* Break in series, Actual Level of Total Reserves After Changes in Reserve Requirements

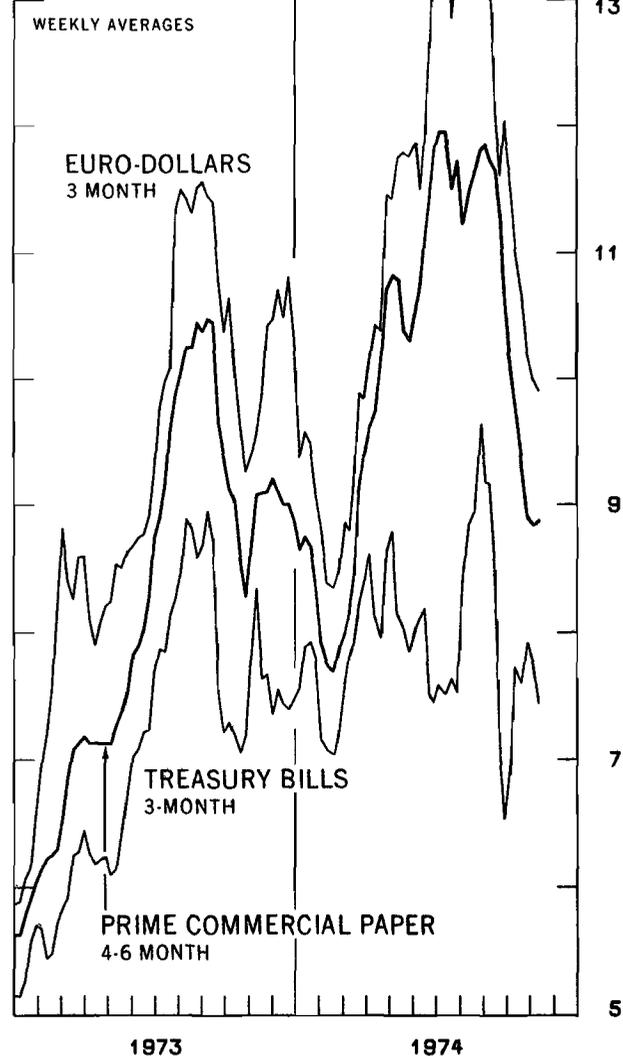
CHART 4

MONEY MARKET CONDITIONS AND INTEREST RATES

MONEY MARKET CONDITIONS



INTEREST RATES Short-term



INTEREST RATES Long-term

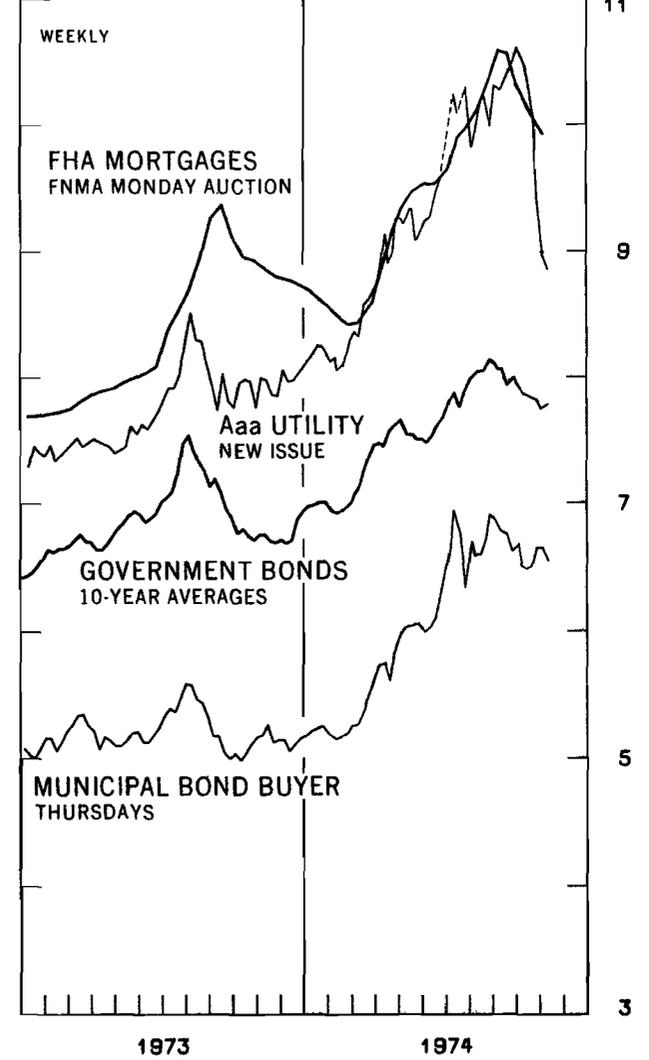


TABLE 1

STRICTLY CONFIDENTIAL

BANK RESERVES
(ACTUAL AND CURRENT PROJECTIONS)

NOVEMBER 15, 1974

PERIOD	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES			
	SEAS ADJ	NON SEAS ADJ	TOTAL RESERVES	NONBORROWED RESERVES	SEASONALLY ADJUSTED			
					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--AUG.	35,319	35,008	37,248	33,912	20,398	8,994	5,739	1,929
SEP.	35,294	35,112	37,251	33,968	20,355	9,071	5,688	1,956
OCT.	34,908	34,842	36,905	35,091	20,415	9,127	5,217	1,997
NOV.	(34,844)	(34,899)	(36,874)	(35,875)	(20,470)	(9,263)	(4,911)	(2,030)
ANNUAL RATES OF CHANGE								
QUARTERLY:								
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.	8.1		7.9	5.3	-0.5	12.0		
MONTHLY:								
1974--AUG.	9.3		-5.5	-7.3	-3.0	17.3		
SEP.	6.1		6.7	9.2	-2.5	10.3		
OCT.	-0.5		0.8	52.4	5.9	10.7		
NOV.	(-4.4)		(-3.1)	(22.8)	(0.9)	(14.6)		
OCT.--NOV.	(-2.5)		(-1.2)	(38.0)	(3.4)	(12.7)		
WEEKLY LEVELS--\$MILLIONS								
OCT. 2	35,266	35,322	37,537	34,319	20,366	9,085	5,359	2,271
9	34,673	34,404	36,672	34,427	20,331	9,076	5,322	1,999
16	35,291	35,177	37,366	35,622	20,568	9,101	5,272	2,075
23	34,477	34,480	36,467	35,145	20,295	9,161	5,151	1,990
30	35,067	35,136	36,916	35,278	20,475	9,170	5,102	1,849
NOV. 6	35,048	35,072	37,022	35,895	20,459	9,208	5,079	1,975
13	34,619	34,695	36,507	35,409	20,301	9,200	4,943	1,888

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF OCT. 15, 1974, THE COMMITTEE AGREED ON A RPD RANGE OF 5.5 TO 8.0 PERCENT FOR THE OCTOBER-NOVEMBER PERIOD.

TABLE 2

STRICTLY CONFIDENTIAL

MONETARY AGGREGATES
(ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED)

NOVEMBER 15, 1974

PERIOD	MONEY SUPPLY		ADJUSTED CREDIT PROXY	U.S. GOVT. DEPOSITS	TIME AND SAVINGS DEPOSITS			NONDEPOSIT SOURCES OF FUNDS
	NARROW (M1)	BROAD (M2)			TOTAL	OTHER THAN CD S	CD S	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MONTHLY LEVELS--\$BILLIONS								
1974--AUG.	280.6	602.0	489.0	5.3	406.1	321.4	84.7	10.5
SEP.	280.7	603.1	490.7	5.7	408.3	322.3	86.0	10.1
OCT.	281.9	608.1	489.6	4.7	411.3	326.2	85.2	9.3
NOV.	(283.3)	(612.0)	(493.2)	(5.7)	(413.1)	(328.8)	(84.4)	(9.1)
PERCENT ANNUAL GROWTH								
QUARTERLY								
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.	1.6	4.6	6.3		8.6	7.3		
MONTHLY								
1974--AUG.	2.6	6.2	5.2		5.3	9.0		
SEP.	0.4	2.2	4.2		6.5	3.4		
OCT.	5.1	9.9	-0.7		8.8	14.5		
NOV.	(6.0)	(7.7)	(6.9)		(5.3)	(9.6)		
OCT.--NOV.	(5.6)	(8.9)	(3.1)		(7.1)	(12.1)		
WEEKLY LEVELS--\$BILLIONS								
OCT. 2	280.9	603.9	490.7	5.0	409.5	323.0	86.4	9.1
9	281.1	606.2	489.5	5.6	410.3	325.1	85.2	9.1
16	284.2	610.4	489.7	5.3	411.0	326.1	84.9	9.0
23	282.1	608.8	490.6	4.5	412.2	326.7	85.5	9.6
30	279.6	607.2	487.6	3.7	412.7	327.7	85.0	9.4
NOV. 6 P	282.2	610.0	491.6	4.9	412.2	327.7	84.4	8.8
13 PE	282.6	610.7	491.3	5.9	412.0	328.1	83.9	8.6

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY
PE - PARTIALLY ESTIMATED

NOVEMBER 15, 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 Effects ^{2/}			Δ in reserve categories		Δ Target
	Bills & Accept.	Coupon Issues	Agency Issues	RP's Net ^{3/}	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 reserves ^{5/}
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<u>Monthly</u>											
1974--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	275
July	898	125	726	-3,760	-2,011	1,601	309	-901	465	544	375
Aug	862	--	235	2,225	3,322	141	39	-464	-450	166	180
Sept.	-594	176	191	549	322	-32	-60	99	-78	85	375
Oct.	-1,727	--	--	-243	-1,970	-633	-1,494	1,990	173	-310	315
Nov.											395
Dec.											
<u>Weekly</u>											
1974--Sept. 4	-518	--	221	5,742	5,446	56	373	-266	-53	216	
11	-835	--	--	-3,519	-4,354	-2,222	-821	2,573	-94	-376	
18	151	--	--	-714	-564	702	-164	-189	-56	405	
25	183	176	207	2,351	2,918	1,274	610	-2,024	224	-364	
Oct. 2	-100	--	--	823	724	563	-313	337	186	401	
9	-338	--	--	-5,869	-6,207	-1,357	-973	1,398	-14	-918	
16	-391	--	--	7,090	6,698	-768	-501	2,123	71	783	
23	-665	--	--	-2,027	-2,692	-122	-422	-427	-274	-697	
30	-324	--	--	336	12	161	316	-53	-232p	656p	
Nov. 6	-7	131*	--	953	1,077	134	-511	469	156p	-64p	
13	-374	-131*	--	-3,101	-3,607	-1,341	-29	890	-106p	-374p	
20											
27											

^{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 Oct. and Nov. reflects the target adopted at the Oct. 15, 1974 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.

NOVEMBER 15, 1974

TABLE 4

SECURITY DEALER POSITIONS AND BANK POSITIONS
Millions of dollars

	U.S. Govt. Security Dealer Positions		Dealer Positions		Excess** Reserves	Member Bank Reserve Positions			
	Bills	Coupon Issues	Corporate Bonds	Municipal Bonds		Borrowing at FRB**		Basic Reserve Deficit	
						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	-7,870	-12,826
Low	-289	-309	0	27	-157	776	13	-2,447	-6,046
1973--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	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	153p	1,813p	117p	-4,602	-8,689
1974--Sept. 4	2,669	459	10	51	321	3,906	152	-3,915	-7,816
11	2,994	552	22	106	109	3,084	132	-5,416	-10,172
18	2,453	550	20	77	82	2,921	134	-4,447	-9,089
25	1,878	444	38	105	74	3,531	141	-3,612	-7,485
Oct. 2	1,131	772	171	80	456	3,218	142	-3,844	-6,046
9	1,269	621	12	117	-55	2,245	134	-5,388	-8,399
16	2,522	566	23	207	349p	1,744p	122p	-5,295	-10,020
23	*2,638	*616	6	259	-130p	1,322p	107p	-4,101	-8,696
30	*2,677	*776	4	202	319p	1,638p	104p	-3,772	-8,383
Nov. 6	*2,518	*534	93	202	302p	1,127p	79p	-5,158p	-8,672p
13	*2,962	*1,919	138p	198p	177p	1,098p	70p	-7,870p	-9,530p
20									
27									

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.

NOVEMBER 15, 1974

TABLE 5
SELECTED INTEREST RATES
 Per cent

	Federal Funds	Short-Term Treasury Bills		90-119 Day Commercial paper (4)	CD's New Issue-NYC		Long-Term			U.S. Government (10-yr. Constant Maturity) (10)	FNMA Auction Yields (11)
		90-Day	1-year		60-89 day	90-119 Day	Aaa Utility		Municipal Bond Buyer (9)		
							New Issue (7)	Recently Offered (8)			
(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	10.61	10.52	6.95	8.14	10.59
Low	8.81	6.53	6.39	7.88	8.00	7.88	8.05	8.14	5.16	6.93	8.43
1973--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
Sept.	11.34	8.06	8.52	11.36	11.19	11.38	10.38	10.29	6.76	8.04	10.58
Oct.	10.06	7.46	7.59	9.55	9.35	9.33	10.16p	10.23	6.57	7.90	10.22
1974--Sept. 4	11.64	9.18	9.26	11.94	11.63	12.00	10.31	10.24	6.88	8.11	--
11	11.48	9.17	8.80	11.78	11.50	11.75	10.27	10.30	6.79	8.07	10.59
18	11.41	8.45	8.61	11.65	11.25	11.38	10.37	10.26	6.76	8.07	--
25	11.12	7.04	8.18	10.93	10.38	10.38	10.46	10.27	6.62	7.94	10.56
Oct. 2	11.04	6.53	8.03	10.50	10.00	10.13	10.61	10.52	6.68	7.99	--
9	10.43	6.87	7.63	10.13	9.50	9.50	--	10.36	6.52	7.94	10.32
16	10.11	7.72	7.65	9.56	9.50	9.25	10.44	10.36	6.48	7.87	--
23	9.81	7.60	7.41	9.38	8.88	8.88	10.03	10.02	6.51	7.84	10.11
30	9.72	7.92	7.50	8.93	8.88	8.88	9.42	9.82	6.65	7.82	--
Nov. 6	9.63	7.76	7.46	9.00	8.88	8.88	9.00	9.28	6.66	7.76	9.93
13	9.37	7.43	7.37	9.00	8.75	8.63	8.87p	9.20p	6.55	7.78p	--
20											
27											
Daily- Nov. 7	9.61	7.62	7.37	9.00	--	--	--	--	--	7.74	--
14	9.31p	7.17	7.24	8.88	--	--	--	--	--	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.

RESERVES AND MONETARY VARIABLES

Period	RESERVES			MONEY STOCK MEASURES			BANK CREDIT MEASURES		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	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)		
<u>Annually:</u>														
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
<u>Semi-annually:</u>														
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	+15.0	+20.0	+10.6	+6.4	+20.5	+2.9	-1.2
<u>Quarterly:</u>														
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	+17.5	+15.6	+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	+12.0	+23.7	+8.7	+4.1	+15.6	+1.7	--
3rd Qtr 1974	+7.9	+5.3	+8.1	+1.6	+4.6	+4.0	+6.3	+5.6	+8.4	+7.3	+2.6	+2.7	-0.2	+2.0
<u>Monthly:</u>														
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	+16.5	+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	+17.0	+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	+18.4	+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	+17.9	+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	+12.1	+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	+5.7	+16.7	+12.3	+3.6	+2.1	-0.4	-0.1
July	+22.5	+14.1	+8.7	+1.7	+5.4	+4.8	+9.4	+16.0	+13.2	+9.5	+3.2	+2.1	+0.9	-1.2
Aug.	-5.5	-7.3	+9.3	+2.6	+6.2	+4.5	+9.4	+5.2	+9.4	+5.3	+1.4	-0.7	-0.7	+2.8
Sept.	+6.7	+9.2	+6.1	+0.4	+2.2	+2.6	+4.2	-8.6	+6.5	+3.4	+3.2	+1.3	-0.4	+0.4
Oct. p	+0.8	+52.4	-0.5	+5.1	+9.9	+8.2	-0.7	--	+8.8	+14.5	+5.0	-0.8	-0.8	-1.0

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.

FR 712-S

Appendix Table 2

RESERVES AND MONETARY VARIABLES

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

Period	RESERVES			MONEY STOCK MEASURES				BANK CREDIT MEASURES		OTHER					
	Total	Non borrowed	Available to Support Pvt Deposits	M ₁		M ₂	M ₃	Adj Credit Proxy	Total Loans and Investments	Total Time	Time Other Than CD's	Thrift Institution Deposits	CD's	Non deposit Funds	U S Gov't Demand
				Total	Pvt Dep										
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
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	300.9	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	632.8	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	643.3	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	652.4	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	662.4	377.5	309.8	329.6	67.7	8.6	3.7
Apr.	35,902	34,166	33,660	276.8	212.8	588.5	919.9	471.2	672.3	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	927.1	477.8	679.1	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	682.9	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	932.9	486.9	692.0	404.3	319.0	334.0	85.4	11.2	2.5
Aug.	37,248	33,912	35,319	280.6	215.1	602.0	936.4	489.0	696.9	406.1	321.4	334.4	84.7	10.5	5.3
Sept.	37,251	33,968	35,294	280.7	214.8	603.1	938.4	490.7	691.9	408.3	322.3	335.3	86.0	10.1	5.7
Oct.	36,905	35,091	34,908	281.9	215.3	608.1	944.8	489.6	691.9	411.3	326.2	336.7	85.2	9.3	4.7
WEEKLY:															
1974--															
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	599.5	--	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	320.5	--	84.9	11.0	4.0
14	37,106	34,065	35,247	281.2	215.6	602.7	--	488.6	--	406.2	321.5	--	84.7	9.8	5.0
21	37,381	33,944	35,346	281.1	215.4	602.4	--	489.6	--	406.0	321.3	--	84.6	10.5	5.8
28	37,301	33,768	35,328	279.8	214.2	601.8	--	489.2	--	406.3	322.0	--	84.3	10.9	6.1
Sept. 4	37,488	33,582	35,585	280.9	215.2	603.1	--	490.4	--	407.2	322.2	--	85.0	10.5	5.9
11	37,023	33,939	35,285	280.6	214.6	602.7	--	491.6	--	408.0	322.1	--	86.0	10.6	6.2
18	37,324	34,403	35,509	280.8	214.9	603.3	--	490.8	--	408.3	322.5	--	85.8	10.1	5.7
25	37,064	33,533	34,943	279.8	213.9	602.0	--	489.8	--	408.6	322.2	--	86.4	10.0	5.4
Oct. 2	37,537	34,319	35,266	280.9	215.0	603.9	--	490.7	--	409.5	323.0	--	86.4	9.1	5.0
9	36,672	34,427	34,673	281.1	214.4	606.2	--	489.5	--	410.3	325.1	--	85.2	9.1	5.6
16	37,366	35,622	35,291	284.2	217.5	610.4	--	489.7	--	411.0	326.1	--	84.9	9.0	5.3
23	36,467	35,145	34,477	282.1	215.4	608.8	--	490.6	--	412.2	326.7	--	85.5	9.6	4.5
30 p	36,916	35,278	35,067	279.6	213.1	607.2	--	487.6	--	412.7	327.7	--	85.0	9.4	3.7
Nov. 6 p	37,022	35,895	35,048	282.2	215.4	610.0	--	491.6	--	412.2	327.7	--	84.4	8.8	4.9

1/ Estimated monthly average levels derived by averaging end of current month and end of previous month reported data.
 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. 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 FR 712 T nonbank commercial paper figures which are for last day of month. Weekly data are not available for M₃, total loans and investments and thrift institution deposits.

p - Preliminary.

Appendix Table III

Money Supply Growth Rates

	<u>M₁</u>	<u>M₁ less Foreign Official Deposits</u>	<u>M₁ less Foreign Official Deposits and Deposits due to Foreign Commercial Banks</u>
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	2.6	3.0	4.0
Sept.	0.4	--	- 0.4
Oct.	5.1	6.0	5.7

Appendix Table IV

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

Revised Series

		<u>M₁</u>		<u>M₂</u>		<u>M₃</u>	
		<u>M</u>	<u>Q</u>	<u>M</u>	<u>Q</u>	<u>M</u>	<u>Q</u>
1973	I	3.4	6.8	7.3	9.1	8.6	10.3
	II	11.3	7.3	10.6	8.6	10.3	8.9
	III	0.6	5.5	5.6	7.7	5.2	7.5
	IV	8.7	5.0	10.8	8.9	9.8	7.9
1974	I	5.5	5.8	9.3	9.6	8.8	9.1
	II	6.5	7.2	7.7	8.2	6.4	7.3
	III	1.6	3.6	4.6	6.2	4.0	5.2

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 V

Growth Rates in Money Supply for Alternatives

	M_1		M_2		M_3	
	<u>M</u>	<u>Q</u>	<u>M</u>	<u>Q</u>	<u>M</u>	<u>Q</u>
	<u>Alt. A</u>					
1974 IV	7.1	4.6	9.4	7.3	8.9	6.8
1975 I	7.4	7.2	10.9	10.2	9.7	8.4
	<u>Alt. B</u>					
1974 IV	6.7	4.3	8.9	7.1	8.3	6.5
1975 I	6.3	6.3	8.6	8.4	7.8	7.7
	<u>Alt. C</u>					
1974 IV	6.3	4.1	8.5	6.9	7.7	6.3
1975 I	5.2	5.2	6.2	6.8	6.0	6.2

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 VI
COMPARISON OF OLD AND REVISED MONEY STOCK GROWTH RATES
(Per cent Annual Rates of Change)

	<u>M₁</u>		<u>M₂</u>		<u>M₃</u>	
	<u>Old</u>	<u>Revised</u>	<u>Old</u>	<u>Revised</u>	<u>Old</u>	<u>Revised</u>
<u>Annual:</u>						
1972	8.7	8.7	11.1	11.1	13.0	13.1
1973	6.1	6.1	8.9	8.8	8.8	8.8
<u>Half-year:</u>						
1973 I	7.7	7.4	9.1	9.1	9.7	9.6
II	4.4	4.7	8.2	8.3	7.5	7.6
1974 I	6.0	6.0	8.4	8.6	7.7	7.6
<u>Quarterly:</u>						
1973 I	3.8	3.4	6.9	7.3	8.6	8.6
II	11.5	11.3	11.1	10.6	10.6	10.3
III	--	0.6	5.3	5.6	5.1	5.2
IV	8.9	8.7	11.0	10.8	9.8	9.8
1974 I	5.6	5.5	9.0	9.3	8.9	8.8
II	6.4	6.5	7.7	7.7	6.4	6.4
III	1.6	1.6	4.6	4.6	4.0	4.0
<u>Monthly:</u>						
1974--Jan.	-3.5	-2.7	6.3	6.9	7.1	7.2
Feb.	11.1	9.7	12.7	11.1	10.9	9.3
Mar.	9.2	9.2	7.8	9.7	8.3	9.5
Apr.	6.5	6.1	7.2	8.0	7.0	7.3
May	4.8	4.3	5.1	4.3	4.2	3.3
June	7.8	9.1	10.6	10.5	7.9	8.5
July	1.7	2.1	5.4	5.4	4.8	5.0
Aug.	2.6	1.3	6.2	5.2	4.5	4.1
Sept.	0.4	1.3	2.2	3.2	2.6	2.9
Oct.	5.1	3.8	9.9	8.2	8.2	6.9