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(CONFIDENTIAL FR)

April 12, 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

April 12, 1974

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M_1 grew at a 10.6 per cent annual rate in March, a little more than projected in the last bluebook. Although growth in April is estimated to be somewhat slower, on average, the extent of the slowing is now expected to be less than anticipated. Thus, for the two months combined, M_1 now appears to be expanding at slightly above a 9 per cent annual rate, compared with the Committee's $5\frac{1}{2}$ to $8\frac{1}{2}$ per cent range of tolerance adopted at the last meeting. Growth of M_2 , on the other hand, appears to be within the Committee's two-month range of tolerance, as shown in the table below. With business loan demands very strong, and with large CD run-offs expected around the tax date, banks have bid actively for large CD's and non-deposit sources of funds. As a result, expansion of the adjusted credit proxy has been much more rapid than anticipated--accelerating to a 12 per cent annual rate in March, and a projected 23 per cent annual rate in April.

Growth of Monetary Aggregates and RPD's
in March-April Target Period

<u>Reserve and Monetary Aggregates (Growth at SAAR in per cent)</u>	<u>Range of Tolerance</u>	<u>Latest Estimates</u>
RPD's	4 - 7	14.1
M_1	$5\frac{1}{2}$ - $8\frac{1}{2}$	9.2
M_2	$6\frac{1}{2}$ - $9\frac{1}{2}$	8.8
Memo:		Ave. for Statement
Federal funds rate		<u>week ending</u>
(per cent per annum)	9 - $10\frac{1}{2}$	March 20 - 9.33
		April 10 - 10.02

(2) Because of the rapid expansion in CD's and bank credit, RPD growth appears likely to be well in excess of the upper limit of its range of tolerance. As may be seen from the table below, CD's and nondeposit sources absorbed considerably more reserves than originally expected. Private demand deposits also absorbed more reserves than expected, but the overshoot was considerably less than for CD's.

Comparison of Projected Changes in RPD's by Use
March-April 1974
(In millions of dollars)

	<u>Projections as of</u> <u>March 19, 1974</u> <u>FOMC meeting</u>	<u>Current</u> <u>Projection</u>
Change in Total RPD's <u>1/</u>	329	769
<u>Change in Category of Use:</u>		
Private demand deposits	191	279
Time deposits other than large CD's	132	50
CD's and nondeposit funds	-26	406
<u>Excess</u>	<u>33</u>	<u>35</u>

1/ Changes from February to April 1974.

(3) In accordance with the discussion at the March 19 meeting, early in the inter-meeting period the Desk sought reserve conditions that would raise the Federal funds rate from the 9½ per cent level just reached at the time of the meeting to a level more consistent with the Committee's desires with respect to the monetary aggregates. Early action was considered desirable because of expected Treasury financing operations

at the end of March; a tax bill was auctioned on March 26 and a 2-year note on March 28. As the aggregates strengthened, the Desk became an even more reluctant supplier of nonborrowed reserves. By the close of the period, reserve operations were expected to be consistent with a Federal funds rate of 10 per cent or somewhat higher. Over the three full statement weeks ending within the inter-meeting period, member bank borrowing at Federal Reserve Banks has averaged nearly \$1.5 billion, about \$350 million larger than in the three preceding statement weeks.

(4) The combination of heavy business credit demands, tighter money market conditions, and developing evidence that the economy was not so weak as anticipated contributed to large across-the-board interest rate advances during the inter-meeting period. Advances in short-term rates ranged generally from 50 to 100 basis points. With rates on commercial paper and large bank CD's rising steeply, major banks came under particularly heavy pressure as both their business loans and the costs of funds to cover such loans increased. Reflecting this squeeze, the bank prime rate moved upward in rapid sequence from $8\frac{3}{4}$ at the time of the last meeting to 10 per cent at a number of banks in the latest week. Bond yields rose 35 to 75 basis points during the period, with the consequent sudden large capital losses leading to some unsettlement in markets.

(5) Very recently, however, securities markets have shown some signs of stabilizing. This week's offerings of new corporate and municipal securities have been well received at the higher interest rate levels, and yields on some key U.S. Government securities have edged a little lower. Yield declines were quite sharp in the bill market, where

there is a technical shortage of supply. The 3-month Treasury bill, for example, has traded most recently at 8.25 per cent, down from the recent high of 8.65 per cent.

(6) The large recent increases in rates on competing market securities have begun to exert pressures on non-bank financial intermediaries. While flows to these institutions remained quite favorable in March, New York City savings banks--typically the first to suffer from disintermediation--experienced large withdrawals in early April, comparable in relative magnitude to those of early April 1970. Industry reports suggest that intermediaries generally are taking a more cautious approach on mortgage commitments, and the most sensitive interest rates in mortgage markets have begun to rise.

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

	Average of Past 3 Calendar Years	Past 12 Months	Past 6 Months	Past 3 Months	Past Month
	1971 -- 1973	Mar. '74 over Mar. '73	Mar. '74 over Sept. '73	Mar. '74 over Dec. '73	Mar. '74 over Feb. '74
Total reserves	8.5	6.5	3.9	1.7	-5.3
Nonborrowed reserves	7.6	8.6	7.5	1.6	-9.8
Reserves available to support private non- bank deposits	8.8	8.9	3.9	6.2	12.1
<u>Concepts of Money</u>					
M ₁ (currency plus demand deposits) ^{1/}	6.9	6.5	7.2	6.7	10.6
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	10.3	9.3	10.0	9.5	8.7
M ₃ (M ₂ plus deposits at thrift insti- tutions)	11.7	8.5	9.2	9.0	8.7
<u>Bank Credit</u>					
Total member banks deposits (bank credit proxy adj.)	10.5	8.2	6.0	8.6	11.9
Loans and investments of commercial banks ^{2/}	12.8	11.7	10.4	16.2	17.1
<u>Short-term market paper</u> (Monthly avg. change in billions)					
Large CD's	1.0	1.1	0.2	1.6	1.1
Nonbank commercial paper	0.2	0.7	0.9	0.6	-2.3

^{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.

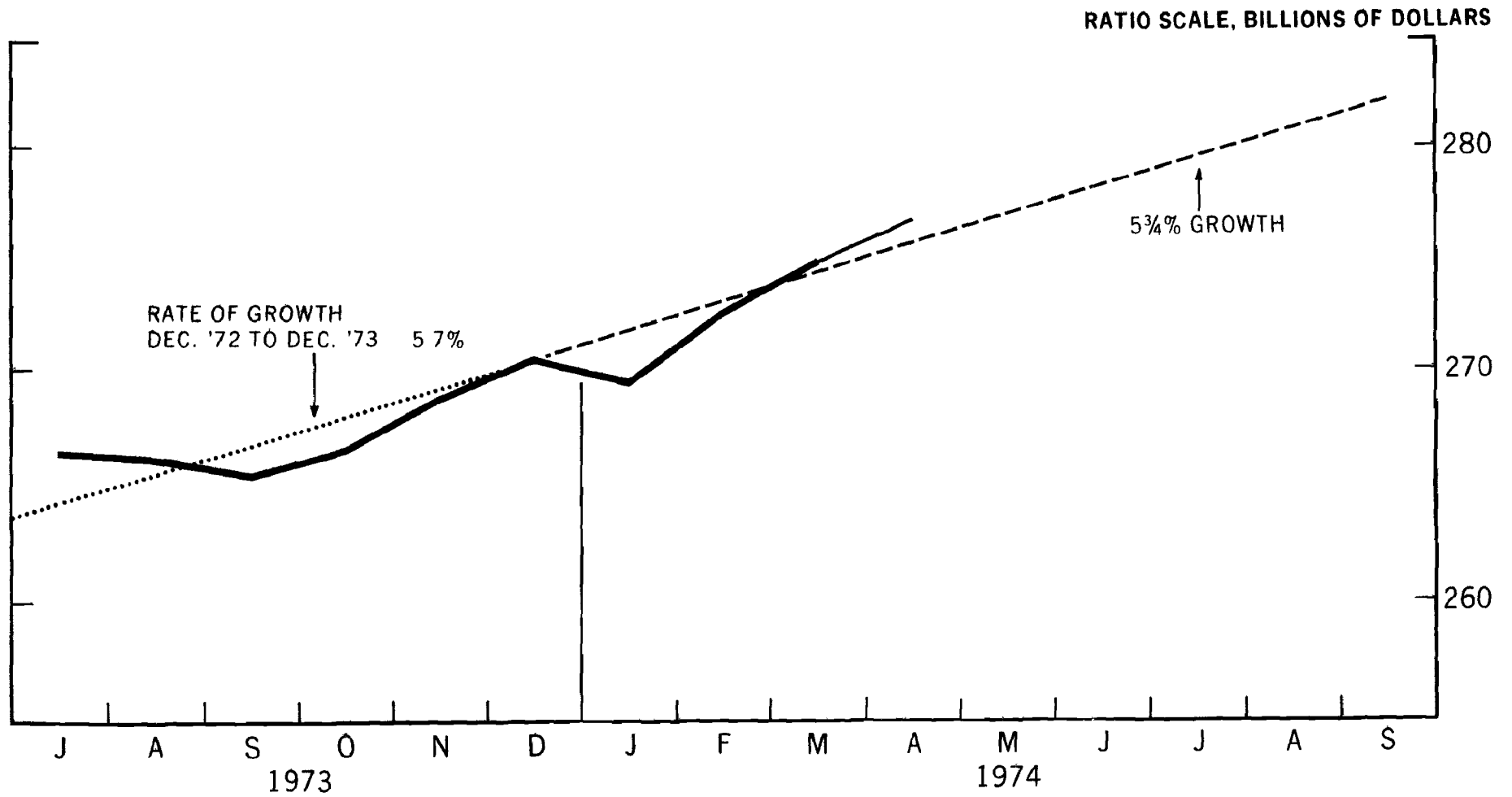
Prospective developments

(8) Alternatives presented for Committee consideration are summarized below (with more detailed figures shown in the table on p. 6a).

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Targets (2nd & 3rd qtrs. combined)			
M ₁	6½	6	5½
M ₂	8½	7½	6½
Credit proxy	11½	10½	9½
Associated ranges for April-May			
RPD	10¾--12¾	9¾--11¾	8¾--10¾
M ₁	6½--8½	6--8	5½--7½
M ₂	7½--9½	6½--8½	6½--8½
Federal funds rate range (inter-meeting period)	8¾--10¾	9¾--10¾	9¾--11¾

(9) Alternative C represents continuation of the strategy with regard to the aggregates adopted by the Committee at its last meeting. That is, the alternative contemplates return of M₁ to the 5½ per cent long-run growth path (depicted in the chart on the following page) by September. Accomplishing this would appear to require interest rates somewhat higher than indicated at the last meeting, and also higher than those currently prevailing, in view of the stronger growth in nominal GNP that is now projected for the second and third quarters. The Federal funds rate range for the inter-meeting period thought to be consistent with the alternative C pattern for the aggregates is 9¾--11¾ per cent, centering on 10½ per cent.

MONEY SUPPLY AND LONGER RUN TARGET PATH



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	Mar.	274.9	274.9	274.9	584.3	584.3	584.3	913.4	913.4	913.4
	Apr.	276.8	276.7	276.6	588.7	588.6	588.5	919.6	919.4	919.3
	May	278.4	278.1	277.9	592.4	591.9	591.4	924.8	924.1	923.4
	June	279.8	279.4	279.0	596.3	595.2	594.2	930.8	929.0	927.7
	Sept.	284.3	283.4	282.3	608.6	605.6	602.6	947.3	942.6	938.9
Quarters:		<u>Rates of Growth</u>								
1974	2nd Q.	7.1	6.5	6.0	8.2	7.5	6.8	7.6	6.8	6.3
	3rd Q.	6.4	5.7	4.7	8.3	7.0	5.7	7.1	5.9	4.8
Months:										
	Apr.	8.3	7.9	7.4	9.0	8.8	8.6	8.1	7.9	7.8
	May	6.9	6.1	5.6	7.5	6.7	5.9	6.8	6.1	5.4
		<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	Mar.	459.3	459.3	459.3	34,952	34,952	34,952	33,122	33,122	33,122
	Apr.	468.2	468.1	468.1	35,786	35,775	35,764	33,571	33,560	33,549
	May	470.0	469.6	469.3	36,023	35,971	35,914	33,770	33,718	33,662
	June	472.6	471.9	471.3	35,805	35,739	35,671	33,856	33,792	33,725
	Sept.	485.3	483.3	481.5	36,615	36,466	36,311	34,628	34,478	34,322
Quarters:										
1974	2nd Q.	11.6	11.0	10.5	9.8	9.0	8.2	8.9	8.1	7.3
	3rd Q.	10.7	9.7	8.7	9.1	8.1	7.2	9.1	8.1	7.1
Months:										
	Apr.	23.3	23.0	23.0	28.6	28.2	27.9	16.3	15.9	15.5
	May	4.6	3.8	3.1	8.0	6.6	5.0	7.1	5.7	4.0

(10) Alternative B calls for somewhat more rapid growth in the monetary aggregates over the second and third quarters, typified by a 6 per cent growth rate for M_1 . The B growth rates seem obtainable with little further significant change in money market conditions and short-term interest rates, in light of the sharp increases in short-term rates that have already occurred during the past two months. Thus, the Federal funds rate under this alternative centers around 10 per cent. The still more rapid longer-run growth rates of alternative A--including a $6\frac{3}{4}$ per cent rate for M_1 over the second and third quarters--appear likely to be associated with declines in both short- and long-term interest rates.

(11) Over the April-May period, M_1 growth is likely to be somewhat above the long-run path. Under alternative B, for example, M_1 growth is indicated in the 6--8 per cent range. These above-path increases reflect in large part the sizable expansion in M_1 currently estimated for April. Given the lagged relationship between interest rates and money demand, however, M_1 growth is expected to moderate later as it approaches the longer-run path.

(12) Between now and mid-May, short-term interest rates could decline somewhat under alternative B. Indeed, the very recent drop in the 3-month bill rate probably is anticipating some of the potential for downward rate adjustments. Any decline that did develop over the next few weeks is very likely to be temporary, assuming a 10 per cent Federal funds rate. Over the longer run, the 3-month bill rate would seem most likely to fluctuate around a $8\frac{1}{2}$ -- $8\frac{3}{4}$ per cent range.

(13) A number of factors might contribute to temporary easing in short-term markets in the weeks immediately ahead. The extremely large issuance of new CD's by banks, which has contributed to recent upward pressures on short-term rates, has partly reflected advance preparation for large tax date maturities, and those pressures should abate after mid-April. Funds from large oil payments in April may also become available to the short-term sector of U.S. credit markets via U.S. banks' use of the Euro-dollar market. In addition, that portion of the \$4½ billion of maturing April tax bills not turned in for taxes would generate reinvestment demand for short-term securities. Finally, the Treasury's May refunding--to be announced on May 1--might include some cash redemption of the \$5½ billion of maturing publicly held debt because of the possibility of debt ceiling problems.

(14) A rise in the funds rate over the next few weeks--such as would be likely under alternative C-- would generate market expectations of a further tightening of monetary policy. This would offset any tendency for short-term rates to decline, even temporarily, and would probably result in further upward adjustments. Over the next few months, the 3-month bill rate could be around 9 per cent, and possibly higher in the summer when Treasury cash borrowing demands are seasonally strong.

(15) Under alternative B, with market interest rates little changed on balance from current high levels, net savings inflows to nonbank thrift institutions are likely to be slower than the 8 per cent first-quarter pace. We would estimate a growth rate of about 6 per cent in the second quarter and 4 per cent in the third, assuming no change in

Regulation Q. Under alternative C, these institutions would come under greater pressure, of course, but in either case some tightening in the availability of mortgage loan commitments would be likely, compared with the situation in the early months of the year.

(16) Net inflows to commercial banks of time and savings deposits other than large CD's are likewise expected to be slower over the months ahead than in the first quarter, though the experience of banks may continue to be somewhat better than at thrift institutions. Commercial banks appear to be having greater success than the specialized thrift institutions in attracting large time deposits (those of \$100,000 or more) that are not subject to Regulation Q ceilings. Such deposits are reported as part of the other time and savings category and, unlike large negotiable CD's, are included in the M_2 measure.

(17) We would expect banks to offset some part of any loss in other time and savings deposits through increased issuance of large CD's or greater borrowing in the Euro-dollar market, depending on relative costs. However, under any of the alternatives presented, the amount of borrowing by banks through CD's and nondeposit sources is expected to be considerably less than in recent weeks, partly because preparations for tax-date run-offs will have been completed and partly because business loan demand on banks is expected to moderate from the exceptionally rapid pace of March. Moreover, it is probable that the spread between the bank lending rate and the commercial paper rate will favor bank credit less than was the case in March.

(18) In intermediate- and long-term debt markets, demands are likely to remain strong over the weeks ahead. Corporate and State and local government bond offerings remain quite high, despite recent postponements. Also, the Treasury refunding will probably involve marketing securities with mainly intermediate-term maturities. Given the volume of private and governmental securities in prospect, bond yields could rise considerably further under alternative C. High-grade corporate issues, which are already above their summer highs, could approach their 1970 peaks, and Treasury notes and bonds could rise above them (the 20 year Treasury bond is already above the earlier peak). Under alternative B, further upward adjustments in bond yields are likely to be comparatively modest, given the increases that already have occurred and the stabilizing tendencies that we would expect in short-term markets.

(19) Under alternative A, savings inflows to thrift institutions would be expected to recover to close to their first-quarter pace, as receding market rates provide less competition for savings funds. At banks, deposits inflows--both demand and consumer-type time and savings--would probably be well sustained. As a result, credit demands could be financed without banks adding to pressures on credit markets through aggressive issuance of large CD's or reductions in portfolio liquidity.

Proposed directive language

(20) 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. For all three alternatives, it is proposed to include a reference to Treasury financing because the regular May refinancing will be announced on May 1.

Alternative A

To implement this policy, while taking account of THE FORTHCOMING TREASURY FINANCING AND OF international and domestic financial market developments, ~~including the prospective-Treasury-financing;~~ the Committee seeks to achieve bank reserve and money market conditions ~~that-would-moderate~~ CONSISTENT WITH growth in monetary aggregates over the months ahead SUFFICIENT TO ACCOMMODATE MODERATE EXPANSION IN REAL GNP AT THE HIGHER DOLLAR VALUES NOW PREVAILING.

Alternative B

To implement this policy, while taking account of THE FORTHCOMING TREASURY FINANCING AND OF international and domestic financial market developments, ~~including the-prospective-Treasury-financing;~~ the Committee seeks to achieve bank reserve and money market conditions that would moderate SOMEWHAT growth in monetary aggregates over the months ahead.

Alternative C

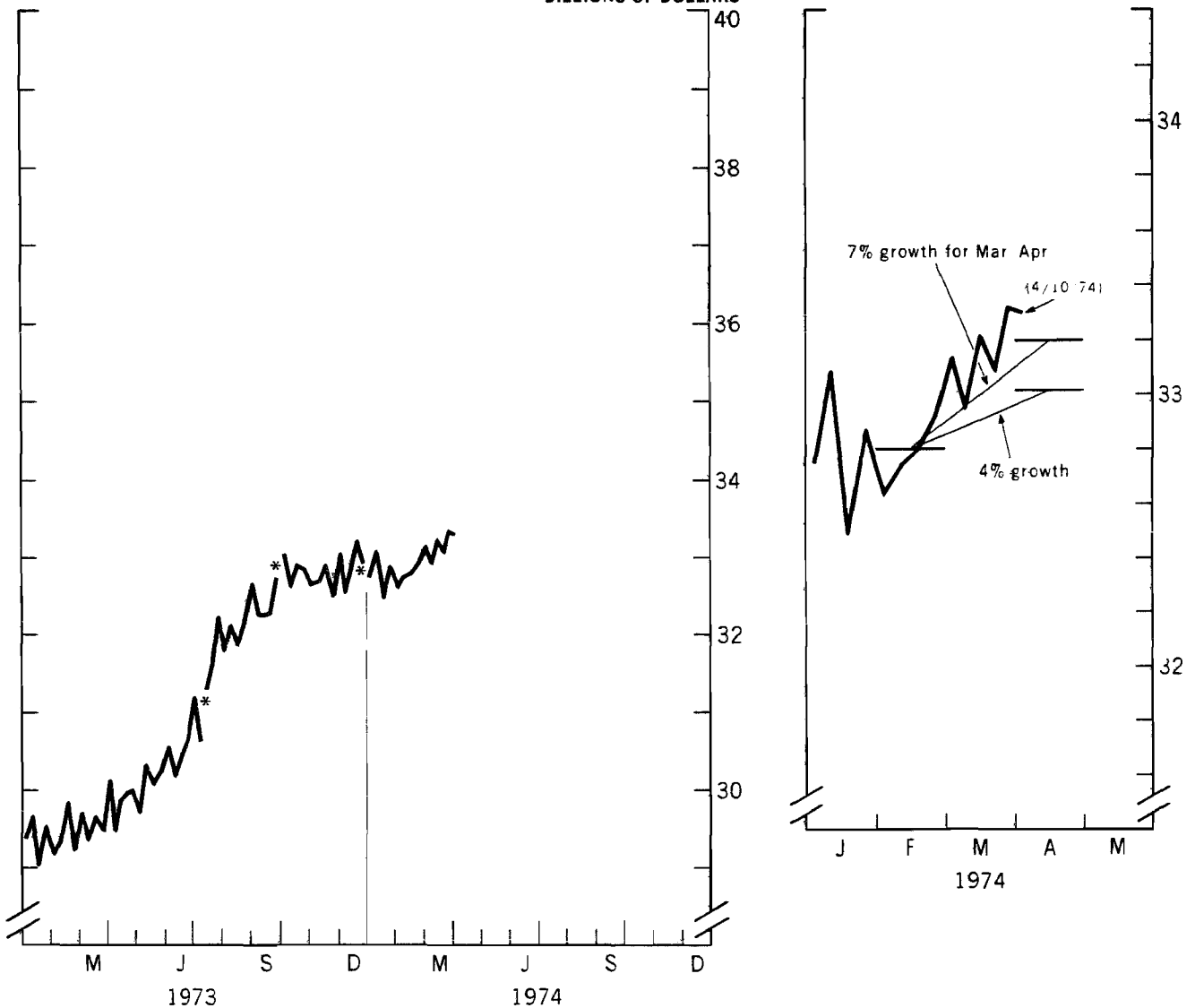
To implement this policy, while taking account of THE FORTHCOMING TREASURY FINANCING AND OF international and domestic financial market developments, ~~including the prospective-Treasury-financing~~; the Committee seeks to achieve bank reserve and money market conditions that would moderate growth in monetary aggregates over the months ahead.

(21) In the event that the Committee wishes to couch the operational paragraph of the directive in terms of money market conditions, the specifications of alternative B might be associated with language indicating that "...the Committee seeks to maintain about the prevailing money market conditions, provided that the monetary aggregates appear to be growing at rates within the specified ranges of tolerance."

RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS

REVISED SERIES

BILLIONS OF DOLLARS



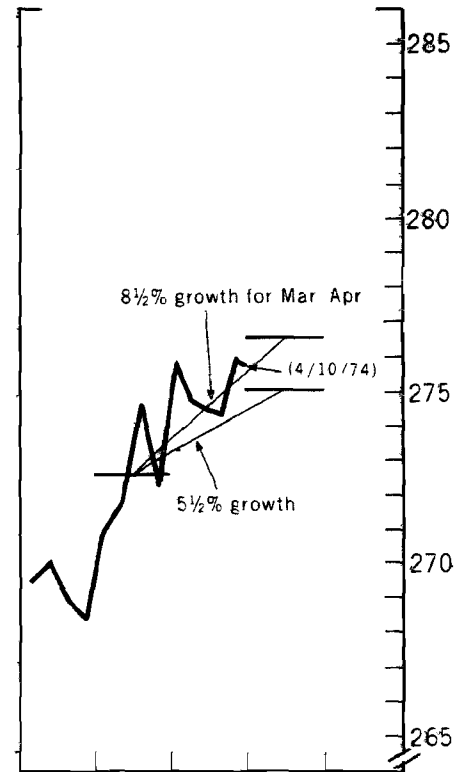
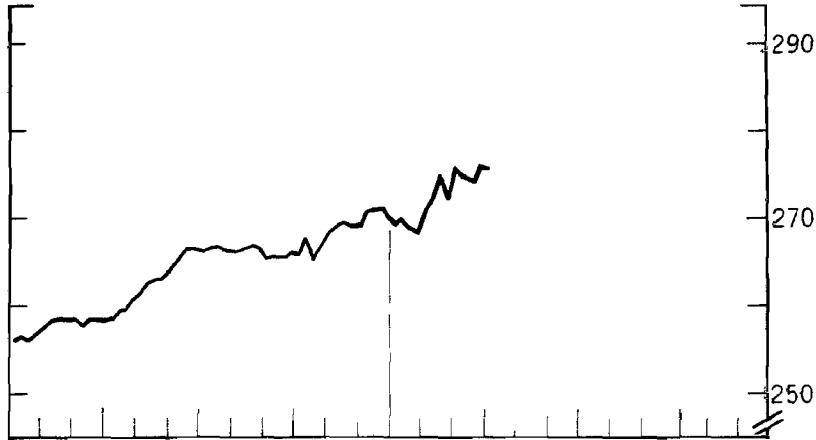
* Break in Series Actual Level of RPD After Changes in Reserve Requirements

MONETARY AGGREGATES

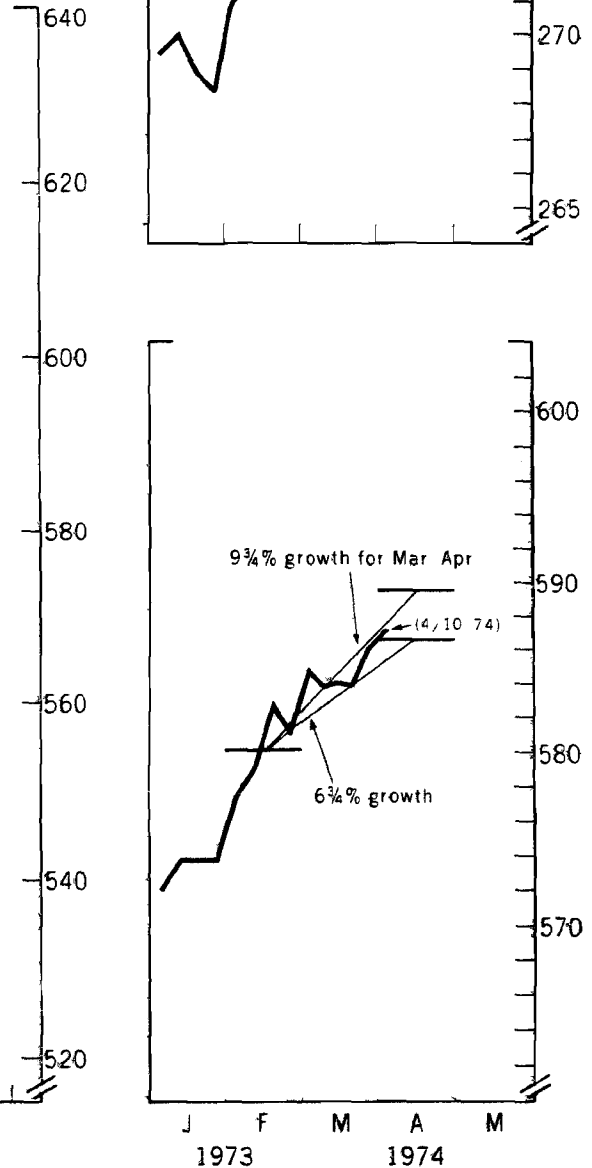
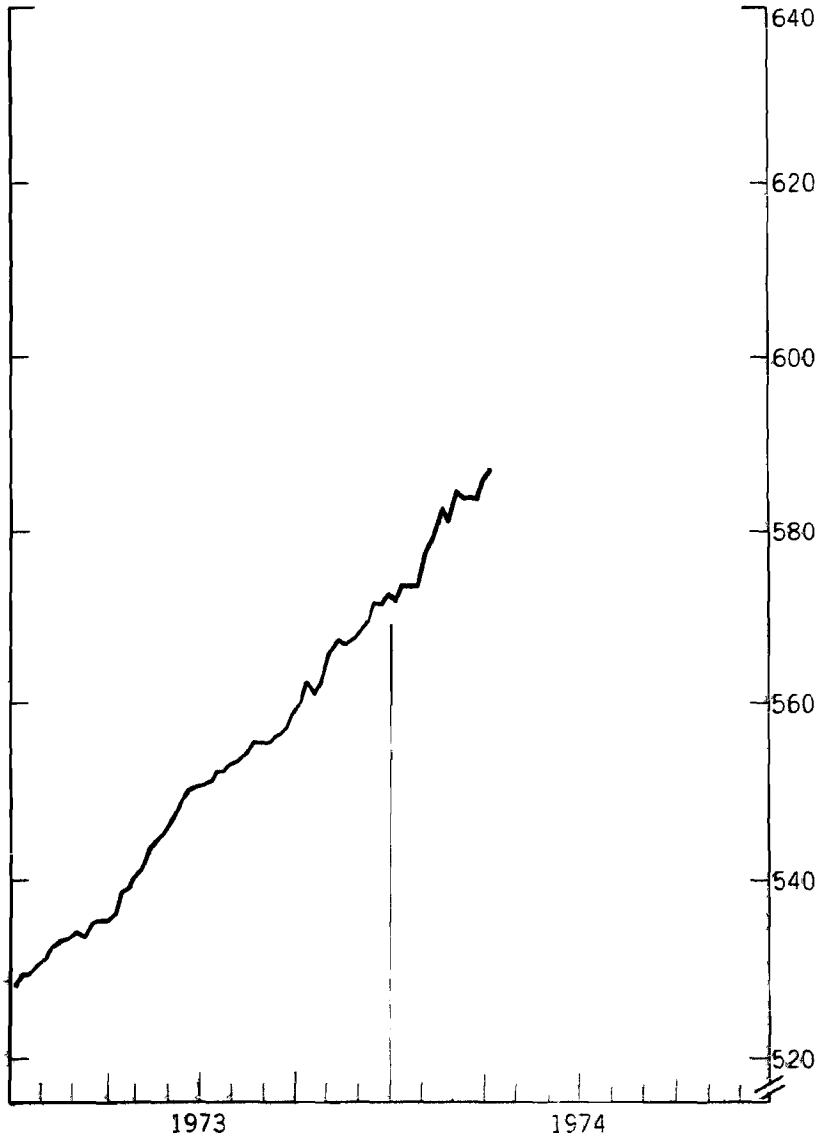
REVISED SERIES

NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS



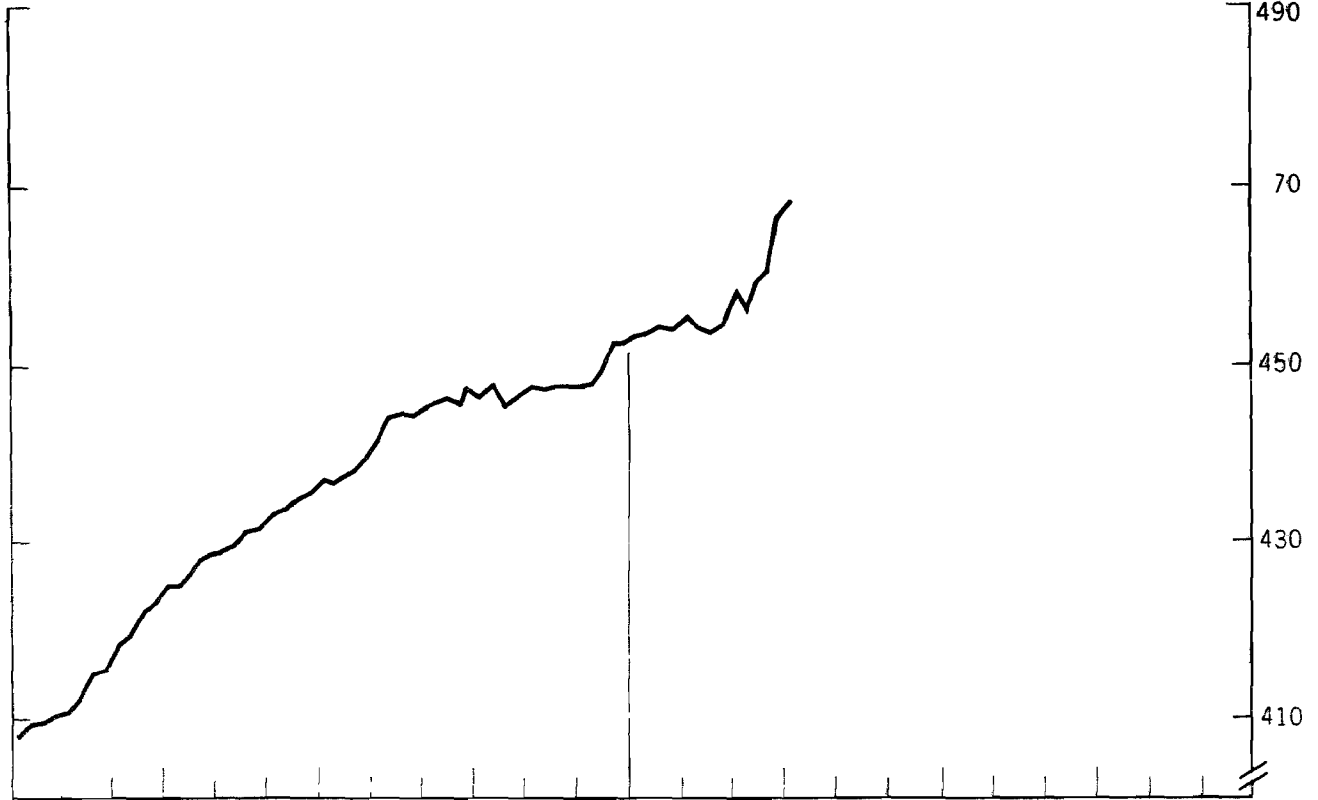
BROADER MONEY SUPPLY M2



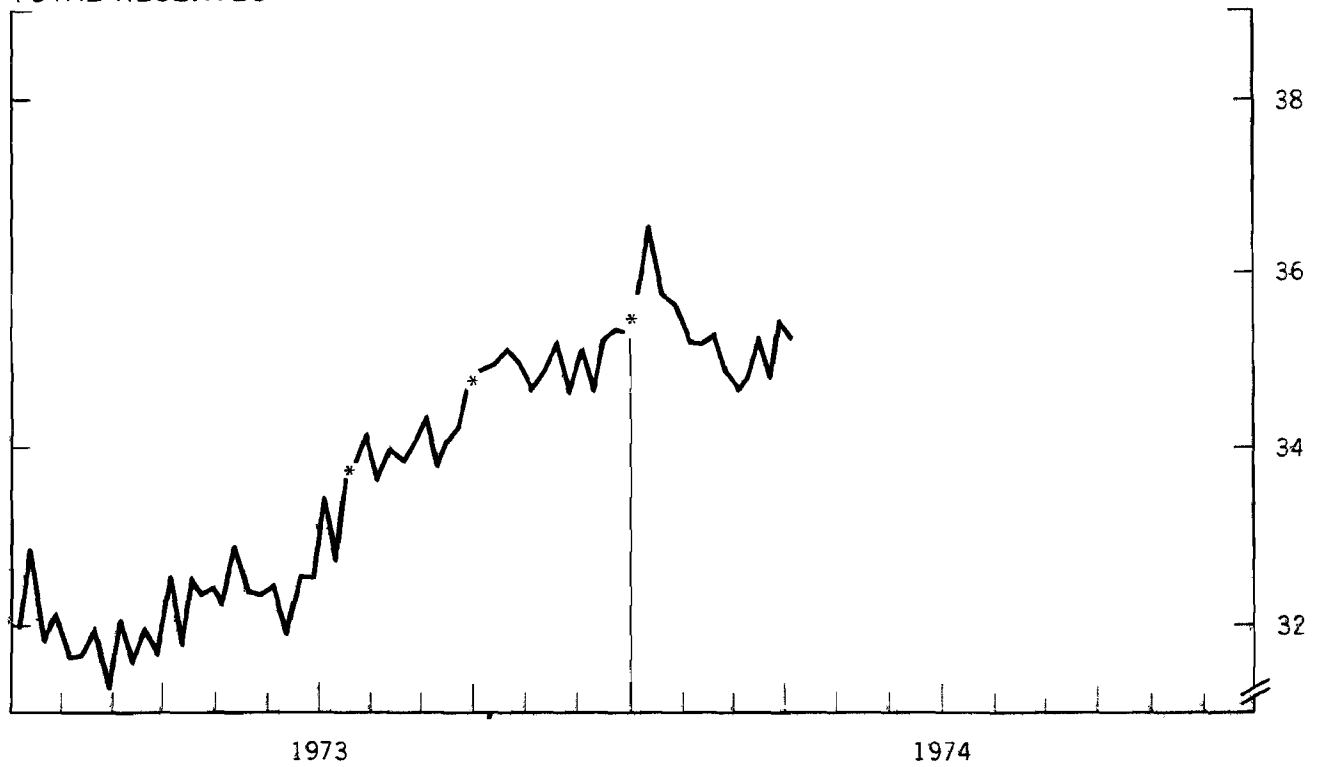
MONETARY AGGREGATES

ADJUSTED CREDIT PROXY

BILLIONS OF DOLLARS



TOTAL RESERVES

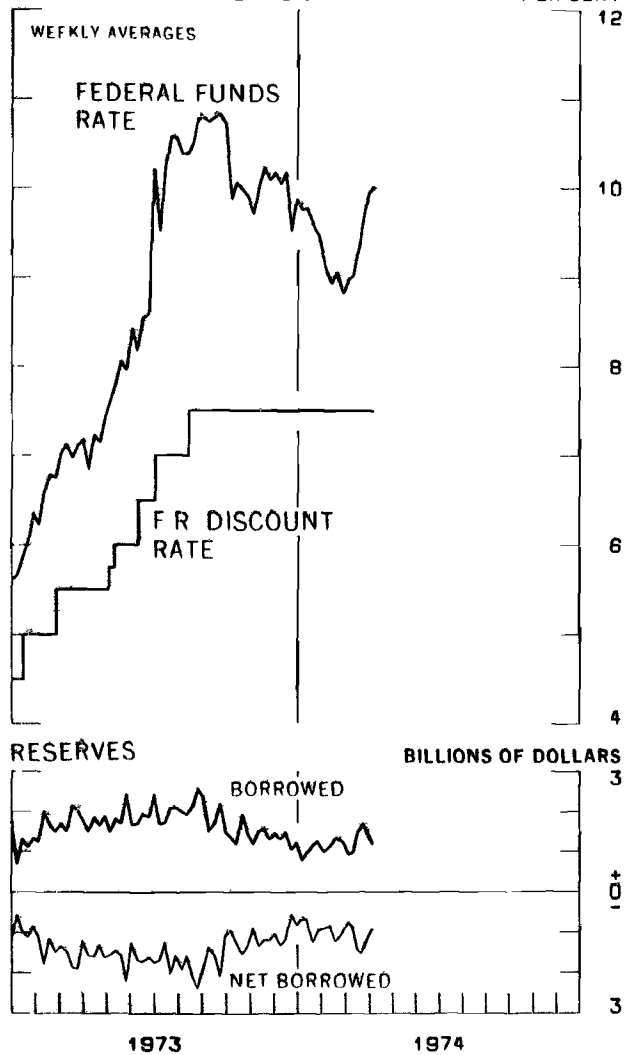


* Break in series, Actual Level of Total Reserves After Changes in Reserve Requirements

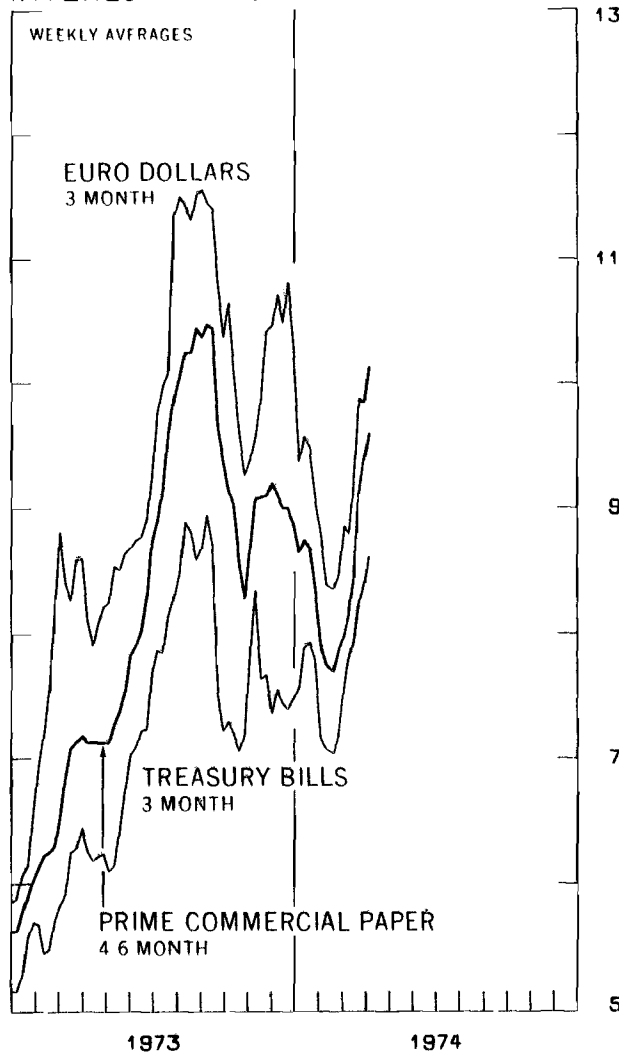
CHART 4

MONEY MARKET CONDITIONS AND INTEREST RATES

MONEY MARKET CONDITIONS



INTEREST RATES Short-term



INTEREST RATES Long-term

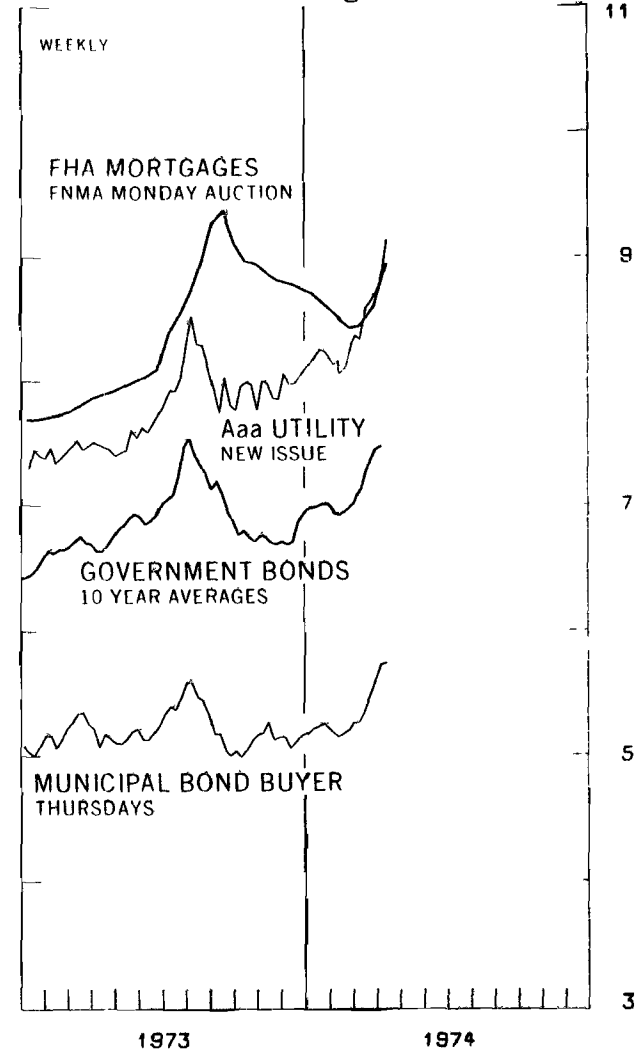


TABLE 1

STRICTLY CONFIDENTIAL

BANK RESERVES
(ACTUAL AND CURRENT PROJECTIONS)

APRIL 12, 1974

PERIOD	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES			
	SEAS ADJ	NON SEAS ADJ	TOTAL RESERVES	NONAPPROVED 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								
1973--DEC.	32,912	33,167	35,105	33,807	20,227	8,460	3,918	2,193
1974--JAN.	32,799	33,867	35,850	34,799	20,305	8,525	3,807	3,051
FEB.	32,791	32,875	35,108	33,916	20,039	8,601	3,967	2,316
MAR.	33,122	32,893	34,952	33,638	20,291	8,654	4,037	1,831
APR.	(33,560)	(33,641)	(35,775)	(34,412)	(20,318)	(8,651)	(4,372)	(2,215)
ANNUAL RATES OF CHANGE								
QUARTERLY:								
1973--3RD QTR.	14.2		10.6	11.3	1.4	15.7	90.5	
4TH QTR.	1.4		6.1	13.4	5.8	17.7	-52.2	
1974--1ST QTR.	6.2		1.7	1.6	1.3	9.2	42.4	
MONTHLY:								
1973--DEC.	9.4		10.5	14.4	15.1	4.3	-27.4	
1974--JAN.	6.9		35.7	45.9	4.6	9.2	57.6	
FEB.	-0.3		-24.8	-30.4	-15.7	10.7	50.4	
MAR.	12.1		-5.3	-9.8	15.1	7.4	21.2	
APR.	(15.9)		(28.3)	(27.6)	(1.6)	(-0.4)	(99.6)	
MAR.-APR.	(14.1)		(11.4)	(8.8)	(8.4)	(3.5)	(61.3)	
WEEKLY LEVELS--\$MILLIONS								
1974--FEB. 6	32,641	33,165	35,199	34,201	20,033	8,578	3,906	2,559
13	32,739	32,873	35,167	34,014	19,874	8,579	3,992	2,428
20	32,795	32,812	35,277	33,901	20,107	8,613	3,961	2,482
27	32,921	32,702	34,865	33,614	20,097	8,626	3,992	1,944
MAR. 6	33,134	32,810	34,663	33,751	20,351	8,647	4,017	1,530
13	32,937	32,593	34,792	33,809	20,140	8,662	4,019	1,855
20	33,214	33,029	35,233	33,750	20,469	8,658	4,007	2,019
27	33,090	32,954	34,781	33,068	20,227	8,648	4,068	1,691
APR. 3	33,319	33,195	35,475	33,972	20,263	8,651	4,099	2,156
10	33,304	33,036	35,217	34,022	20,216	8,647	4,204	1,913

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF MARCH 19, 1974 THE COMMITTEE AGREED ON A RPD RANGE OF 4 TO 7 PERCENT FOR THE MAR-APR PERIOD.

TABLE 2

STRICTLY CONFIDENTIAL

MONETARY AGGREGATES
(ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED)

APRIL 12, 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								
1973--DEC.	270.4	570.7	449.6	4.9	363.1	300.3	62.8	7.4
1974--JAN.	269.6	573.7	454.3	6.2	369.6	304.1	65.5	7.5
FEB.	272.5	580.1	454.8	3.0	374.2	307.6	66.6	7.7
MAR.	274.9	584.3	459.3	3.7	377.1	309.4	67.7	8.7
APR.	(276.7)	(588.6)	(468.1)	(4.5)	(384.9)	(311.9)	(73.1)	(9.3)
PERCENT ANNUAL GROWTH								
QUARTERLY								
1973--3RD QTR.	-0.2	5.2	10.5		14.0	10.4		
4TH QTR.	7.5	10.1	3.3		5.8	12.5		
1974--1ST QTR.	6.7	9.5	8.6		15.4	12.1		
MONTHLY								
1973--DEC.	7.1	8.5	5.6		10.7	10.1		
1974--JAN.	-3.6	6.3	12.5		21.5	15.2		
FEB.	12.9	13.4	1.3		14.0	13.8		
MAR.	10.6	8.7	11.9		9.3	7.0		
APR.	(7.9)	(8.8)	(23.0)		(24.8)	(9.7)		
MAR.-APR.	(9.2)	(8.8)	(17.5)		(17.2)	(8.4)		
WEEKLY LEVELS--\$BILLIONS								
FEB. 4	270.4	577.3	455.5	4.5	373.2	306.4	66.8	7.2
13	271.8	579.1	454.5	7.5	374.2	307.2	67.0	7.8
20	274.6	582.6	453.7	1.5	374.4	308.0	66.4	7.9
27	272.3	581.2	454.8	3.1	375.1	308.8	66.2	7.7
MAR. 4	275.8	584.7	458.2	4.2	374.9	308.9	65.9	8.0
13	274.8	583.9	456.4	3.0	375.9	309.0	66.8	8.1
20	274.5	584.0	459.3	4.0	376.6	309.5	67.1	8.8
27 P	274.3	583.9	460.3	3.6	378.4	309.6	68.8	9.2
APR. 3 P	276.0	586.1	466.4	4.8	381.3	310.1	71.2	9.6
10 PE	275.7	587.3	468.5	5.0	385.7	311.6	74.1	9.2

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY

PE - PARTIALLY ESTIMATED

APRIL 12, 1974

TABLE 3
RESERVE EFFECTS OF
OPEN MARKET OPERATIONS AND OTHER RESERVE FACTORS
(Millions of dollars, not seasonally adjusted)

	Open Market Operations 1/					Daily Average Reserve Effect 2/			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/ (11)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Monthly											
1973 -- Sept	-494	--	-30	531	7	-583	-282	1,150	-149	434	475
Oct.	1,972	--	172	295	2,440	1,986	-395	-678	379	534	1,005
Nov.	-1,008	533	71	-902	-1,307	394	-68	-646	-190	-130	860
Dec.	1,862	226	128	-831	1,386	1,336	-101	-759	-70	546	475
1974 -- Jan	-397	179	-10	-100	-328	1,031	-254	698	773	702	895
Feb.	-37	30	74	--	71	9	143	-1,505	-356	-997	-875
March	-64	190	122	1,531	1,780	-74	166	-302	-323	113	-30
April											315
May											
Weekly											
1974 -- Feb. 6	-382	--	-38	-1,864	-2,285	-685	-222	243	31	-695	
13	394	--	--	2,288	2,683	269	155	-551	165	-292	
20	185	30	120	1,049	1,384	888	223	-1,071	101	-61	
27	-124	--	-8	-3,106	-3,238	-1,001	-125	589	-427	-110	
Mar. 6	-759	--	-5	370	-394	-376	-339	497	-326	108	
13	-416	--	-43	2,116	1,657	-21	71	65	332	-217	
20	451	190	--	-893	-252	677	501	-732	25	421	
27	-18	--	170	-1,474	-1,321	136	229	-812	-387p	60p	
Apr 3	--	--	--	251	251	494	-210	480	532p	232p	
10	-5	--	--	--	-5	-785	-308	752	-182p	-159p	
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 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 March and April reflects the target adopted at the March 19, 1974 FOMC meeting. Target change for previous months reflects the bluebook patterns that are consistent with target ranges that were adopted during the month.

APRIL 12, 1974

TABLE 4
 SECURITY DEALER POSITIONS AND BANK POSITIONS
 Millions of dollars

Period	U S Govt. Security Dealer Positions		Dealer Positions		Excess** Reserves	Member Bank Reserves Positions			
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)		Borrowing at FRB**		Basic Reserve Deficit	
						Total (6)	Seasonal (7)	8 New York (8)	38 Others (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	388	1,713	48	-6,189	-11,987
-- Low	1,501	154	14	46	-83	776	13	-3,229	-9,541
1973 -- Mar.	2,490	-50	24	125	177	1,825		-4,273	-5,847
Apr.	2,457	106	12	60	255	1,688	3	-3,293	-6,577
May	1,894	421	66	151	161	1,843	30	-3,019	-5,872
June	2,281	562	33	120	234	1,851	75	-3,507	-6,443
July	1,425	265	24	139	285	1,953	155	-2,460	-6,106
Aug.	1,690	39	0	70	177	2,165	163	-2,689	-4,940
Sept.	2,745	395	6	80	216	1,852	148	-3,173	-5,355
Oct.	2,565	484	44	226	227	1,476	126	-3,814	-6,090
Nov.	2,804	793	90	148	239	1,393	84	-4,469	-8,186
Dec.	3,441	973	105	276	307	1,298	41	-4,682	-9,793
1974 -- Jan.	3,102	540	114	254	162	1,051	18	-4,753	-10,893
Feb.	2,436	1,619	120	263	184	1,162	17	-5,262	-10,769
Mar	*1,986	* 583	68	239	136p	1,314p	32p	-5,022p	-10,947p
1974 -- Feb 6	2,759	898	88	226	124	998	18	-4,118	-10,417
13	2,781	2,203	253	210	294	1,153	15	-5,656	-10,719
20	2,171	1,882	95	245	114	1,376	20	-5,726	-10,863
27	2,096	1,508	115	299	206	1,251	16	-5,341	-10,907
Mar. 6	2,474	1,097	114	298	118	912	19	-5,911	-10,497
13	2,466	848	14	286	116	983	19	-5,858	-11,388
20	*1,501	* 520	71	167	80	1,483	34	-4,304	-11,441
27	*1,538	* 154	73	204	147p	1,713p	44p	-4,402	-11,298
Apr 3	*2,264	* 263	86	97	306p	1,503p	48p	-4,078p	-11,226p
10	*2,120	* 212	55p	46	236p	1,195p	41p	-5,396p	-11,482p
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 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.

APRIL 12, 1974

TABLE 5
SELECTED INTEREST RATES
Per cent

Period	Short-Term						Long-Term				
	Federal Funds (1)	Treasury Bills		90-119 Day Commercial paper (4)	CD's New Issue-NYC		Aaa Utility		Municipal Bond Buyer (9)	U.S. Government (10-yr Constant Maturity) (10)	FNMA Auction Yields (11)
		90-Day (2)	1-Year (3)		60-89 Day (5)	90-119 Day (6)	New Issue (7)	Recently Offered (8)			
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	10.02	8.60	8.10	9.63	9.75	9.75	9.13	8.92	5.75	7.50	8.95
Low	8.81	7.04	6.39	7.88	8.00	7.88	8.05	8.14	5.16	6.93	8.43
1973 -- Mar	7.09	6.09	6.53	6.76	6.78	6.75	7.49	7.51	5.29	6.71	7.78
Apr.	7.12	6.26	6.51	7.13	7.04	6.75	7.46	7.48	5.15	6.67	7.89
May	7.84	6.36	6.63	7.26	7.44	7.41	7.51	7.50	5.15	6.85	7.98
June	8.49	7.19	7.05	8.00	7.98	8.13	7.64	7.64	5.18	6.90	8.07
July	10.40	8.01	7.97	9.26	9.09	9.19	8.01	7.97	5.40	7.13	8.46
Aug	10.50	8.67	8.32	10.26	10.25	10.40	8.36	8.22	5.48	7.40	8.83
Sept	10.78	8.29	8.07	10.31	10.31	10.50	7.88	7.99	5.10	7.09	9.32
Oct	10.01	7.22	7.17	9.14	9.15	9.08	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
1974 -- Feb 6	9.13	7.16	6.59	8.25	8.13	8.00	8.13	8.19	5.16	6.94	--
13	8.93	7.08	6.47	8.03	8.13	8.00	8.05	8.25	5.18	6.93	8.53
20	9.07	7.04	6.39	7.88	8.00	7.88	8.10	8.24	5.21	6.96	--
27	8.81	7.20	6.54	7.88	8.13	8.00	8.30	8.29	5.26	7.01	8.43
Mar 6	8.98	7.60	6.91	8.15	8.25	8.13	8.37	8.27	5.27	7.08	--
13	9.03	7.81	7.02	8.33	8.38	8.25	8.33	8.37	5.32	7.12	8.44
20	9.33	7.93	7.26	8.58	8.75	8.63	8.59	8.52	5.46	7.28	--
27	9.61	8.22	7.83	9.10	9.38	9.25	8.64	8.67	5.57	7.38	8.62
Apr. 3	9.93	8.41	7.84	9.45	9.38	9.25	8.78	8.75	5.73	7.47	--
10	10.02	8.60	8.10	9.63	9.75	9.75	9.13p	8.92p	5.75	7.50p	8.95
17											
24											

NOTES: 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.

APPENDIX TABLE I
RESERVES AND MONETARY VARIABLES

April 12, 1974

Period	RESERVES			MONEY STOCK MEASURES			BANK CREDIT MEASURES		OTHER					
	Total	Nonborrowed	Available to Support Pvt. Deposits	M ₁	M ₂	M ₃	Adjusted Credit Proxy	Total Loans and Investments	Total Time	Time Other than CD's	Thrift Institution Deposits 1/	CD's	Nondeposit Funds	U.S. Gov't Demand
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	(Per Cent Annual Rates of Growth)						(Dollar Change in Billions)							
Annually:														
1970	+6.0	+9.3	+8.7	+6.0	+8.4	+8.0	+8.2	+8.1	+17.9	+11.1	+7.1	+14.4	-8.4	+1.2
1971	+7.2	+7.8	+6.9	+6.3	+11.2	+13.4	+9.4	+11.2	+18.2	+16.7	+17.5	+ 7.7	-7.6	-0.4
1972	+10.6	+7.7	+10.1	+8.7	+11.1	+13.1	+11.6	+14.6	+15.7	+13.5	+16.9	+10.4	+0.4	--
1973	+7.8	+7.2	+9.3	+5.7	+8.6	+8.6	+10.6	+12.6	+15.9	+11.3	+8.6	+19.4	+3.0	-1.2
Semi-Annually:														
1st Half 1972	+10.8	+11.0	+8.3	+7.7	+10.7	+13.0	+11.2	+13.6	+15.4	+13.8	+17.3	+4.4	-0.2	-1.0
2nd Half 1972	+9.9	+4.1	+11.5	+9.4	+10.9	+12.5	+11.3	+14.7	+14.8	+13.8	+15.4	+6.0	+0.6	+0.1
1st Half 1973	+6.7	+1.6	+10.3	+7.7	+9.1	+10.0	+13.8	+16.6	+20.7	+10.3	+11.7	+18.6	+1.2	-0.8
2nd Half 1973	+8.6	+12.7	+7.8	+3.7	+7.8	+6.9	+7.0	+8.0	+10.0	+11.6	+5.3	+ 0.8	+1.8	-0.4
Quarterly:														
1st Qtr. 1972	+8.7	+9.1	+9.6	+9.0	+12.3	+14.6	+10.5	+15.7	+14.5	+15.5	+18.9	+0.7	-0.3	-0.4
2nd Qtr. 1972	+12.6	+12.6	+6.9	+6.2	+8.9	+10.9	+11.6	+11.1	+15.7	+11.7	+14.7	+3.7	+0.1	+0.3
3rd Qtr. 1972	+4.4	-0.9	+10.4	+8.7	+10.8	+12.8	+10.2	+13.0	+14.3	+12.7	+16.2	+2.4	+0.3	-1.1
4th Qtr. 1972	+15.1	+9.2	+12.2	+9.9	+10.6	+11.8	+12.1	+15.8	+14.8	+11.4	+13.9	+3.6	+0.3	+1.2
1st Qtr. 1973	+6.4	-3.6	+7.8	+3.8	+6.9	+9.4	+14.6	+19.9	+22.7	+ 9.9	+13.6	+11.2	+0.5	+1.5
2nd Qtr. 1973	+6.9	+7.0	+12.5	+11.5	+11.1	+10.4	+12.6	+12.7	+17.8	+10.4	+9.4	+7.4	+0.7	-2.3
3rd Qtr. 1973	+10.6	+11.3	+14.2	-0.2	+5.2	+4.5	+10.5	+11.4	+14.0	+10.4	+3.1	+4.7	+1.7	-0.3
4th Qtr. 1973	+6.1	+13.4	+1.4	+7.5	+10.1	+9.2	+3.3	+4.4	+5.8	+12.5	+7.5	-3.9	+0.1	-0.1
1st Qtr. 1974	+1.7	+1.6	+6.2	+6.7	+9.5	+9.0	+8.6	+16.2	+15.4	+12.1	+8.2	+4.9	+1.3	-1.2
Monthly:														
1973--Jan.	+30.1	+26.8	+15.9	+4.7	+9.4	+11.7	+9.7	+17.8	+16.5	+12.9	+15.8	+ 1.3	+0.6	+0.6
Feb.	-21.1	-38.5	-2.9	+5.6	+6.1	+9.1	+11.1	+23.7	+22.3	+ 7.0	+14.4	+ 4.4	-0.5	-0.6
Mar.	+10.5	+1.8	+10.3	+0.9	+5.2	+7.2	+22.3	+17.2	+28.2	+ 9.6	+10.2	+ 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	+9.4	+ 3.8	+0.2	-0.5
May	+5.4	+0.5	+9.9	+13.9	+11.8	+10.3	+11.0	+16.6	+18.9	+10.3	+7.8	+ 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	+10.8	+ 0.7	+0.2	+0.1
July	+27.2	+24.9	+18.5	+4.1	+5.7	+6.1	+8.6	+13.3	+12.5	+ 7.6	+6.5	+ 1.9	+0.9	-1.4
Aug.	-5.1	-13.5	+10.1	-0.9	+6.3	+4.1	+17.0	+16.7	+19.2	+13.0	--	+ 2.4	+0.6	+0.9
Sept.	+9.4	+21.9	+13.3	-3.6	+3.7	+3.2	+5.7	+4.1	+ 9.8	+10.4	+2.7	+ 0.4	+0.2	+0.2
Oct.	+12.1	+26.7	+1.0	+5.0	+10.8	+9.1	+1.6	+6.7	+ 3.4	+16.1	+6.4	- 2.9	-0.4	+1.0
Nov.	-4.3	-1.6	-6.3	+10.4	+10.9	+9.7	+2.7	+5.0	+ 3.3	+11.0	+7.2	- 1.8	+0.2	-0.2
Dec.	+10.5	+14.4	+9.4	+7.1	+8.5	+8.5	+5.6	+1.5	+10.7	+10.1	+8.6	+ 0.8	+0.3	-0.9
1974--Jan.	+35.7	+45.9	+6.9	-3.6	+6.3	+7.0	+12.5	+15.8	+21.5	+15.2	+8.2	+2.7	+0.1	+1.3
Feb.	-24.8	-30.4	-0.3	+12.9	+13.4	+11.2	+1.3	+15.0	+14.9	+13.8	+7.4	+1.1	+0.2	-3.2
Mar. p	-5.3	-9.8	+12.1	+10.6	+8.7	+8.7	+11.9	+17.1	+9.3	+7.0	+8.8	+1.1	+1.0	+0.7

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

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

p - Preliminary.

April 12, 1974

Appendix Table II
RESERVES AND MONETARY VARIABLES
(Seasonally adjusted, billions of dollars)

Period	RESERVES			MONEY STOCK MEASURES				BANK CREDIT MEASURES		OTHER					
	Total (1)	Non- borrowed (2)	Available to Support Pvt. Deposits (3)	M ₁		M ₂ (6)	M ₃ (7)	Adjusted Credit Proxy (8)	Total Loans & Investments (9)	Total Time (10)	Time Other than CD's (11)	Thrift Institution Deposits ^{1/} (12)	CD's (13)	Non- Deposits Funds (14)	U.S. Gov't Demand (15)
				Total (4)	Pvt. Dep. (5)										
ANNUALLY:															
Dec. 1970	29,193	28,861	27,099	221.2	172.2	425.2	641.2	332.9	439.5	229.2	203.9	216.1	25.3	11.6	6.5
Dec. 1971	31,299	31,173	28,965	235.2	182.6	473.0	726.9	364.3	487.6	270.9	237.9	253.9	33.0	4.0	6.1
Dec. 1972	31,410	30,360	29,053	255.7	198.7	525.5	822.4	406.4	559.0	313.3	269.9	296.9	43.4	4.4	6.1
MONTHLY:															
1973--															
Jan.	32,199	31,037	29,439	256.7	199.6	529.6	830.4	409.7	567.3	317.6	272.8	300.8	44.7	5.0	6.7
Feb.	31,634	30,040	29,368	257.9	200.4	532.3	836.7	413.5	578.5	323.5	274.4	304.4	49.1	4.5	6.1
Mar.	31,910	30,085	29,621	258.1	200.1	534.6	841.7	421.2	586.8	331.1	276.6	307.0	54.6	4.9	7.6
Apr.															
Apr.	32,300	30,589	29,867	259.4	200.8	538.3	847.7	426.6	593.2	337.3	278.9	309.4	58.4	5.1	7.1
May	32,445	30,602	30,114	262.4	203.4	543.6	855.0	430.5	601.4	342.6	281.3	311.4	61.3	5.4	5.2
June	32,459	30,608	30,548	265.5	206.2	549.4	863.5	434.5	605.5	345.8	283.8	314.2	62.0	5.6	5.3
July															
July	33,576	31,622	31,358	266.4	207.0	552.0	867.9	437.6	612.2	349.4	285.6	315.4	63.4	6.5	3.9
Aug.	33,906	31,741	32,038	266.2	206.4	554.9	870.9	443.8	620.7	355.0	288.7	315.9	66.3	7.1	4.8
Sept.	34,173	32,321	32,394	265.4	205.2	556.6	873.2	445.9	622.8	357.9	291.2	316.6	66.7	7.3	5.0
Oct.															
Oct.	34,942	33,466	32,845	266.5	206.1	561.6	879.8	446.5	626.3	358.9	295.1	318.3	63.8	6.9	6.0
Nov.	34,857	33,463	32,714	268.8	207.9	566.7	886.9	447.5	628.9	359.9	297.8	320.2	62.0	7.1	5.8
Dec.	35,105	33,807	32,912	270.4	208.8	570.7	893.2	449.6	629.7	363.1	300.3	322.5	62.8	7.4	4.9
1974--															
Jan.	35,850	34,799	32,799	269.6	207.8	573.7	898.4	454.3	638.0	369.6	304.1	324.7	65.5	7.5	6.2
Feb.	35,108	33,916	32,791	272.5	210.0	580.1	906.8	454.8	646.0	374.2	307.6	326.7	66.6	7.7	3.0
Mar.	34,952	33,638	33,122	274.9	211.7	584.3	913.4	459.3	655.2	377.1	309.4	329.1	67.7	8.7	3.7
WEEKLY:															
1974--															
Jan. 2	35,312	34,102	32,921	270.3	208.8	572.6	--	452.5	--	366.5	302.2	--	64.3	7.0	6.0
9	35,752	34,976	32,747	269.5	207.8	572.0	--	453.1	--	367.3	302.5	--	64.8	7.1	6.8
16	36,421	35,533	33,075	270.0	208.2	573.7	--	453.5	--	368.4	303.7	--	64.7	7.3	6.5
23	35,747	34,565	32,488	268.9	206.9	573.7	--	454.5	--	370.6	304.8	--	65.8	7.7	6.2
30	35,628	34,408	32,875	268.4	206.5	573.7	--	454.0	--	372.3	305.3	--	67.1	7.8	5.5
Feb.															
6	35,199	34,201	32,641	270.9	208.5	577.3	--	455.5	--	373.2	306.4	--	66.8	7.2	4.5
13	35,167	34,014	32,739	271.8	209.3	579.1	--	454.5	--	374.2	307.2	--	67.0	7.8	2.5
20	35,277	33,901	32,795	274.6	211.9	582.6	--	453.7	--	374.4	308.0	--	66.4	7.9	1.5
27	34,865	33,614	32,921	272.3	209.8	581.2	--	454.8	--	375.1	308.8	--	66.2	7.7	3.1
Mar.															
6	34,663	33,751	33,134	275.8	212.7	584.7	--	458.2	--	374.9	308.9	--	65.9	8.0	4.2
13	34,792	33,809	32,937	274.8	211.6	583.9	--	456.4	--	375.9	309.0	--	66.8	8.1	3.0
20	35,233	33,750	33,214	274.5	211.3	584.0	--	459.3	--	376.6	309.5	--	67.1	8.8	4.0
27 p	34,781	33,068	33,090	274.3	211.0	583.9	--	460.3	--	378.4	309.6	--	68.8	9.2	3.6
Apr.															
3 p	35,475	33,972	33,319	276.0	212.6	586.1	--	466.4	--	381.3	310.1	--	71.2	9.6	4.8

^{1/} Estimated monthly average levels derived by averaging end of current month and end of previous month reported data. p - Preliminary.
NOTE: Reserve requirements on Eurodollar borrowings are included beginning October 16, 1969, and requirements on bank-related commercial paper are included beginning October 1, 1970. Adjusted credit proxy includes mainly total member bank deposits subject to reserve requirements, bank-related commercial paper and Eurodollar borrowings of U.S. banks. Weekly data are daily averages for statement weeks. Monthly data are daily averages except for nonbank commercial paper figures which are for last day of month. Weekly data are not available for M₃, total loans and investments and thrift institution deposits.

Appendix Table III

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

		<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>
1972	I	9.0	5.3	12.3	11.0	14.6	13.2
	II	6.2	8.2	8.9	9.8	10.9	12.0
	III	8.7	8.2	10.8	10.8	12.8	12.6
	IV	9.9	8.4	10.6	10.2	11.8	11.8
1973	I	3.8	7.0	6.9	8.8	9.4	10.7
	II	11.5	7.5	11.1	8.7	10.4	9.1
	III	-0.2	5.5	5.2	7.9	4.5	7.2
	IV	7.5	3.9	10.1	8.5	9.2	7.3
1974	I	6.7	5.5	9.5	9.3	9.0	8.8

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

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

Appendix Table IV

Growth Rates in Money Supply for Alternatives
(Per cent change at an annual rate)

	<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>
	<u>Alt. A</u>					
1974 II	7.1	8.8	8.2	9.0	7.6	8.7
III	6.4	6.5	8.3	8.1	6.9	7.2
II & III combined	6.7	7.7	8.2	8.6	7.2	8.0
	<u>Alt. B</u>					
1974 II	6.5	8.5	7.5	8.6	6.3	7.9
III	5.7	5.8	7.0	6.9	5.9	6.1
II & III combined	6.1	7.2	7.2	7.8	6.1	7.0
	<u>Alt. C</u>					
1974 II	6.0	8.1	6.8	8.3	6.3	7.6
III	4.7	4.9	5.7	5.7	4.8	5.1
II & III combined	5.3	6.5	6.3	7.0	5.5	6.3

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

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