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# MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

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Prepared for the Federal Open Market Committee

By the staff Board of Governors of the Federal Reserve System

August 15, 1975

MONETARY AGGREGATES AND  
MONEY MARKET CONDITIONS

Recent developments

(1) Growth of  $M_1$  slowed markedly in July, as expected, but was a little stronger than the slightly negative number that had been projected in the last blue book. Data for the first week of August showed only a moderate pick-up in  $M_1$  expansion. For the July-August target period,  $M_1$  growth is now projected at an annual rate of about  $3\frac{1}{2}$  per cent, in the lower part of the range of tolerance specified by the FOMC at its last meeting. Inflows of consumer-type time and savings deposits also moderated significantly in July and slowed still further in early August. For July and August combined,  $M_2$  now appears likely to expand at an annual rate of  $8\frac{1}{2}$  per cent, also in the lower part of the Committee's specified growth range.

Growth in Monetary Aggregates and RPD's  
over July-August period

<u>Reserve and monetary aggregates (Growth at SAAR in per cent)</u>	<u>Ranges of Tolerance</u>	<u>Latest Estimates</u>
$M_1$	3 to $5\frac{1}{2}$	3.7
$M_2$	8 to $10\frac{1}{2}$	8.6
RPD	-2 to $\frac{1}{2}$	-4.6

<u>Memo:</u>		
Federal funds rate (per cent per annum)	$5\frac{1}{2}$ - $6\frac{1}{2}$	Avg. for statement week ending
		July 16 5.93
		Aug. 6 6.09
		Aug. 13 6.08

(2) Early in the intermeeting period, incoming deposit data seemed to be indicating a substantially less pronounced slowdown than had been forecast, and the key aggregates seemed likely to expand at rates close to or above the upper limits of the Committee's two-month ranges of tolerance. In these circumstances, the Desk raised its operating target for the Federal funds rate from around 6 per cent to a range of 6-1/8 to 6-1/4 per cent. In the final week of July, although an overshoot in monetary growth still seemed likely, the Desk sought no further increase in the funds rate because of uncertainties with respect to the behavior of the monetary aggregates and the approach of the Treasury's August refunding. The average funds rate did, nevertheless, move up to 6-1/4 per cent in that week. Since late July, incoming deposit data have been weaker than expected and projected aggregate growth rates have been moved down progressively to the lower part of their ranges of tolerance. Consequently, there was no further tightening of the funds rate, and most recently the Desk did not overtly respond when the rate tended to edge down to a little below 6-1/8 per cent.

(3) Other short-term rates responded to the initial rise in the funds rate and have increased appreciably further in recent weeks, due in part to the announcement of larger than expected Treasury financing operations. Over the full period, Treasury bill rates have advanced 3/8 to 3/4 of a percentage point, and private short-term rates have moved up 1/4 to 1/2 of a percentage point. Bank prime rates have also

been raised, to 7-3/4 per cent, notwithstanding the persistence of generally weak business loan demands.

(4) In longer-term securities markets, interest rates have also moved higher since the July FOMC meeting. Quotes on Treasury issues have led the advance, reflecting the weight of Treasury financings-- including the three-part August refunding and the subsequent auctions of two- and four-year notes. Upward pressures on corporate bond yields have been dampened to some extent by the July drop-off in new-issue volume. More recently, unsettled market conditions resulted in the postponement or cancellation of about 1/2 a billion of new issues that had been scheduled for marketing in August. In the municipal market, yields have risen to new records, reflecting the combination of a continued sizable volume of offerings and the impact on market attitudes of the financing problems of New York City and the New York State agencies. The last-minute coverage of August financing requirements for "Big Mac" and the New York State Housing Finance Agency may have provided some temporary relief, but both borrowers will require large additional amounts of credit again in September.

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

	Calendar Year	Twelve Months	Past Six Months	Past Three Months	Past Month
	1974	July'75 over July'74	July'75 over Jan. '75	July'75 over Apr. '75	July'75 over June'75
Total reserves	8.5	-0.3	-4.2	-0.1	4.2
Nonborrowed reserves	10.7	9.1	-3.7	-2.3	1.7
Reserves available to support private nonbank deposits	8.9	0.5	-2.4	-1.1	-2.0
<u>Concepts of Money</u>					
M <sub>1</sub> (currency plus demand deposits) <u>1/</u>	4.8	5.0	8.7	10.3	2.0
M <sub>2</sub> (M <sub>1</sub> plus time deposits at commercial banks other than large CD's)	7.2	8.7	11.8	13.6	8.3
M <sub>3</sub> (M <sub>2</sub> plus deposits at thrift institutions)	6.8	10.2	14.2	15.7	12.4
M <sub>4</sub> (M <sub>2</sub> plus CD's)	10.7	7.4	7.2	8.4	4.3
M <sub>5</sub> (M <sub>3</sub> plus CD's)	9.0	9.2	11.0	12.2	9.3
<u>Bank Credit</u>					
Total member bank deposits (bank credit proxy adj.)	10.2	4.2	3.9	4.2	-5.0
Loans and investments of commercial banks <u>2/</u>	9.2	2.2	3.7	3.3	5.3
<u>Short-term Market Paper</u>					
(Monthly average change in billions)					
Large CD's	2.2	-.1	-1.8	-2.1	-2.0
Nonbank commercial paper	.4	.1	-.2	-.4	.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 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

(6) Summarized below for Committee consideration are specifications for three alternative short-run policy courses. More detailed figures--including levels and quarterly growth rates of the monetary aggregates associated with the Committee's 5-7½ per cent long-run growth target for  $M_1$ --are presented in the tables on pages 5a and 5b. Alternative operating guides expressed in terms of nonborrowed reserves, as well as other related reserve measures, are shown in appendix table IV.

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
<u>Ranges of tolerance for Aug.-Sept.</u>			
$M_1$	5 to 7½	4½ to 7	4 to 6½
$M_2$	9 to 11½	8½ to 10½	7½ to 10
RPD	-1 to -3½	-1½ to -4	-2 to -4½
Federal funds rate (intermeeting range)	5½ to 6½	6 to 7½	6½ to 8½

(7) Since nominal GNP is now projected to expand at an average rate of 15 per cent through the second quarter of 1976, it seems highly probable that longer-run growth in  $M_1$  can be contained within the Committee's 5-7½ per cent long-term target range only if money market rates rise further as the period progresses. For this reason none of the short-run policy options presented contemplates an easing of money market rates from recent levels. Under alternative A, the average funds rate would remain close to recently prevailing levels for the time being, but

Alternative Levels and Growth Rates for Key Monetary Aggregates

	<u>M<sub>1</sub></u>			<u>M<sub>2</sub></u>			<u>M<sub>3</sub></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>
<u>Levels</u>									
1975 July	294.5	294.5	294.5	651.8	651.8	651.8	1057.0	1057.0	1057.0
August	295.8	295.7	295.7	656.6	656.4	656.3	1066.1	1065.9	1065.7
September	297.6	297.4	297.1	662.8	662.1	661.3	1076.2	1075.1	1073.9
1975 QII	290.3	290.3	290.3	638.3	638.3	638.3	1031.1	1031.1	1031.1
QIII	296.0	295.9	295.8	657.1	656.8	656.5	1066.4	1066.0	1065.5
QIV	302.1	301.1	300.4	673.6	671.8	670.1	1094.2	1091.2	1088.8
1976 QII	311.6	311.6	308.6	697.3	696.9	689.9	1135.6	1133.1	1124.2
<u>Growth Rates</u>									
1975 August	5.3	4.9	4.9	8.8	8.5	8.3	10.3	10.1	9.9
September	7.3	6.8	5.7	11.3	10.4	9.1	11.4	10.4	9.2
QIII	7.9	7.7	7.6	11.8	11.6	11.4	13.7	13.5	13.3
QIV	8.2	7.0	6.2	10.0	9.1	8.3	10.4	9.5	8.7
QII '75-QIV '75	8.1	7.4	7.0	11.1	10.5	10.0	12.2	11.7	11.2
QIV '75-QII '76	6.3	7.0	5.5	7.0	7.5	5.9	7.6	7.7	6.5
QII '75-QII '76	7.3	7.3	6.3	9.2	9.2	8.1	10.1	9.9	9.0

MEMO

Committee Target Ranges

5-7½

8½-10½

10-12

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

	<u>M<sub>4</sub></u>			<u>M<sub>5</sub></u>			<u>Credit Proxy</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>
<u>Levels</u>									
1975 July	733.9	733.9	733.9	1139.1	1139.1	1139.1	505.4	505.4	505.4
August	734.9	734.8	734.7	1144.5	1144.3	1144.1	503.5	503.4	503.4
September	739.3	738.8	738.2	1152.7	1151.7	1150.8	504.8	504.5	504.1
1975 QII	724.3	724.3	724.3	1117.1	1117.1	1117.1	503.0	503.0	503.0
QIII	736.1	735.8	735.6	1145.4	1145.0	1144.7	504.6	504.4	504.3
QIV	749.9	748.5	747.5	1170.5	1168.0	1166.2	512.1	511.2	510.7
1976 QII	776.3	776.0	771.7	1214.5	1212.1	1206.0	525.0	524.8	522.7
<u>Growth Rates</u>									
1975 August	1.6	1.5	1.3	5.7	5.5	5.3	-4.5	-4.7	-4.7
September	7.2	6.5	5.7	8.6	7.8	7.0	3.1	2.6	1.7
QIII	6.5	6.4	6.2	10.1	10.0	9.9	1.4	1.1	1.1
QIV	7.5	6.9	6.5	8.8	8.0	7.5	5.9	5.4	5.1
QII '75-QIV '75	7.1	6.7	6.4	9.6	9.1	8.8	3.6	3.3	3.1
QIV '75-QII '76	7.0	7.3	6.5	7.5	7.6	6.8	5.0	5.3	4.7
QII '75-QII '76	7.2	7.1	6.5	8.7	8.5	8.0	4.4	4.3	3.9

Alternatives B and C would both involve some immediate further tightening of money market conditions.

(8) The short-run specifications for alternative C--which contemplate a near-term rise in the Federal funds rate to around 7-1/4 per cent (the mid-point of the range presented)--are thought to be consistent with a policy strategy geared to ultimate attainment of the 6-1/4 per cent mid-point of the Committee's 5--7-1/2 per cent long-run target range for  $M_1$ . If the staff projection of significantly more rapid growth in nominal GNP proves correct, we believe that efforts to hold  $M_1$  expansion to the 6-1/4 per cent long-run target will require further substantial increases in the Federal funds rate during the fall and early winter--perhaps to 10 per cent or more by early 1976.

(9) Alternative B--which contemplates a rise in the Federal funds rate during the intermeeting period to 6-3/4 per cent (the mid-point of the 6--7-1/2 per cent range presented)--is thought to be consistent with the first stage of a possible longer-run strategy that would hold  $M_1$  growth within the Committee's 5--7-1/2 per cent target range--but near the top end of that range. It conforms with the monetary assumptions underlying the Greenbook economic projection and is thought likely to imply a Federal funds rate approaching 9 per cent by early 1976. As noted in the Greenbook, a rate of money growth in the upper part of the Committee's long-run target range would help accommodate the special price

effects resulting from decontrol of old oil and the worsening international outlook for food prices.

(10) Alternative A is also consistent with a longer-run strategy that would allow growth in  $M_1$  near the top of the 5--7-1/2 per cent target range. In this case, however, some delay is envisaged in moving to limit monetary growth, in order to avoid near-term money market tightening while the economy is still in the beginnings of recovery. Holding money market conditions about unchanged for the present, however, would probably require a more aggressive tightening later on, after the recovery gathers momentum. Therefore, the staff believes that this strategy would imply somewhat higher money market rates early in 1976 than under alternative B.

(11) During the immediate August-September period, growth in the monetary aggregates is expected to pick up from the depressed July pace. The limited data available for early August suggests only a moderate acceleration, but the improvement in economic activity apparently underway seems likely to result in more rapid monetary expansion later in the month and in September. Under the unchanged money market conditions contemplated for alternative A,  $M_1$  growth in September is thought likely to rise to around a 7-1/2 per cent annual rate--resulting in an August-September average of about 6-1/4 per cent. Under alternative B, the average 50 basis point advance in the funds rate would probably exert only a small dampening influence on the aggregates during the two month projection

period; the average  $M_1$  growth rate for August-September might be reduced to nearly 5-3/4 per cent. The steep rise in the funds rate contemplated under alternative C--to a 7-1/4 per cent average in the weeks immediately ahead--would be expected to exert a more pronounced restraint on near-term monetary growth.  $M_1$  expansion might be held to an annual rate of about 5-1/2 per cent in September, giving an August-September average of 5-1/4 per cent.

(12) Although we anticipate that interest rates would need to rise substantially as the year progresses under any of the longer-run scenarios described above, the unchanged money market conditions of alternative A would probably encourage general interest rate stability for a time. In the absence of additional money market firming there might even be some little rally if there are no disquieting financial developments. Private credit demands remain quite weak on balance, although there have been some fragmentary indications of the beginnings of a pickup in recent weeks. The market appears to have made its adjustment to the higher funds rate now prevailing, and the Treasury announcement of its somewhat increased third quarter needs has already been taken into account by market participants.

(13) The 50 basis points rise in the Federal funds rate contemplated under alternative B would probably trigger roughly commensurate advances in other short-term rates, and long-term markets would also come under renewed upward rate pressure. Moderate

further tightening would tend to confirm the widespread expectation that interest rates are now in a firming trend, and market professionals could be expected to continue their recent generally cautious approach to underwriting of new issues. Rising market interest rates would exert further pressure on the bank prime rate, and rates on Treasury and Federal agency securities would become increasingly competitive for savings funds now flowing into the thrift institutions. Market repercussions from the rise in the Federal funds rate of 100 basis points or more contemplated under alternative C, of course, would be more extreme. Securities markets for a time might experience difficulties in handling flows of new debt offerings. The problem of disintermediation at depository institutions would become more serious and would arise sooner than anticipated in the staff economic projection. This would make early action on Regulation Q ceilings more urgent but, even with such action, the general availability and cost of mortgage financing could be significantly affected.

(14) Under any of the alternatives time deposit inflows would be expected to moderate from those of the recent past. Some slowing is already evident in the recent data, mainly because the special Treasury payments to individuals have terminated. Increasingly, however, higher market interest rates will come to impinge on savings inflows to the intermediaries, and under alternative C this impact would probably be quite pronounced by the fourth quarter. Because of the developing squeeze, we have assumed an increase in Regulation Q

ceilings amounting to one-half a percentage point for longer-term certificates (to become effective by year-end) under all alternatives presented. This assumption reduces, but does not eliminate, the marked slowing that would otherwise have been projected in the rate of expansion of consumer-type time deposits and the more broadly defined measures of money supply.

(15) In the August-September period, we would expect savings inflows to continue at the more moderate recent pace, but perhaps to be drifting lower, particularly under alternative C. The bank credit proxy is expected to remain quite weak, since banks are unlikely to become aggressive in seeking funds through issuance of CD's and non-deposit liabilities until business loan demand strengthens materially.

(16) The continuing serious financing problems of New York City--and, increasingly, of the State--pose major uncertainties for the intermeeting period, with respect to both credit market developments and necessary policy responses. It is not inconceivable that the System would have to give temporary priority to general liquidity needs rather than to its objectives for the monetary aggregates. Short of this, the directive phrase calling for account to be taken of developments in financial markets may assume particular importance in the conduct of Desk operations in this period.

Proposed directive

(17) Presented below are four alternative formulations for the operational paragraph of the directive. The first three are intended to correspond to the similarly lettered policy alternatives discussed in the preceding session, while the fourth may be associated with any of the policy alternatives. In all of the alternatives the reference to "the forthcoming Treasury financing" included in the July directive is deleted, since the Treasury's August refunding 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 maintain about the prevailing bank reserve and money market conditions over the period immediately ahead, provided that ~~growth-in~~ monetary aggregates ~~appears~~ APPEAR to be GROWING AT ABOUT THE RATES CURRENTLY EXPECTED ~~slowing-substantially-from-the-buige-during~~ the-second-quarter.

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 ~~maintain-about-the-prevailing~~ ACHIEVE SOMEWHAT FIRMER bank reserve and money market conditions over the period immediately

ahead, provided that growth-in monetary aggregates DO NOT appears  
APPEAR to be GROWING AT RATES BELOW THOSE CURRENTLY EXPECTED  
slowing-substantially-from-the-bulge-during-the-second-quarter.

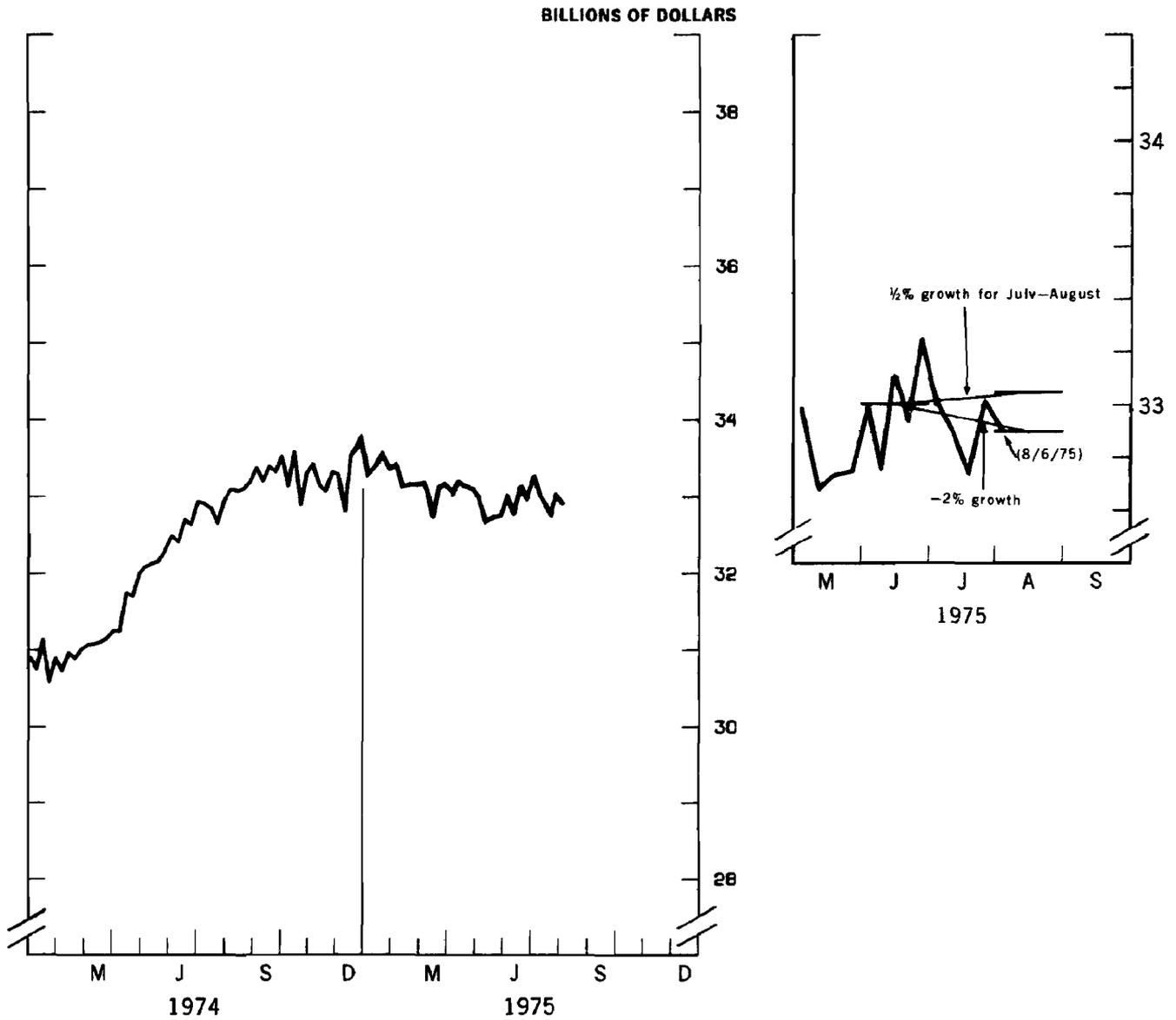
Alternative C

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  
maintain-about-the-prevailing ACHIEVE FIRMER bank reserve and  
money market conditions over the period immediately ahead,  
provided that growth-in monetary aggregates DO NOT appears  
APPEAR to be GROWING AT RATES BELOW THE SPECIFIED SHORT-  
RUN RANGES OF TOLERANCE slowing-substantially-from-the-bulge  
during-the-second-quarter.

Possible substitute wording for all alternatives

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  
maintain-about-the-prevailing ACHIEVE bank reserve and money  
market conditions CONSISTENT WITH MODERATE GROWTH IN MONETARY  
AGGREGATES over the MONTHS AHEAD period-immediately-ahead;-pre-  
vided-that-growth-in-monetary-aggregates-appears-to-be-slowng  
substantially-from-the-bulge-during-the-second-quarter.

# RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS

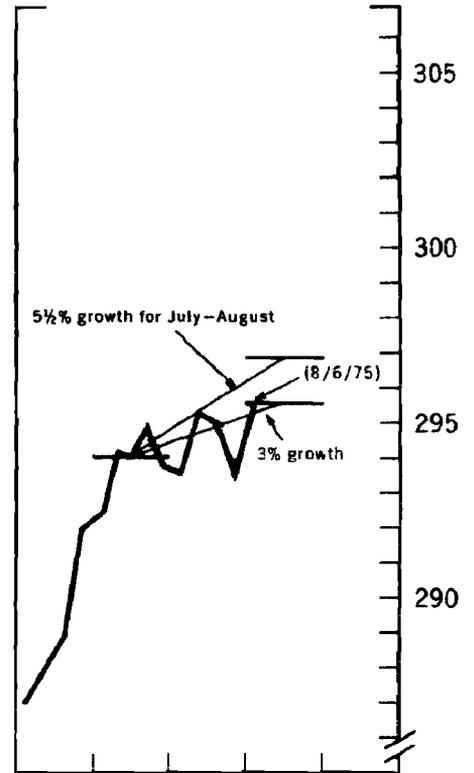
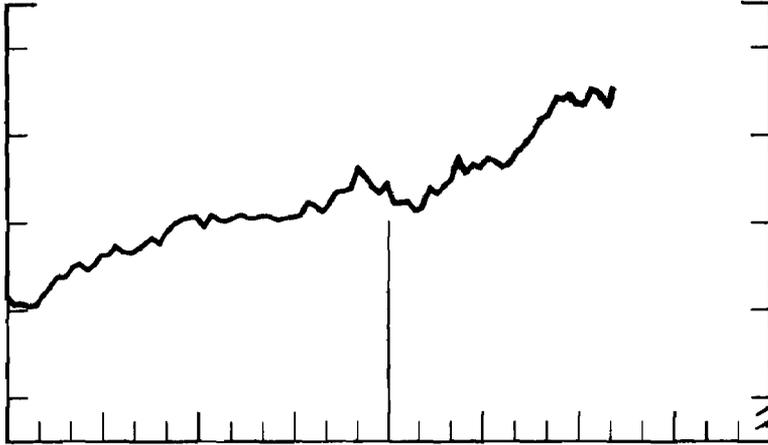


RPD series has been adjusted to remove discontinuities associated with changes in reserve requirement ratios

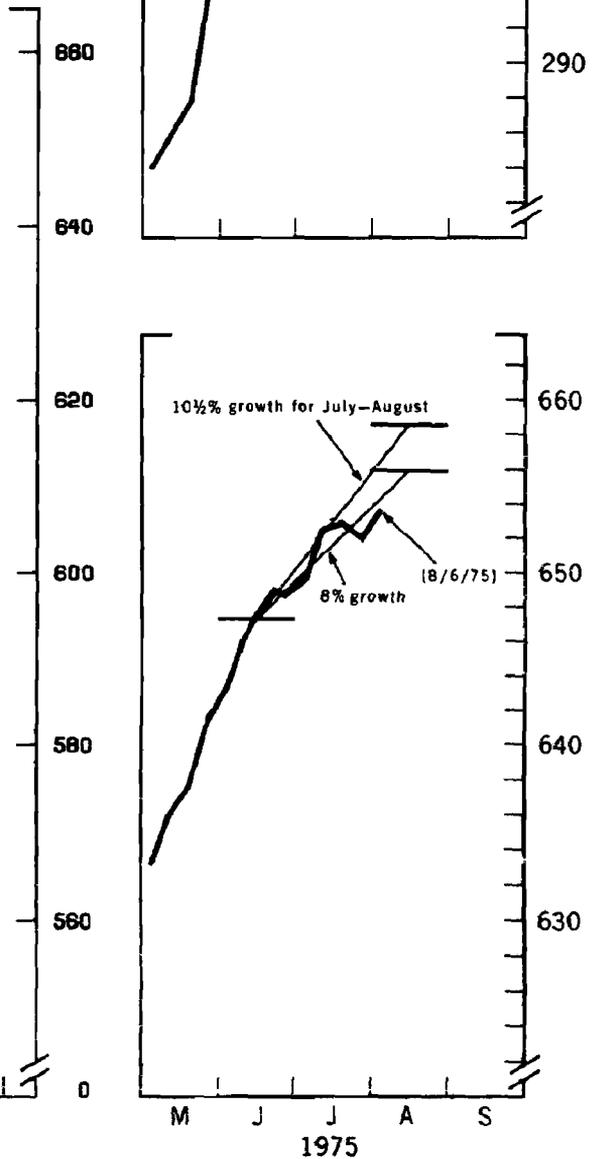
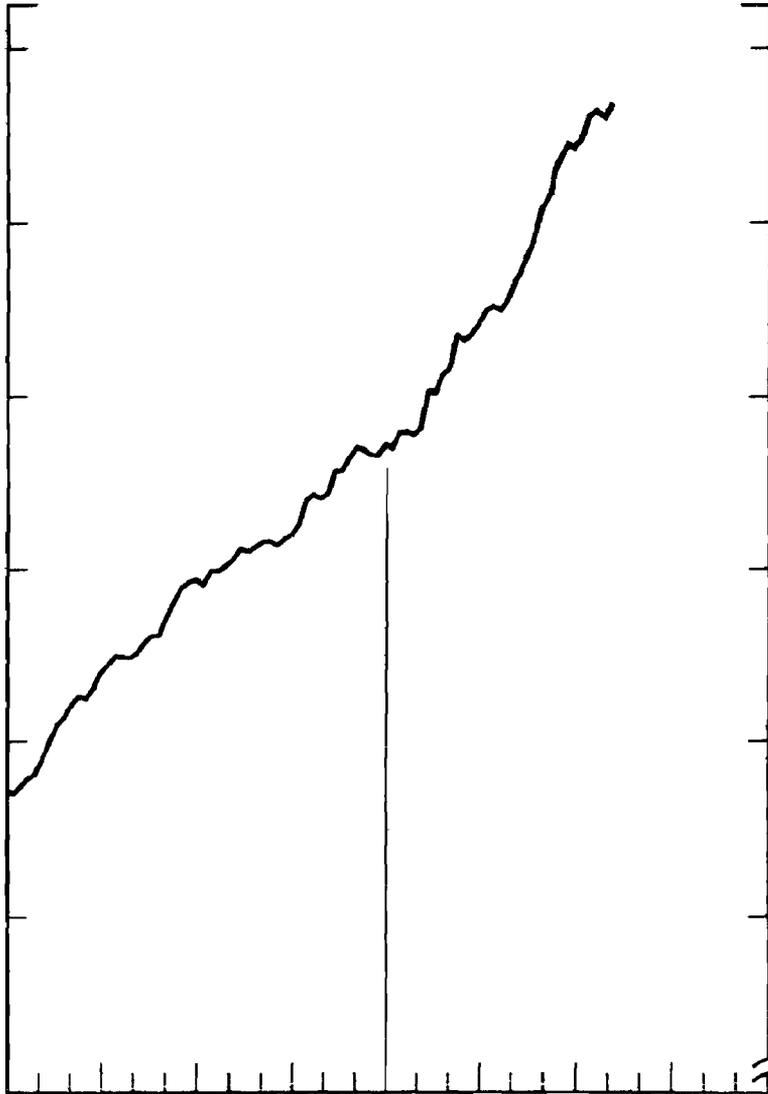
# MONETARY AGGREGATES

### NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS



### BROADER MONEY SUPPLY M2



1974

1975

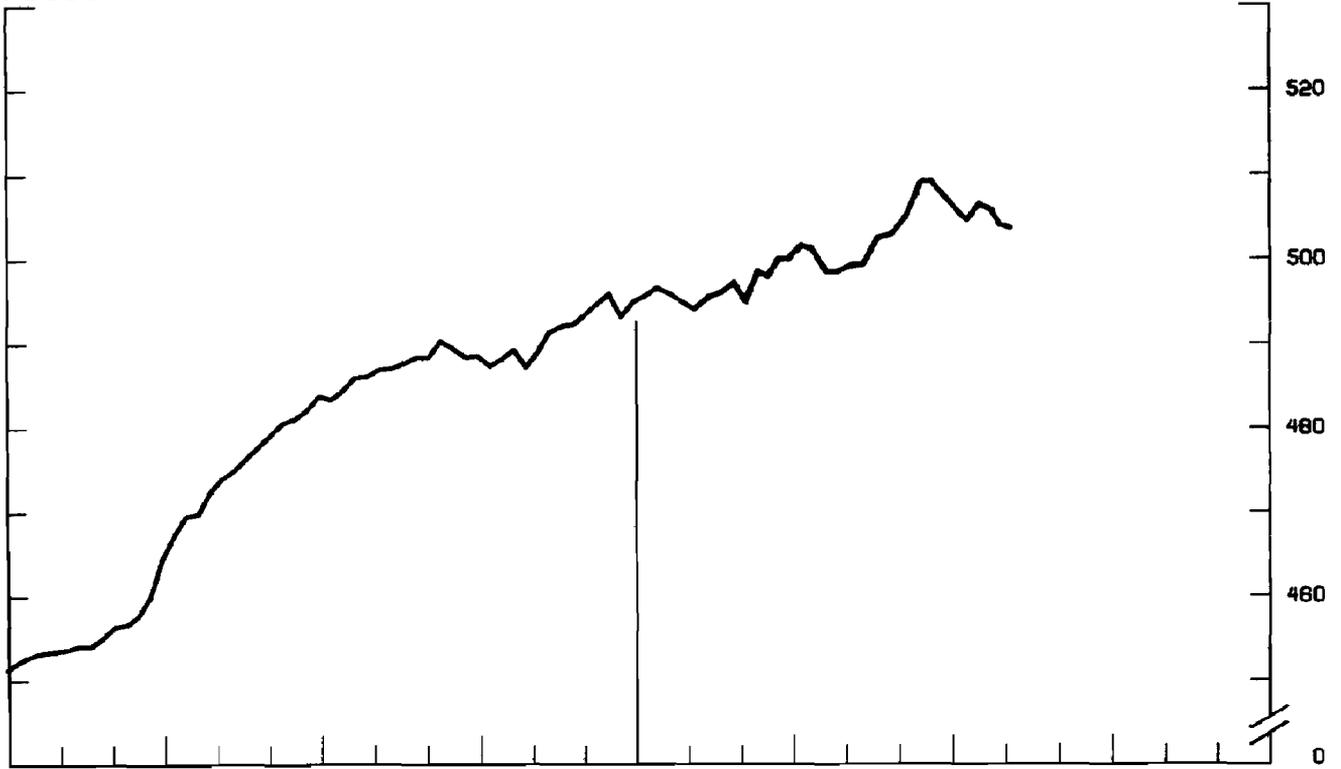
M J J A S

1975

# MONETARY AGGREGATES

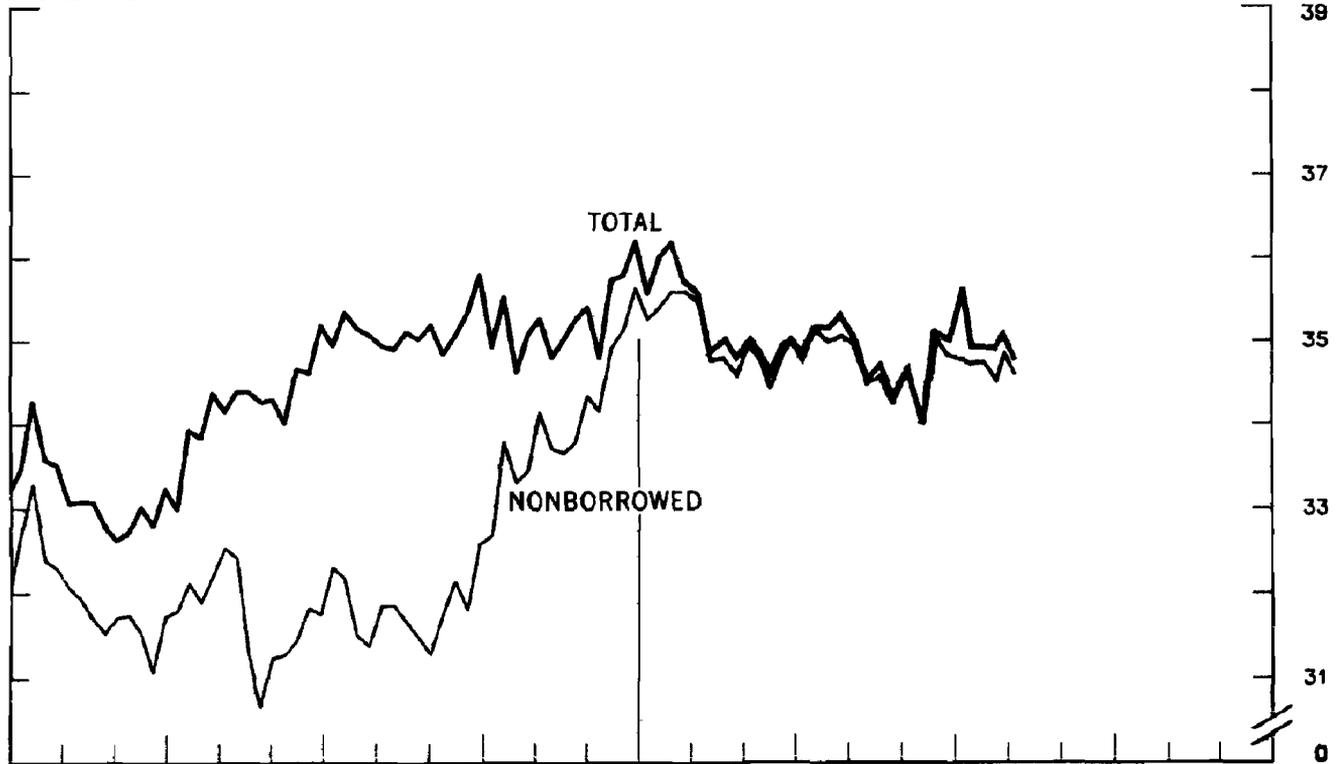
ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



RESERVES

BILLIONS OF DOLLARS



1974

1975

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

# MONEY MARKET CONDITIONS AND INTEREST RATES

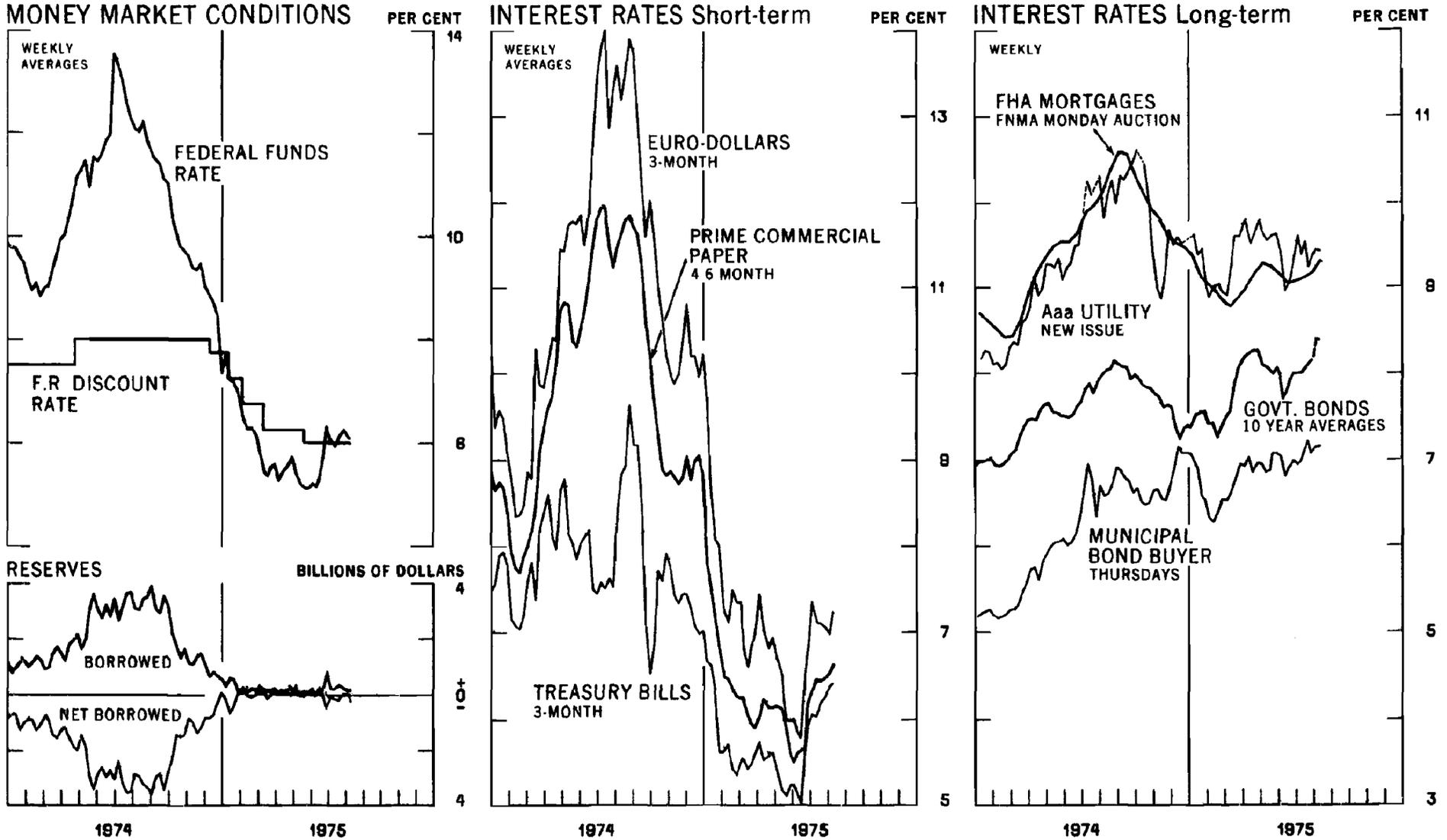


TABLE 1  
**BANK RESERVES**  
(ACTUAL AND CURRENT PROJECTIONS)

AUG. 15, 1975

Period	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES				
			Total Reserves	Nonborrowed Reserves	SEASONALLY ADJUSTED				
	SA	NSA			Total Required	Private Demand	Other Time Deposits	CD's and Nondeposits	Gov't. and Interbank
	1	2	3	4	5	6	7	8	9
<b>MONTHLY LEVELS--\$MILLIONS</b>									
1975--APR.	33,032	33,098	35,003	34,892	34,845	19,474	8,796	4,602	1,973
MAY	32,748	32,604	34,574	34,508	34,419	19,406	8,715	4,471	1,827
JUNE	32,995	32,734	34,872	34,645	34,671	19,799	8,665	4,330	1,877
JULY	32,941	32,815	34,994	34,693	34,803	19,847	8,612	4,290	2,053
AUG.	(32,740)	(32,492)	(34,509)	(34,318)	(34,378)	(19,837)	( 8,688)	( 4,085)	( 1,768)
<b>PERCENT ANNUAL GROWTH</b>									
<b>QUARTERLY</b>									
1974--3RD QTR.	9.1		8.2	5.5	8.3	0.0	11.0		
4TH QTR.	0.8		3.6	36.0	2.9	5.3	6.5		
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		
<b>QUARTERLY-AV</b>									
1974-3RD QTR.	12.1		11.3	1.2	11.4	0.3	10.3		
4TH QTR.	2.5		1.4	27.3	1.2	2.6	8.7		
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		
<b>MONTHLY</b>									
1975--APR.	2.9		8.3	8.1	9.8	14.8	-9.7		
MAY	-10.3		-14.7	-13.2	-14.7	-4.2	-11.1		
JUNE	9.1		10.3	4.8	8.8	24.3	-6.9		
JULY	-2.0		4.2	1.7	4.6	2.9	-7.3		
AUG.	( -7.3)		( -16.6)	( -13.0)	( -14.7)	( -0.6)	( 10.6)		
JULY-AUG.	( -4.6)		( -6.2)	( -5.7)	( -5.1)	( 1.2)	( 1.6)		
<b>WEEKLY LEVELS--\$MILLIONS</b>									
1975--JUNE 11	32,754	32,188	34,047	34,009	34,083	19,760	8,701	4,329	1,293
18	33,114	32,956	35,110	35,033	34,776	19,804	8,676	4,300	1,996
25	32,941	32,787	35,019	34,831	34,928	19,884	8,645	4,320	2,079
JULY 2	33,251	33,217	35,639	34,768	35,243	19,913	8,616	4,326	2,388
9	33,025	32,596	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	32,752	32,769	34,896	34,514	34,693	19,675	8,604	4,271	2,143
30	33,017	33,039	35,091	34,838	34,796	19,865	8,622	4,236	2,074
AUG. 6	32,904	32,635	34,761	34,585	34,543	19,857	8,652	4,176	1,858

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 JULY 15, 1975 THE COMMITTEE AGREED ON A RPD RANGE OF -2.0 TO 0.5 PERCENT FOR THE JULY-AUG. PERIOD.

Table 2

CONFIDENTIAL (F.R.)  
CLASS II-FOMC**MONETARY AGGREGATES**

ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED

AUG. 15, 1975

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
<b>MONTHLY LEVELS--\$BILLIONS</b>								
1975--APR.	287.1	630.4	500.2	2.1	431.7	343.3	88.4	6.7
MAY	289.7	637.3	501.2	2.1	433.1	347.6	85.5	7.4
JUNE	294.0	647.3	507.5	3.8	437.3	353.3	84.1	7.0
JULY	294.5	651.8	505.4	2.5	439.4	357.2	82.1	6.8
AUG.	(295.8)	(656.6)	(503.5)	( 2.4)	(439.1)	(360.8)	( 78.4)	( 6.9)
<b>PERCENT ANNUAL GROWTH</b>								
<b>QUARTERLY</b>								
1974--3RD QTR.	1.0	4.2	6.7		9.1	7.1	17.2	
4TH QTR.	5.3	6.7	4.2		11.7	7.9	25.9	
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	
<b>QUARTERLY-AV</b>								
1974--3RD QTR.	3.5	6.0	9.9		12.9	8.3	31.8	
4TH QTR.	3.9	6.2	3.5		9.7	8.2	15.2	
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	
<b>MONTHLY</b>								
1975--APR.	4.2	7.7	5.1		4.7	10.6	-18.7	
MAY	10.9	13.1	2.4		3.9	15.0	-39.4	
JUNE	17.8	18.8	15.1		11.6	19.7	-19.6	
JULY	2.0	8.3	-5.0		5.8	13.2	-28.5	
AUG.	( 5.3)	( 8.8)	( -4.5)		( -0.8)	( 12.1)	( -54.1)	
JULY-AUG.	( 3.7)	( 8.6)	( -4.7)		( 2.5)	( 12.7)	( -40.7)	
<b>WEEKLY LEVELS--\$BILLIONS</b>								
1975--JUNE 11	294.2	646.3	509.0	5.7	436.2	352.1	84.1	7.4
18	294.1	647.6	509.2	5.0	437.7	353.5	84.1	6.8
25	294.8	649.1	507.3	2.6	438.5	354.3	84.2	6.8
JULY 2	293.7	648.7	505.4	1.3	439.2	355.0	84.2	6.5
9	293.5	649.6	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	357.8	81.6	7.0
30	293.5	652.0	504.0	2.0	439.0	358.5	80.5	7.0
AUG. 6 P	295.4	653.7	503.6	2.7	437.8	358.3	79.5	6.8

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY

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/			△ In Reserve Categories		△ Target
	Bills & Accept.	Coupon Issues	Agency Issues	RP's Net	Total	Open Market Operations	△ Member Bank Borrowing	Other 4/	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)
1975--Jan.	-1,102	406	-14	1,097	387	-636	-313	1,548	258	341	965
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	215	3,442	-96	588	215
July	-2,302	--	-2	-623	-2,926	-832					290
Aug.											-40
Sept.											
1975--June 4	-724	--	-6	-4,652	-5,383	-1,364	--	-1,062	113	-2,539	
11	-582	--	--	-3,571	-4,153	-4,745	-46	3,987	-385	-419	
18	222	--	--	4,054	4,276	1,107	39	84	462	768	
25	9	333	--	3,968	4,310	2,678	110	-3,019	-62	-169	
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	372p	-155p	270p	
Aug. 6	-382	966	--	-3,822	-3,238	-1,154	-77	1,013p	-46p	-172p	
13	-573	-566*	--	2,488	1,349**	-1,521**	2	1,061p	-39p	-419p	
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 July and Aug. reflects the target adopted at the July 15, 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.

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

Period	Treasury Bills Net Purchases <sup>2/</sup>	Treasury Coupons					Federal Agencies					Net Change Outright Holdings Total <sup>5/</sup>	RP's Net <sup>6/</sup>
		Net Purchases <sup>3/</sup>					Net Purchases <sup>4/</sup>						
		Within 1-year	1 - 5	5 - 10	Over 10	Total	Within 1-year	1 - 5	5 - 10	Over 10	Total		
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	795	625	312	1,765	69	169	285	61	584	508	53
Qtr. II	1,086	218	973	454	273	1,917	--	--	-2	--	-2	3,076	230
1975--Feb.	-1,003	--	129	113	74	316	69	167	121	19	376	-404	714
Mar.	115	19	361	451	212	1,043	--	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	--	--	--	--	--	--	--	--	--	150	-3,357
June	- 352	20	488	180	109	797	--	--	--	--	--	539	-1,855
July	-2,305	--	--	--	--	--	--	--	--	--	--	-2,304	-623
1975--June 4	- 704	--	--	--	--	--	--	--	--	--	--	-731	-4,652
11	- 560	--	--	--	--	--	--	--	--	--	--	-582	-3,571
18	248	--	--	--	--	--	--	--	--	--	--	222	4,054
25	--	16	153	113	52	333	--	--	--	--	--	342	3,968
July 2	5	4	335	67	57	462	--	--	--	--	--	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													
27													

<sup>1/</sup> Change from end-of-period to end-of-period.

<sup>2/</sup> Outright transactions in market and with foreign accounts, and redemptions (-) in bill auctions.

<sup>3/</sup> Outright transactions in market and with foreign accounts only. Excludes redemptions, maturity shifts, exchanges between bills and coupons, and direct Treasury borrowings from the System.

<sup>4/</sup> Outright transactions in market and with foreign accounts only. Excludes redemptions and maturity shifts.

<sup>5/</sup> 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.

<sup>6/</sup> Includes changes in both RP's (+) and matched sale-purchase transactions (-).

TABLE 5  
SECURITY DEALER POSITIONS AND BANK POSITIONS  
(millions of dollars)

Period	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)	
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	22	-7,387	-11,390
Low	1,586	532	0	48	-50	18	5	-1,757	- 8,070
1974--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	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	268p	301p	17p	-5,546	- 9,896
1975--June 4	4,634	1,445	4	175	334	84	9	-4,709	- 9,295
11	5,013	1,163	13	77	-36	38	11	-6,399	-10,957
18	6,094	1,286	143	121	334	77	10	-6,006	-11,131
25	5,289	1,282	197	99	91	188	10	-6,013	- 9,639
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	295p	253p	20p	-4,306	- 8,785
Aug. 6	*3,958	*1,995	96	138	218p	176p	29p	-4,202p	- 9,733p
13	*4,007	*1,150	30p	214p	-50p	178p	35p	-5,095p	-10,713p
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 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.

AUGUST 15, 1975

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	7.15	9.34	9.00	9.00	9.80	9.71	7.22	8.47	9.47
Low	5.13	5.02	5.46	5.38	5.25	5.38	8.89	9.06	6.27	7.63	8.78
1974--July	12.92	7.55	8.04	11.93	11.83	11.83	10.20	10.04	6.68	8.26	9.84
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
1975--June 4	5.24	5.23	5.79	5.43	5.25	5.40	9.41	9.53	7.05	8.16	9.14
11	5.15	5.12	5.63	5.55	5.25	5.38	8.95	9.22	6.80	7.95	--
18	5.31	5.02	5.53	5.53	5.25	5.50	9.07	9.14	6.93	7.99	9.06
25	5.72	5.63	6.13	5.78	5.63	5.75	9.37	9.41	7.00	8.07	--
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	9.43p	9.52p	7.17	8.47p	9.32
20											
27											
Daily--Aug. 7	6.14	6.44	7.23	6.50	--	--	--	--	--	8.54	--
14	6.05p	6.45	7.24	6.63	--	--	--	--	--	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-B

## MONEY AND CREDIT AGGREGATE MEASURES

AUG. 15, 1975

SEASONALLY ADJUSTED, BILLIONS OF DOLLARS

Period	RESERVES <sup>1/</sup>			BANK CREDIT MEASURES		MONEY STOCK MEASURES						
	Total	Non-borrowed	Available to Support Pvt Deposits	Adj Credit proxy	Total Loans and Investments	M <sub>1</sub>	M <sub>2</sub>	M <sub>3</sub>	M <sub>4</sub>	M <sub>5</sub>	M <sub>6</sub>	M <sub>7</sub>
	1	2	3	4	5	6	7	8	9	10	11	12
<b>ANNUALLY:</b>												
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	634.6	271.5	572.2	919.6	636.0	983.4	1095.4	1133.6
<b>MONTHLY:</b>												
1974--JULY	35,101	31,800	32,770	484.9	692.9	280.4	599.6	959.6	683.2	1043.2	1163.1	1204.6
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	1062.5	1185.8	1227.2
DEC.	35,503	34,776	33,341	494.3	691.9	284.4	613.5	981.7	703.8	1072.0	1195.2	1234.8
1975--JAN.	35,737	35,339	33,341	495.8	693.9	282.2	615.5	987.0	708.3	1079.8	1204.1	1243.1
FEB.	34,925	34,777	33,103	495.7	695.5	283.5	620.3	995.6	712.4	1087.6	1211.4	1250.7
MAR.	34,764	34,658	32,951	498.1	699.4	286.1	626.4	1007.2	716.1	1097.0	1219.9	1259.6
APR.	35,003	34,892	33,032	500.2	700.8	287.1	630.4	1017.2	718.8	1105.6	1229.8	1269.8
MAY	34,574	34,508	32,748	501.2	703.0	289.7	637.3	1029.7	722.9	1115.3	1240.2	1280.5
JUNE	34,872	34,645	32,995	507.5	703.5	294.0	647.3	1046.3	731.3	1130.4	1256.7	1297.3
JULY P	34,994	34,693	32,941	505.4	706.6	294.5	651.8	1057.1	733.9	1139.2	1266.2	1307.1
<b>WEEKLY:</b>												
1975--JUNE 4	34,682	34,598	32,986	505.7		292.4	643.2		727.0			
11	34,047	34,009	32,754	509.0		294.2	646.3		730.4			
18	35,110	35,033	33,114	509.2		294.1	647.6		731.8			
25	35,019	34,831	32,941	507.3		294.8	649.1		733.3			
JULY 2	35,639	34,768	33,251	505.4		293.7	648.7		732.9			
9	34,924	34,702	33,025	504.6		293.5	649.6		733.3			
16	34,916	34,714	32,888	506.3		295.3	652.5		735.4			
23	34,896	34,514	32,752	505.9		295.0	652.8		734.5			
30P	35,091	34,838	33,017	504.0		293.5	652.0		732.5			
AUG. 6P	34,761	34,585	32,904	503.6		295.4	653.7		733.2			

NOTES: ADJUSTED CREDIT PROXY INCLUDES MAINLY TOTAL MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS, LOANS SOLD TO BANK-RELATED INSTITUTIONS, AND EURO-DOLLAR BORROWINGS OF U.S. BANKS. WEEKLY DATA ARE DAILY AVERAGES FOR STATEMENT WEEKS. MONTHLY DATA ARE DAILY AVERAGES. WEEKLY DATA ARE NOT AVAILABLE FOR M<sub>3</sub>, M<sub>5</sub>, M<sub>6</sub>, M<sub>7</sub>, TOTAL LOANS AND INVESTMENTS AND THRIFT INSTITUTION DEPOSITS.

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

P - PRELIMINARY

## 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 <sup>1/</sup>	Credit Union Shares <sup>1/</sup>	CD's	Savings Bonds <sup>1/</sup>	Short Term U.S. Gov't Securities <sup>1/</sup>	Commercial Paper <sup>1/</sup>	Non-deposit Funds	U.S. Gov't Demand
	1	2	3	4	5	6	7	8	9	10	11	12
<b>ANNUALLY:</b>												
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
<b>MONTHLY:</b>												
1974--JULY	64.8	215.6	402.8	319.2	333.7	26.3	83.6	61.5	58.4	41.5	9.2	4.2
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	413.6	328.0	338.2	27.2	85.5	62.6	60.8	41.4	7.6	4.6
DEC.	67.9	216.5	419.4	329.1	340.8	27.5	90.3	62.8	60.3	39.6	8.4	1.9
1975--JAN.	68.2	214.0	426.0	333.3	343.6	27.9	92.7	63.2	61.1	39.1	7.6	0.7
FEB.	68.8	214.7	428.9	336.8	346.9	28.3	92.1	63.5	60.3	39.3	6.5	0.6
MAR.	69.5	216.6	430.0	340.3	352.0	28.9	89.8	63.8	59.2	39.7	6.5	0.7
APR.	69.6	217.5	431.7	343.3	357.4	29.4	88.4	64.1	60.2	40.0	6.7	2.1
MAY	70.3	219.4	433.1	347.6	362.5	29.9	85.5	64.4	60.5	40.3	7.4	2.1
JUNE	71.2	222.8	437.3	353.3	368.6	30.4	84.1	64.7	61.6	40.6	7.0	3.8
JULY P	71.5	223.1	439.4	357.2	374.4	30.9	82.1	65.0	62.0	40.9	6.8	2.5
<b>WEEKLY:</b>												
1975--JUNE 4	70.6	221.9	434.6	350.7			83.9				7.5	3.6
11	71.1	223.1	436.2	352.1			84.1				7.4	5.7
18	71.2	222.9	437.7	353.5			84.1				6.8	5.0
25	71.4	223.4	438.5	354.3			84.2				6.8	2.6
JULY 2	71.0	222.7	439.2	355.0			84.2				6.5	1.3
9	71.6	222.0	439.7	356.1			83.6				6.5	2.9
16	71.4	223.9	440.1	357.2			82.9				6.6	2.9
23	71.5	223.5	439.5	357.8			81.6				7.0	2.5
30P	71.6	221.9	439.0	358.5			80.5				7.0	2.0
AUG. 6P	71.8	223.6	437.8	358.3			79.5				6.8	2.7

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.

Appendix Table III

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

		$M_1$		$M_2$		$M_3$	
		<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	8.8	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 '72-QIV '74	4.8	5.2	7.2	7.7	6.8	7.1
1975	I	2.4	1.0	8.4	6.4	10.4	8.3
	II	11.0	9.0	13.3	11.3	15.5	13.8

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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

## SHORT-TERM OPERATING GUIDES\*

		<u>Total Reserves</u>			<u>Nonborrowed 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>
1975	July	34,994	34,994	34,994	34,693	34,693	34,693	32,941	32,941	32,941
	August	34,508	34,508	34,509	34,309	34,306	34,294	32,740	32,740	32,740
	September	34,441	34,416	34,390	34,216	34,116	33,980	32,814	32,989	32,764
1975	July	4.2	4.2	4.2	1.7	1.7	1.7	-2.0	-2.0	-2.0
	August	-16.7	-16.7	-16.7	-13.3	-13.4	-13.8	-7.3	-7.3	-7.3
	September	-2.4	-3.2	-4.1	-3.3	-6.7	-11.0	2.7	1.8	0.9
	August-September	-9.5	-9.9	-10.4	-8.2	-10.0	-12.4	-2.3	-2.8	-3.2
		<u>Excess Reserves</u>			<u>Borrowings</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>			
1975	July		192	192	192	301	301	301		
	August		131	131	131	199	202	215		
	September		175	175	175	225	300	410		

\* Adjusted for changes in reserve requirements.