Prefatory Note

The attached document represents the most complete and accurate version available based on original copies culled from the files of the FOMC Secretariat at the Board of Governors of the Federal Reserve System. This electronic document was created through a comprehensive digitization process which included identifying the best-preserved paper copies, scanning those copies,[1] and then making the scanned versions text-searchable.[2] Though a stringent quality assurance process was employed, some imperfections may remain.

Please note that some material may have been redacted from this document if that material was received on a confidential basis. Redacted material is indicated by occasional gaps in the text or by gray boxes around non-text content. All redacted passages are exempt from disclosure under applicable provisions of the Freedom of Information Act.

---

[1] In some cases, original copies needed to be photocopied before being scanned into electronic format. All scanned images were deskewed (to remove the effects of printer- and scanner-introduced tilting) and lightly cleaned (to remove dark spots caused by staple holes, hole punches, and other blemishes caused after initial printing).

[2] A two-step process was used. An advanced optical character recognition computer program (OCR) first created electronic text from the document image. Where the OCR results were inconclusive, staff checked and corrected the text as necessary. Please note that the numbers and text in charts and tables were not reliably recognized by the OCR process and were not checked or corrected by staff.

Content last modified 6/05/2009.

(CONFIDENTIAL FR) May 17, 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

CONFIDENTIAL (FR)   May 17, 1974

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONS

Recent developments

(1) M_1 increased at an annual rate of 8.3 per cent in April. Growth appears to be moderating in May, and M_1 is indicated to expand at a 6.5 per cent annual rate over the April-May period, slightly below the upper end of the Committee's range of tolerance. Growth in M_2 also appears to be slowing over April and May, to a rate slightly below the mid-point of its range of tolerance, reflecting somewhat more moderate expansion of time deposits (other than large CD's) than projected at the time of the April Committee meeting.1/ Deposit inflows at nonbank thrift institutions have slowed markedly. Estimates for April show no growth, seasonally adjusted, at mutual savings banks and only a 4 per cent rate of growth at S&L's; data for recent weeks suggest the possibility of an even weaker performance in May.

1/ Growth rates for M_1 and M_2 are based on revised data. Money supply figures have been revised back to October to reflect December call report information for nonmember banks and new data for foreign agencies and branches. The revision raises the annual rate of growth for M_1 from 7.5 to 8.9 per cent in the fourth quarter of 1973, and from 6.7 to 7.1 per cent in the fourth quarter of 1974. Levels of M_1 for December and March are raised by $1 and $1.3 billion, respectively. The old and revised series are compared in appendix table V.

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

Reserve and Monetary Aggregates (Growth at SAAR in per cent)	Range of Tolerance	Latest Estimates	
RPD's	6 - 11	21.4	
M_1	3 - 7	6.5	
M_2	5½ - 8½	6.8	
Memo:		Avg. for Statement week ending	
Federal funds rate (per cent per annum)	9¾ - 11¼ 1/	April 17	10.36
		May 15	11.46

1/ On April 24 the Committee raised the upper limit of the Federal funds rate range from 10¾ per cent to 11 per cent; on May 16, the Committee agreed to change the ceiling guideline to 11¼ per cent.

(2) CD's and other non-deposit sources, however, expanded much more rapidly than projected for the inter-meeting period, as business loan demands remained strong. Mainly as a result of this, estimated RPD growth for the April-May period is far above the upper end of the Committee's range of tolerance, as indicated in the table below.

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

	Projections as of April 16, 1974 FOMC meeting	Current Projection
Change in Total RPD's 1/	561	1179
Change in Category of Use:		
Private demand deposits	18	59
Time deposits other than large CD's	25	61
CD's and nondeposit funds	485	987
Excess	60	73

1/ Changes from March to May 1974.

(3) Following the April FOMC meeting, incoming deposit data suggested that growth in both M_1 and M_2 would exceed the upper end of their ranges of tolerance. Accordingly, the Account Manager adopted a more reluctant approach to the provision of reserves, expecting the Federal funds rate to move up to around 10¾ per cent, the upper end of its range. Money market pressures proved unexpectedly strong, however, and Federal funds began to trade around 11 per cent toward the end of the statement week ending April 24th. Given these conditions, and the action to raise the discount rate to 8 per cent on April 24, Chairman Burns recommended on that day raising the upper end of the tolerance range for the Federal funds rate to 11 per cent. A majority of the Committee members concurred in this recommendation.

(4) Subsequently, the Account Manager sought reserve conditions consistent with an 11 per cent Federal funds rate. Unusually strong money market pressures persisted, however, and the Federal funds rate averaged above 11 per cent. In the past statement week the effective rate has been consistently close to 11½ per cent, although today it eased to about 11.35 per cent. It appears that member banks have had a strong preference to avoid borrowing at the discount window, opting instead to pay a higher rate on Federal funds. Apart from special borrowing by a problem bank, member bank borrowing over the past two statement weeks averaged $1.6 billion, down from an average of almost $2 billion in the previous three weeks.

(5) The Desk has been handicapped in attempting to counteract these pressures by the technical state of the markets for Treasury and

Federal Agency securities. Dealer positions in U.S. Government securities have been depleted throughout the period, reflecting the state of expectations in the dealer community, sizable Desk purchases, and good retail demand. Collateral for repurchase agreements has also been on the scarce side. Moreover, dealers have withdrawn sizable amounts of repurchase agreements before maturity because they have been making considerable net sales of Treasury securities to the public.

(6) On May 17, Chairman Burns recommended that the Committee take note of the difficulties faced by the Desk in the recent period. Also, given the likelihood that the technical problems encountered might persist over the next few days, the Chairman expressed the view that it would be appropriate to change the ceiling guideline for the funds rate from 11 to 11¼ per cent. A majority of Committee members concurred in the Chairman's recommendations.

(7) After rising sharply early in the inter-meeting period, interest rates on Treasury securities, particularly on Treasury bills, have dropped considerably in recent days. The 3-month bill rate was quoted 7.93 per cent at the close on Friday, as compared with an average issuing rate of 9.02 per cent established in the auction of May 6. The rally in the Treasury securities market has been generated not only by the previously noted shortage of issues, but also by an apparent shift of investor preferences toward securities of the highest quality, sparked by news stories regarding the problems of the Franklin National Bank and widespread rumors that some other banks and financial houses might also be encountering difficulties.

(8) Private short-term rates have risen sharply since the last Committee meeting. Banks have raised their prime rates from the 10 per cent level prevailing in mid-April into an 11¼--11½ per cent range. Yields on large CD's and commercial paper with 3-month maturity dates have risen a percentage point or more to levels above 11 per cent. Evidence of a move toward higher quality securities is also apparent in these sectors of the credit markets. There are reports, for example, that a number of investors have reduced the list of institutions whose commercial paper, bankers' acceptances, and negotiable CD's they are prepared to acquire. And there has been a marked widening of the yield spread between issues of prime and lower grade borrowers in these markets.

(9) For its mid-May refunding operations, the Treasury decided to pay down $1.6 billion of the $5.6 billion of maturing debt and to refund the remainder by issuing three securities: $2.0 billion of an 8¾, 25½ month note; $1.75 billion of an 8¾, 4¼ year note; and $300 million of a 8.50 per cent, 25-year bond. Both notes were auctioned at prices near par and currently are quoted above their auction averages. The bond was auctioned at a substantial premium to provide a yield of 8.23 per cent; the premium subsequently increased enough to reduce the yield to 8.13 per cent, but most recently the price has fallen back to about the auction average. Dealers have now distributed the bulk of their awards of all three issues.

(10) The table on the next page shows (in percentage annual rates of change) selected monetary and financial flows over various recent time periods; money supply figures are on a revised basis. 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 Three Calendar Years	Past Twelve Months	Past Six Months	Past Three Months	Past Month
	1971 -- 1973	Apr. '74 over Apr. '73	Apr. '74 over Oct. '73	Apr. '74 over Jan. '74	Apr. '74 over Mar. '74
Total reserves	8.5	8.2	7.5	.7	33.1
Nonborrowed reserves	7.6	8.6	6.2	-7.1	19.4
Reserves available to support private nonbank deposits	8.8	9.8	7.1	10.6	20.0
Concepts of Money (revised series)					
M_1 (currency plus demand deposits) 1/	7.0	7.2	8.6	10.8	8.3
M_2 (M_1 plus time deposits at commercial banks other than large CD's)	10.4	9.6	10.1	10.3	8.2
M_3 (M_2 plus deposits at thrift institutions)	11.7	8.9	9.4	9.4	7.6
Bank Credit					
Total member banks deposits (bank credit proxy adj.)	10.5	10.5	11.1	15.0	31.9
Loans and investments of commercial banks 2/	12.8	12.0	12.1	16.4	16.5
Short-term Market Paper					
(Monthly average change in billions)					
Large CD's	1.0	1.4	1.9	3.3	7.6
Nonbank commercial paper	.2	.6	.3	-.6	-.8

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.

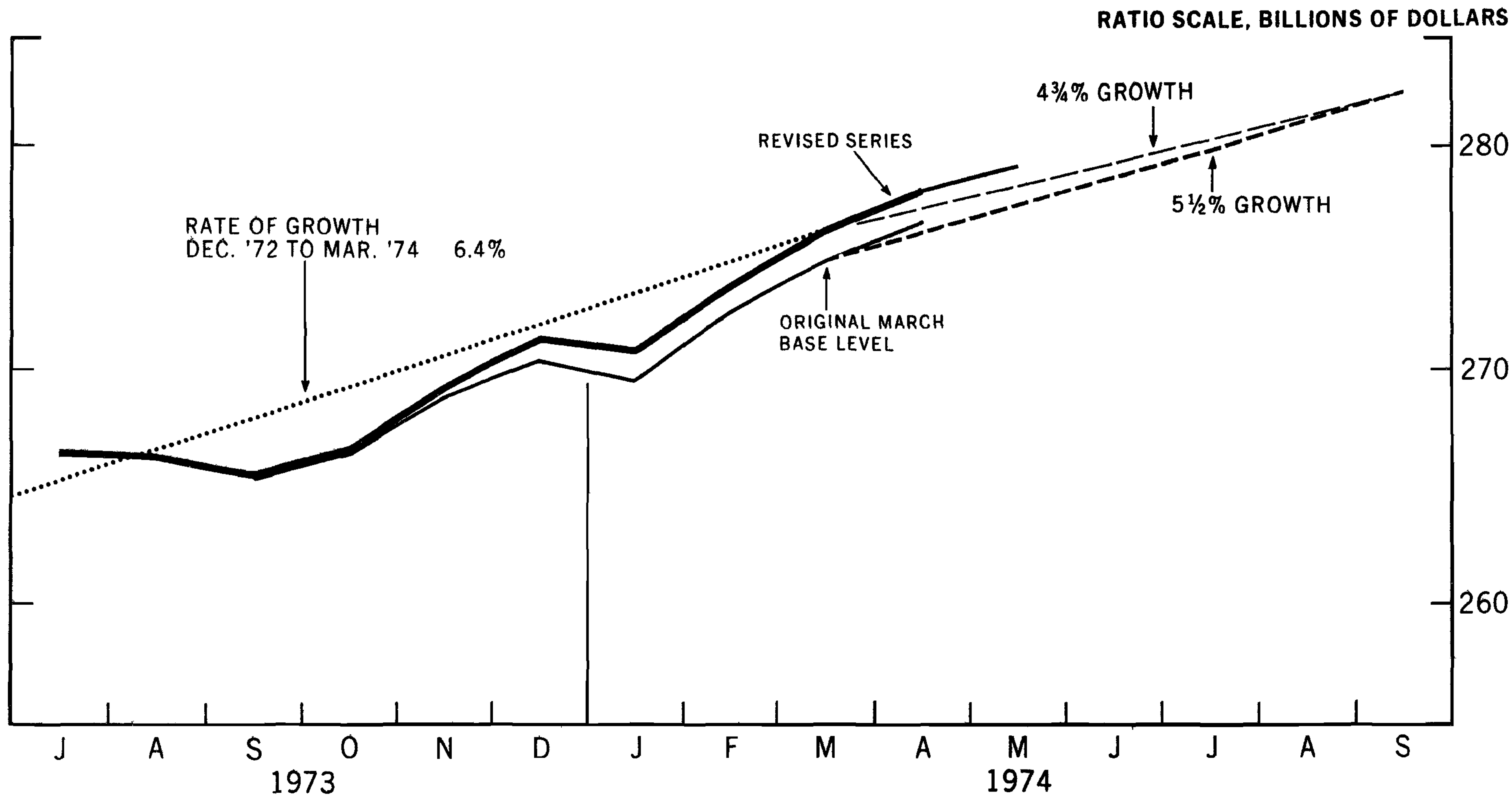
Prospective developments

(11) Alternative policy approaches are summarized below for Committee consideration (with more detailed figures shown in the table on p.8a).

	Alt. A	Alt. B	Alt. C
Targets (2nd & 3rd qtrs. combined)			
M_1	6¼	5½	4¾
M_2	6½	6	5
Credit proxy	14	12	10
Associated ranges for May-June			
RPD	18-20	16½-18½	15½-17½
M_1	5-7	4½-6½	4-6
M_2	5½-7½	5-7	4-6
Federal funds rate range (inter-meeting period)	10-12	11-13	12-14

(12) At its last meeting, the Committee established a 5½ per cent annual rate of growth for M_1 from March to September as its longer-run target. Since then, the March level of M_1 has been raised by $1.3 billion, reflecting revisions for new year-end benchmark data (as explained in the footnote on page 1). The 4¾ per cent annual rate of growth for M_1 in alternative C has been set to compensate for this upward revision. As shown in the chart on the following page, such a growth rate would achieve the M_1 level in September that was implicit in the longer-run path adopted by the Committee at its last meeting. Alternative B continues a 5½ per cent growth rate for M_1, but from the

MONEY SUPPLY AND LONGER RUN TARGET PATH



Alternative Longer-Run Targets for Key Monetary Aggregates

		M_1			M_2			M_3		
		Alt. A	Alt. B	Alt. C	Alt. A	Alt. B	Alt. C	Alt. A	Alt. B	Alt. C
1974	Apr.	278.1	278.1	278.1	590.2	590.2	590.2	921.6	921.6	921.6
	May	279.2	279.2	279.1	592.8	592.8	592.7	924.9	924.9	924.7
	June	280.8	280.6	280.3	596.5	595.9	595.2	929.7	928.8	927.9
	Sept.	284.7	283.9	282.8	606.3	603.7	600.6	942.7	939.4	935.3
						Rates of Growth				
Quarters:										
1974	2nd Q.	6.7	6.4	5.9	7.0	6.6	6.1	6.1	5.7	5.3
	3rd Q.	5.6	4.7	3.6	6.6	5.2	3.6	5.6	4.6	3.2
Months:										
	May	4.7	4.7	4.3	5.3	5.3	5.1	4.3	4.3	4.0
	June	6.9	6.0	5.2	7.5	6.3	5.1	6.2	5.1	4.2

		Adjusted Credit Proxy			Total Reserves			RPD		
		Alt. A	Alt. B	Alt. C	Alt. A	Alt. B	Alt. C	Alt. A	Alt. B	Alt. C
1974	Apr.	471.3	471.3	471.3	35,914	35,914	35,914	33,669	33,669	33,669
	May	477.4	477.4	477.4	36,557	36,550	36,550	34,296	34,288	34,280
	June	482.2	481.8	481.5	36,635	36,565	36,486	34,730	34,660	34,581
	Sept.	491.2	487.0	482.0	36,918	36,440	35,911	35,338	34,867]	34,336
Quarters:										
1974	2nd Q.	20.1	19.8	19.5	19.3	18.5	17.6	19.5	18.6	17.7
	3rd Q.	7.5	4.3	0.5	3.1	1.7	6.3	7.0	2.4	-2.8
Months:										
	May	15.5	15.5	15.5	21.5	21.2	21.2	22.4	22.1	22.0
	June	12.1	11.0	10.3	2.6	0.5	-2.2	15.2	13.0	10.1

new March level. Alternative A contemplates a somewhat more rapid 6¼ per cent growth rate in M_1 over the second and third quarters combined.

(13) A somewhat more rapid longer-run rate of growth in M_1 than adopted by the Committee at its last meeting, such as envisioned under alternative A, appears necessary if money market conditions are not to tighten further. Under alternative A, the staff would expect the Federal funds rate to trade most frequently around 11-11¼ per cent.

(14) The funds rate has been subject to upward pressure, in part because of a shift of bank borrowing preferences from the window to the funds market. This pressure may moderate, however, if more normal borrowing preferences come to prevail. We have assumed that member banks will want to increase their borrowing (apart from special borrowing) to about $2 billion per week on average under alternative A, given the roughly 3 percentage point spread of the Federal funds rate over the current 8 per cent discount rate. Special borrowing by a problem bank may add another $1 billion or so to borrowing levels.

(15) If funds were to trade mostly around 11 per cent over the weeks ahead there probably would be some decline in other short-term rates, and also in long rates, since market participants appear to have adjusted to a funds rate somewhat above this level. Declines could be fairly sizable, at least temporarily, if the market were to interpret such a move as signaling a shift in policy direction. Moreover, the shift in investor preferences toward high quality assets, and the

continued short market supply of Treasury bills, would tend to keep Treasury rates low relative to other market rates--perhaps in a 7½--8½ per cent range in the case of the 3-month bill. The odds on bill rates settling in the upper part of this range would increase if the Treasury should choose to issue a bill strip of $1-1½ billion--a possibility that has been under some discussion.

(16) With the money market conditions assumed under alternative A, the staff would expect M_1 growth in May-June to be in a 5-7 per cent range. The mid-point of this range, if attained, would produce a 6¾ per cent annual growth rate in the second quarter. Growth would be expected to slow somewhat in the third quarter to about a 5¾ per cent rate, as demand for money is further restrained by lagged impacts of the sharp rise in short-term interest rates over the past few months.

(17) Growth in time and savings deposits at banks (other than negotiable CD's at the large weekly reporting banks), and in deposits at thrift institutions has been sharply curtailed by the attraction of high market interest rates to savers. We would expect this tendency to continue even under alternative A, so that M_2 growth over the second and third quarters would be expected to slow to around 6.5 per cent, and in M_3 to about 5.0 per cent--on the order of 4 percentage points below the average annual rate of expansion in the fourth and first quarters.

(18) Restraining M_1 growth to a 5½ per cent annual rate over the second and third quarters--as under alternative B-- would be expected to put somewhat more pressure on the money market, with the

Federal funds rate rising to around 12 per cent between now and the next Committee meeting. The 3-month bill rate would likely move up into an 8½--9½ per cent range over the next few weeks, and other market rates would also adjust upward. This rise in rates would be needed to hold the rise in money demands to a pace consistent with a 5½ per cent growth rate for M_1 in the second and third quarters, in view of the larger increase in prices and nominal GNP now projected. This relationship between money growth and interest rates makes no allowance for the possibility that liquidity preference may increase if confidence in financial markets continues to weaken.

(19) To achieve the even greater restraint on monetary expansion called for under alternative C, the Federal funds rate would be expected to rise to around 13 per cent over the next few weeks. The time and savings deposits experience at banks and thrift institutions would be expected to deteriorate further--with deposit flows at thrift institutions probably negative as the Treasury bill rate adjusted sharply upward, perhaps to near 10 per cent.

(20) Under alternative A, banks are expected to continue borrowing fairly heavily through CD's, and to obtain funds in the Euro-dollar market. We have projected a slower growth in CD's, though, in the expectation that tighter lending terms by banks will work to moderate loan growth. Moreover, it appears that less-than-prime banks are beginning to encounter investor resistance to their CD's. If, as seems quite possible, such resistance intensifies, CD growth could be substantially less than projected, bank credit expansion could be constrained, and strains in other financial markets (including the Euro-dollar market) could be exacerbated.

(21) Under alternative C and possibly also B, sharply higher interest rates would erode asset values and bring the adequacy of bank liquidity into question. Banks outside major money centers might in some cases be excluded altogether from raising funds in national money markets. With the intensification of pressures on financial institutions and financial markets, many institutional lenders would likely severely restrict loan extensions. The mortgage market would come under great pressure and some nonfinancial businesses would encounter serious liquidity problems.

(22) A further significant rise in interest rates over the next few months may need to be followed by a decline in late summer in order to avoid unduly limiting monetary expansion in the final months of the year. Alternative C has the greatest potential for such a pattern, and might well bring about a severe wrenching of market conditions.

Proposed directive

(22) 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 May 1 has been completed and the issues largely distributed. Also, in view of the strong connection between U.S. financial markets, the Euro-dollar market, and foreign exchange markets, it is proposed to say ". . .while taking account of financial market developments. . ." without separate reference to "international" and "domestic" developments. In alternative C, it is proposed to give special emphasis to that phase--i.e.,". . .while taking careful account. . ."--in view of the strong possibility of exaggerated market reactions to the sharp rise in interest rates associated with open market operations designed to achieve the specified rates of growth in the aggregates.

Alternative A

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

Alternative B

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

Alternative C

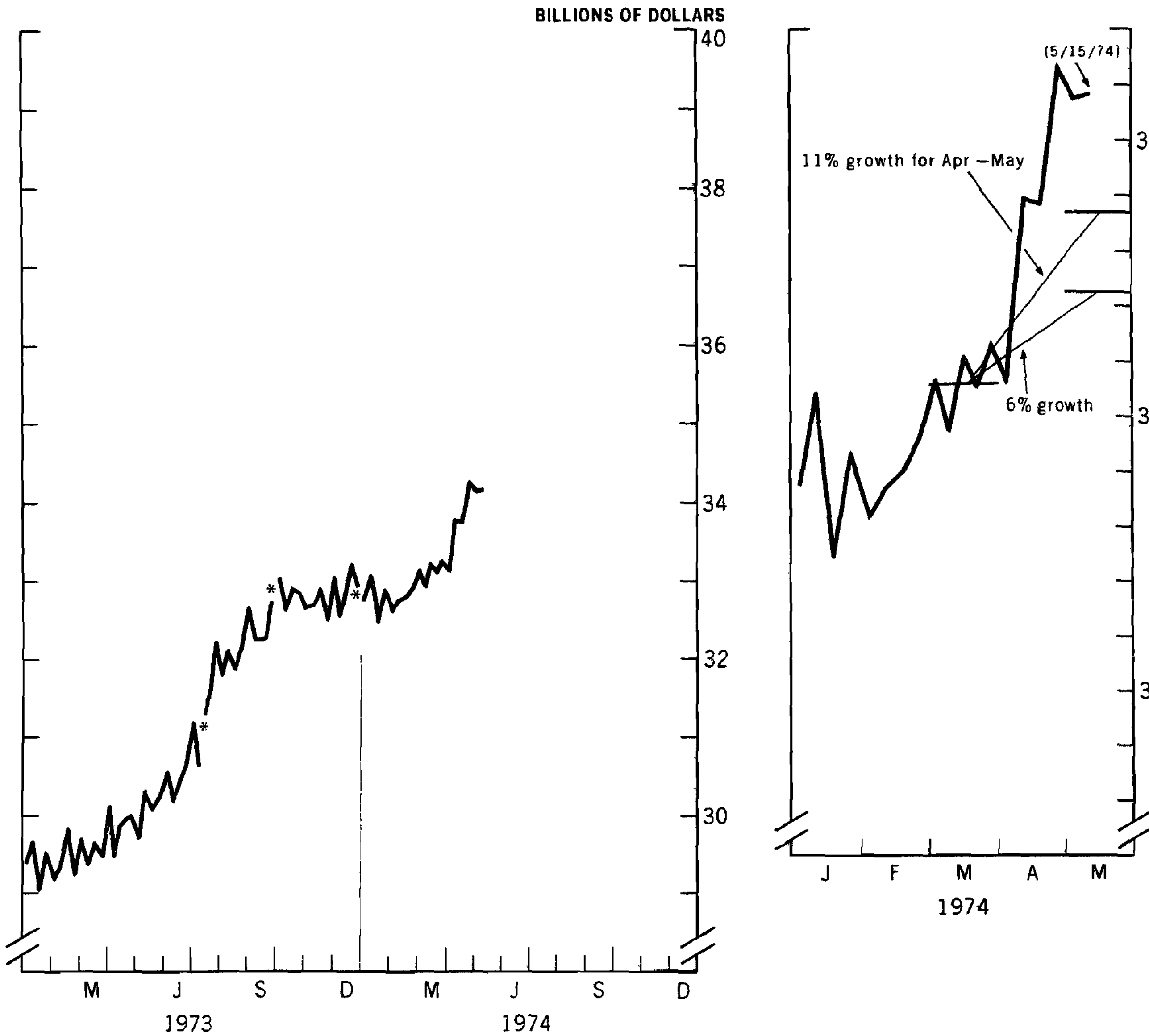
To implement this policy, while taking CAREFUL account of ~~the forthcoming Treasury financing and of international and domestic~~ financial market developments, the Committee seeks to achieve bank reserve and money market conditions that would ~~moderate~~ SLOW APPRECIABLY THE growth in monetary aggregates over the months ahead.

(23) 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 A might be associated with language indicating that ". . .the Committee seeks to maintain about the prevailing restrictive money market conditions, provided that the monetary aggregates appear to be growing at rates within the specified ranges of tolerance."

CHART 1

STRICTLY CONFIDENTIAL (FR)
5/17/74

RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS



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

CHART 3

MONEY MARKET CONDITIONS AND INTEREST RATES

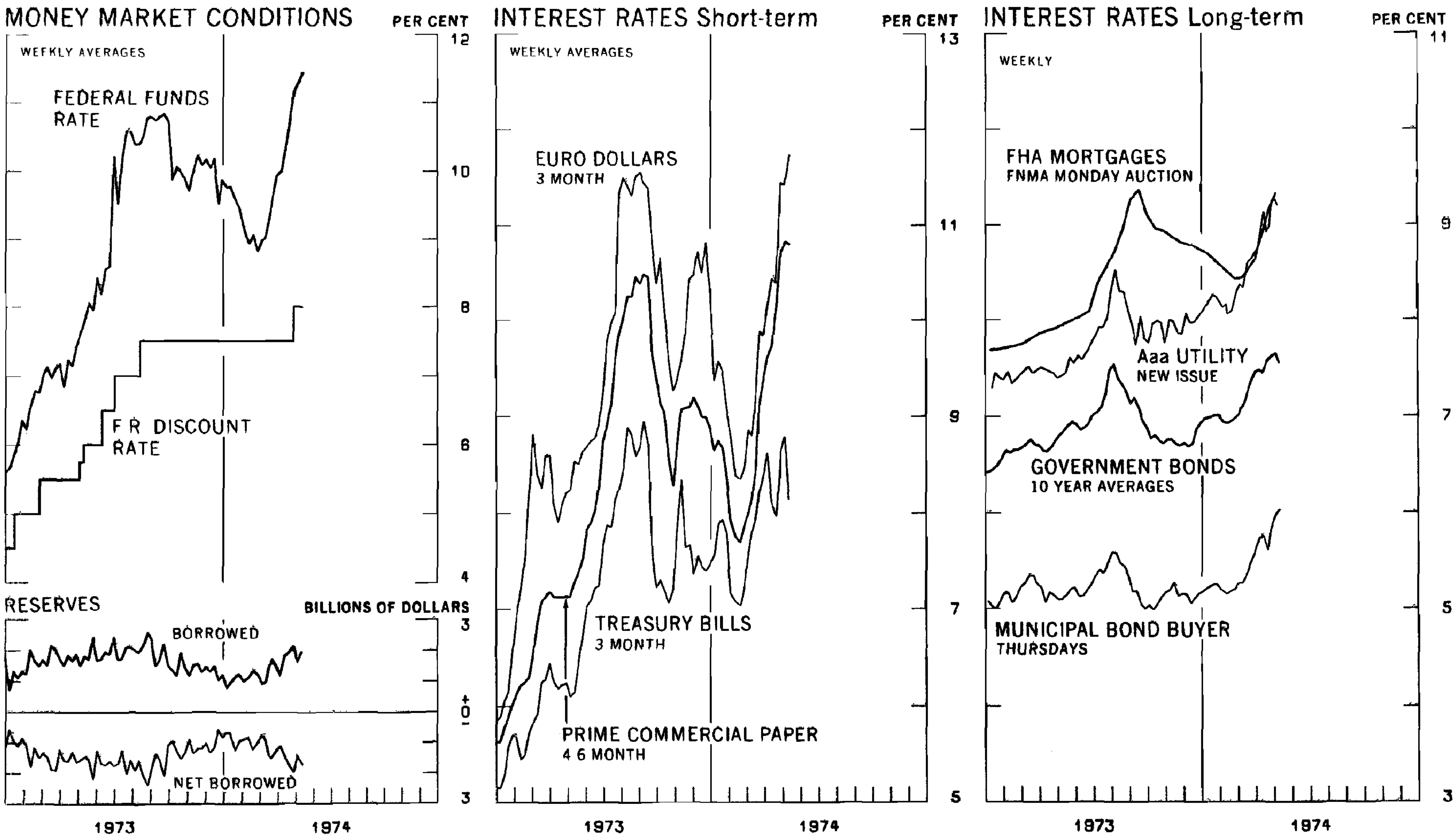


TABLE 1

STRICTLY CONFIDENTIAL

MAY 17, 1974

BANK RESERVES
(ACTUAL AND CURRENT PROJECTIONS)

PERIOD	RESERVES AVAILABLE FOR PRIVATE NONBANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES SEASONALLY ADJUSTED			
	SEAS ADJ	NON SEAS ADJ	TOTAL RESERVES	NONBORROWED RESERVES	PRIVATE DEMAND	OTHER TIME DEP	CD'S AND NON DEP	GOV'T AND INTERBANK
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MONTHLY LEVELS-$MILLIONS								
1974--FEB.	32,791	32,875	35,108	33,916	20,039	8,601	3,967	2,316
MAR.	33,117	32,888	34,949	33,634	20,291	8,654	4,037	1,831
APR.	33,669	33,751	35,914	34,178	20,411	8,651	4,416	2,245
MAY	(34,296)	(34,112)	(36,557)	(34,502)	(20,350)	(8,715)	(5,024)	(2,261)
ANNUAL RATES OF CHANGE								
QUARTERLY:								
1973--4TH QTR.	1.4		6.1	13.4	5.8	12.7		
1974--1ST QTR.	6.2		1.7	1.5	1.3	9.2		
2ND QTR.	(19.7)		(19.5)	(2.6)	(2.5)	(3.7)		
MONTHLY:								
1974--FEB.	-0.3		-24.8	-30.4	-15.7	10.7		
MAR.	11.9		-5.4	-10.0	15.1	7.4		
APR.	20.0		33.1	19.4	7.1	-0.4		
MAY	(22.3)		(21.5)	(11.4)	(-3.6)	(8.9)		
APR.-MAY	(21.4)		(27.6)	(15.5)	(1.7)	(4.2)		
WEEKLY LEVELS-$MILLIONS								
MAR. 6	33,134	32,810	34,663	33,751	20,351	8,647	4,017	1,530
13	32,938	32,594	34,792	33,809	20,140	8,663	4,019	1,854
20	33,216	33,030	35,233	33,750	20,470	8,659	4,007	2,017
27	33,115	32,979	34,808	33,095	20,229	8,649	4,068	1,693
APR. 3	33,240	33,116	35,398	33,895	20,263	8,652	4,099	2,158
10	33,117	32,849	35,040	33,846	20,218	8,633	4,204	1,923
17	33,794	33,835	36,161	34,345	20,468	8,628	4,369	2,367
24	33,773	34,042	36,057	34,119	20,359	8,657	4,566	2,284
MAY 1	34,258	34,682	36,737	34,580	20,705	8,693	4,702	2,478
8	34,151	34,304	36,385	34,768	20,385	8,698	4,855	2,234
15	34,169	34,094	36,633	34,833	20,240	8,727	4,958	2,463

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF APRIL 16, 1974 THE COMMITTEE AGREED ON A RPD RANGE OF 6 TO 11 PERCENT FOR THE APRIL-MAY PERIOD.

TABLE 2 STRICTLY CONFIDENTIAL

MONETARY AGGREGATES
(ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED)

MAY 17, 1974

PERIOD	MONEY SUPPLY NARROW (M1)	MONEY SUPPLY BROAD (M2)	ADJUSTED CREDIT PROXY	U.S. GOVT. DEPOSITS	TIME AND SAVINGS DEPOSITS TOTAL	OTHER THAN CD S	CD S	NONDEPOSIT SOURCES OF FUNDS
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MONTHLY LEVELS-$BILLIONS								
1974--FEB.	273.7	581.9	454.8	3.0	374.8	308.2	66.6	7.7
MAR.	276.2	586.2	459.1	3.7	377.7	310.0	67.7	8.6
APR.	278.1	590.2	471.3	4.6	387.4	312.1	75.3	9.6
MAY	(279.2)	(592.8)	(477.4)	(3.9)	(394.6)	(313.7)	(80.9)	(10.7)
PERCENT ANNUAL GROWTH								
QUARTERLY								
1973--4TH QTR.	8.9	11.0	3.3		6.1	12.6		
1974--1ST QTR.	7.1	9.9	8.5		15.6	12.5		
2ND QTR.	(6.7)	(7.0)	(20.7)		(23.5)	(7.4)		
MONTHLY								
1974--FEB.	12.9	13.6	1.3		15.2	14.2		
MAR.	11.0	8.9	11.3		9.3	7.0		
APR.	8.3	8.2	31.9		30.8	8.1		
MAY	(4.7)	(5.3)	(15.5)		(22.3)	(6.2)		
APR.-MAY	(6.5)	(6.8)	(23.9)		(26.8)	(7.2)		
WEEKLY LEVELS-$BILLIONS								
MAR. 6	277.0	586.6	458.2	4.2	375.5	309.6	65.9	8.0
13	276.1	585.8	456.4	3.0	376.5	309.7	66.8	8.1
20	275.9	586.1	459.3	4.0	377.3	310.2	67.1	8.8
27	275.5	585.7	460.2	3.6	379.0	310.2	68.8	9.2
APR. 3	277.4	588.0	466.3	4.8	382.0	310.5	71.4	9.5
10	277.6	589.2	468.4	5.0	385.4	311.5	73.9	9.3
17	280.0	592.2	472.9	5.0	387.0	312.2	74.8	9.4
24	277.7	590.1	471.8	4.0	389.2	312.3	76.9	9.7
MAY 1	276.9	589.8	473.7	4.4	390.8	312.9	77.9	10.2
8 P	278.4	591.1	476.4	5.3	392.3	312.7	79.6	10.4
15 PE	278.9	592.4	476.4	3.4	394.1	313.5	80.6	10.7

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY
PE - PARTIALLY ESTIMATED

STRICTLY CONFIDENTIAL (FR)

MAY 17, 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/
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Monthly											
1973 -- 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.	-32	30	74	--	71	9	143	-1,505	-356	-997	-875
March	-64	190	122	1,531	1,780	-74	166	-358	-323	57	-30
April	790	172	312	-485	789	922	362	-338	177	769	315
May											-130
June											
Weekly											
1974 -- 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	678	501	-717	25	437	
27	-18	--	170	-1,474	-1,321	136	229	-800	-384	-51	
Apr. 3	--	--	--	251	251	494	-210	385	532	137p	
10	-5	--	--	--	-5	-785	-309	653	-174	-267	
17	206	--	--	532	738	963	622	-331	268	986	
24	-33	172	119	142	399	156	122	-367	-354p	265p	
May 1	526	--	193	220	939	1,103	219	-591p	91p	640p	
8	267	--	--	494	761	483	-540	-359p	-38p	-378p	
15	176	--	--	446	622	454	360	-525p	493p	-204p	
22											
29											

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 April and May reflects the target adopted at the April 16, 1974 FOMC meeting. Target change for previous months reflects the bluebook patterns that are consistent with target ranges that were adopted during the month.

STRICTLY CONFIDENTIAL (FR)

MAY 17, 1974

TABLE 4

SECURITY DEALER POSITIONS AND BANK POSITIONS

Millions of dollars

Period	U S. Govt. Security Dealer Positions		Dealer Positions		Member Bank Reserve Positions				
					Excess** Reserves	Borrowing at FRB**		Basic Reserve Deficit	
	Bills	Coupon Issues	Corporate Bonds	Municipal Bonds		Total	Seasonal	8 New York	38 Others
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
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	394	2,157	94	-6,189	-12,843
Low	305	-39	7	43	-83	776	13	2,672	- 9,181
1973 -- 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	134	1,314	32	-5,030	-11,058
Apr	*1,435	* 99	39	78	205p	1,736p	40p	-3,952	-11,603
1974 -- 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	169	1,713	44	-4,402	-11,298
Apr. 3	2,264	263	86	97	226	1,503	48	-4,032	-11,062
10	2,120	212	16	46	62	1,194	41	-5,375	-11,470
17	1,754	80	30	43	329	1,816	47	-4,739	-12,826
24	* 472	* -39	24	124	190p	1,938p	54p	-2,672	-11,648
May 1	* 810	* -15	7	153	158p	2,157p	74p	-2,967	- 9,712
8	* 616	* -17	37	129	213p	1,617p	82p	-3,676p	- 9,185p
15	* 305	* 384	150p	95p	250p	1,977p	94p	-3,999p	- 9,181p
22									
29									

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.

TABLE 5

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 (10-yr Constant Maturity)	FNMA Auction 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)
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	11.46	8.78	8.52	11.00	11.00	11.00	9.27	9.14	6.00	7.66	9.34
Low	8.81	7.04	6.39	7.88	8.00	7.88	8.05	8.14	5.16	6.93	8.43
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
Apr.	10.51	8.33	8.08	9.92	9.81	9.78	8.98	8.94	5.73	7.51	9.07
1974 -- 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	9.13	8.92	5.75	7.48	8.95
17	10.36	8.13	8.01	9.80	9.88	9.88	8.91	8.95	5.61	7.46	--
24	10.78	7.96	8.08	10.03	10.25	10.25	8.98	9 08	5.82	7.58	9.18
May 1	11.17	8.65	8.34	10.65	10.75	10.75	9.27	9.01	5.91	7.63	--
8	11.29	8.78	8.52	10.98	11.00	11.00	9.27	9.14p	6.00	7.66	9.34
15	11.46	8.15	8.21	11.00	10.88	11.00	9.22p	n.a.	6.04	7.55p	--
22											
29											
Daily--May 9	11.51	8.49	8.49	11.00	--	--	--	--	--	7.70	--
16	11.53p	7.94	8.08	11.00	--	--	--	--	--	n.a.	--

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

May 17, 1974

Period	RESERVES: Total	RESERVES: Nonborrowed	RESERVES: Available to Support Pvt. Deposits	MONEY STOCK MEASURES: M_1	MONEY STOCK MEASURES: M_2	MONEY STOCK MEASURES: M_3	BANK CREDIT MEASURES: Adjusted Credit Proxy	BANK CREDIT MEASURES: Total Loans and Investments	OTHER: Total Time	OTHER: Time Other than CD's	OTHER: Thrift Institution Deposits 1/	OTHER: CD's	OTHER: Nondeposit Funds	OTHER: 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)		
				(Series revised)					(Series revised)					
Annually:														
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	+12.6	+16.0	+11.4	+8.6	+19.4	+3.0	-1.2
Semi-Annually:														
1st Half 1972	+10.8	+11.0	+8.3	+7.7	+10.7	+12.4	+11.2	+13.6	+15.4	+13.8	+15.7	+4.4	-0.2	-1.0
2nd Half 1972	+9.9	+4.1	+11.5	+9.4	+10.9	+12.8	+11.3	+14.7	+14.8	+12.3	+16.3	+6.0	+0.6	+0.1
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	+8.0	+10.2	+11.8	+6.1	+ 0.8	+1.8	-0.4
Quarterly:														
1st Qtr. 1972	+8.7	+9.1	+9.6	+9.0	+12.3	+13.5	+10.5	+15.7	+14.5	+15.5	+15.9	+0.7	-0.3	-0.4
2nd Qtr. 1972	+12.6	+12.6	+6.9	+6.2	+8.9	+11.0	+11.6	+11.1	+15.7	+11.7	+14.9	+3.7	+0.1	+0.3
3rd Qtr. 1972	+4.4	-0.9	+10.4	+8.7	+10.8	+13.3	+10.2	+13.0	+14.3	+12.7	+17.8	+2.4	+0.3	-1.1
4th Qtr. 1972	+15.1	+9.2	+12.2	+9.9	+10.6	+12.0	+12.1	+15.8	+14.8	+11.4	+14.2	+3.6	+0.3	+1.2
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	+11.4	+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	+4.4	+6.1	+12.6	+ 7.6	-3.9	+0.1	-0.1
1st Qtr. 1974	+1.7	+1.5	+6.2	+7.1	+9.9	+9.4	+8.5	+16.2	+15.6	+12.5	+8.6	+4.9	+1.2	-1.2
Monthly:														
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	+6.1	+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	+13.3	+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	+16.7	+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	+4.1	+ 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	+6.7	+ 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	+5.0	+ 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	+1.5	+11.3	+10.1	+8.6	+ 0.8	+0.3	-0.9
1974--Jan.	+35.7	+45.9	+6.9	-2.7	+6.9	+7.5	+12.5	+15.8	+21.8	+16.0	+8.6	+2.7	+0.1	+1.3
Feb.	-24.8	-30.4	-0.3	+12.9	+13.6	+11.5	+1.3	+15.0	+15.2	+14.2	+7.8	+1.1	+0.2	-3.2
Mar.	-5.4	-10.0	+11.9	+11.0	+8.9	+9.0	+11.3	+17.1	+9.3	+7.0	+9.2	+1.1	+0.9	+0.7
April p	+33.1	+19.4	+20.0	+8 3	+8.2	+7.6	+31.9	+16.5	+30.8	+8.1	+6.6	+7.6	+1.0	+0.9

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.

May 17, 1974

APPENDIX TABLE II
RESERVES AND MONETARY VARIABLES
(Seasonally adjusted, billions of dollars)

	RESERVES			MONEY STOCK MEASURES				BANK CREDIT MEASURES		OTHER					
				M_1											
Period	Total	Non-borrowed	Available to Support Pvt. Deposits	Total	Pvt. Dep.	M_2	M_3	Adjusted Credit Proxy	Total Loans & Investments	Total Time	Time Other than CD's	Thrift Institution Deposits1/	CD's	Non-Deposits Funds	U.S. Gov't Demand
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
				(Series revised)						(Series revised)					
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	300.6	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	940.4	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	612.2	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	620.7	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	622.8	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	626.3	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	628.9	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	629.7	363.5	300.6	322.7	62.8	7.4	4.9
1974--Jan.	35,850	34,799	32,799	270.8	208.9	575.4	900.4	454.3	638.0	370.1	304.6	325.0	65.5	7.5	6.2
Feb.	35,108	33,916	32,791	273.7	211.1	581.9	909.0	454.8	646.0	374.8	308.2	327.1	66.6	7.7	3.0
Mar.	34,949	33,634	33,117	276.2	212.8	586.2	915.8	459.1	655.2	377.7	310.0	329.6	67.7	8.6	3.7
April	35,914	34,178	33,669	278.1	214.1	590.2	921.6	471.3	664.2	387.4	312.1	331.4	75.3	9.6	4.6
WEEKLY:															
1974--April 3	35,398	33,895	33,240	277.4	214.0	588.0	--	466.3	--	382.0	310.5	--	71.5	9.5	4.8
10	35,040	33,846	33,117	277.6	213.5	589.2	--	468.4	--	385.4	311.5	--	73.9	9.3	5.0
17	36,161	34,345	33,794	280.0	215.9	592.2	--	472.9	--	387.0	312.2	--	74.8	9.4	5.0
24	36,057	34,119	33,773	277.7	213.8	590.1	--	471.8	--	389.2	312.3	--	76.9	9.7	4.0
May 1p	36,737	34,580	34,258	276.9	212.9	589.8	--	473.7	--	390.8	312.9	--	77.9	10.2	4.4
8p	36,385	34,768	34,151	278.4	213.9	591.1	--	476.4	--	392.3	312.7	--	79.6	10.4	5.3

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 M_3, total loans and investments and thrift institution deposits.

Appendix Table III

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

		M_1		M_2		M_3	
		M	Q	M	Q	M	Q
1972	I	9.0	5.3	12.3	11.0	13.5	12.5
	II	6.2	8.2	8.9	9.8	11.0	11.7
	III	8.7	8.2	10.8	10.8	13.3	13.0
	IV	9.9	8.4	10.6	10.2	12.0	12.2
1973	I	3.8	7.0	7.0	8.8	8.6	10.2
	II	11.5	7.5	11.1	8.8	10.6	9.0
	III	--	5.6	5.3	7.9	5.1	7.5
	IV	8.9	4.5	11.0	8.9	9.8	7.9
1974	I	7.1	6.7	9.9	9.9	9.4	9.4

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

	M_1		M_2		M_3	
	M	Q	M	Q	M	Q
			Alt. A			
1974 II	6.7	8.5	7.0	8.3	6.1	7.5
III	5.6	5.7	6.6	6.6	5.6	5.6
II & III Combined	6.2	7.1	6.8	7.4	5.8	6.5
			Alt. B			
1974 II	6.4	8.3	6.6	8.1	5.7	7.4
III	4.7	4.9	5.3	5.5	4.6	4.7
II & III Combined	5.5	6.6	5.9	6.8	5.1	6.0
			Alt. C			
1974 II	5.9	8.2	6.1	7.9	5.3	7.2
III	3.6	3.9	3.6	4.0	4.2	3.5
II & III Combined	4.7	6.0	4.8	5.9	4.2	5.3

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.

May 17, 1974

Appendix Table V

Comparison of Money Stock Growth Rates

	M_1		M_2	
	Old series	Revised series 1/	Old series	Revised series 1/
1973	5.7	6.1	8.6	8.9
1973 H1	7.7	7.7	9.1	9.1
H2	3.7	4.4	7.8	8.2
Q3	-0.2	0.0	5.2	5.3
Q4	7.5	8.9	10.1	11.0
1974 Q1	6.7	7.1	9.4	9.9
1973 June	14.2	14.2	12.8	12.8
July	4.1	4.0	5.7	5.7
Aug.	-0.9	-0.5	6.3	6.5
Sept.	-3.6	-3.6	3.7	3.7
Oct.	5.0	5.0	10.8	11.0
Nov.	10.4	11.7	10.9	11.5
Dec.	7.1	9.8	8.5	10.2
1974 Jan.	-3.6	-2.7	6.3	6.9
Feb.	12.9	12.9	13.4	13.6
Mar.	10.6	11.0	8.3	8.9
April	7.4	8.3	7.8	8.2

1/ Incorporates benchmark data from December 1973 call report.

Appendix Table VI

Money Supply Growth Rates

		M_1	M_1 less Foreign Official Deposits	M_1 less Foreign Official Deposits and Deposits due to Foreign Commercial Banks
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	-2.7	-2.7	-3.6
	February	12.9	12.5	13.1
	March	11.0	11.5	11.2
	April	8.3	6.1	5.8