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(CONFIDENTIAL FR)

August 16, 1974

MONETARY AGGREGATES AND MONEY MARKET CONDITIONS

Prepared for the Federal Open Market Committee

By the Staff

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

MONETARY AGGREGATES AND
MONEY MARKET CONDITIONSRecent developments

(1) M_1 increased at about a 1 per cent annual rate in July, but preliminary data for early August suggest a pick-up in growth. For the two months together, M_1 growth is expected to average around 3 per cent, in the lower part of the Committee's range of tolerance.^{1/} Growth in M_2 has been closer to the mid-point of its range of tolerance, as time deposits other than money market CD's have been rising about as projected. RPD is now expected to expand at a rate in the lower part of its tolerance range, reflecting a shortfall relative to projection of CD growth in addition to the weakness of M_1 .

Growth of Monetary Aggregates and RPD's
in July-Aug. Target Period

Reserve and Monetary Aggregates (Growth at SAAR in per cent)	Range of Tolerance	Latest Estimates	
		Old series	Revised series
M_1	2-6	2.8	3.2
M_2	4½-7½	5.7	6.2
RPD's	8½-11½	9.4	9.4
<u>Memo:</u>			
Federal funds rate (per cent per annum)	11½-13	Avg. for statement week ending	
		July 17	13.04
		July 31	12.29
		Aug. 14	12.02

^{1/} Money supply figures have been revised on the basis of the April call report. Benchmarking to this call lowers the April level of the money stock by \$1.4 billion, and this benchmark adjustment reduces levels in subsequent months by roughly corresponding amounts. Smaller downward adjustments were made back through January. Comparisons of rates of growth for the old and revised series are shown in Appendix Table VI. Growth of M_1 in the first half of 1974 has been lowered to a 6 per cent annual rate¹ by the revised series, as compared with 7.1 per cent on the old series.

(2) Savings flows to nonbank thrift institutions in July were quite weak. On a seasonally adjusted basis, mutual savings banks experienced a net deposit outflow, while deposit growth at S&L's was small. Data so far available for August suggest a continuance of the relatively weak performance at non-bank thrift institutions, no doubt reflecting the bunching of security offerings attractive to small investors. These other alternatives have included variable rate securities issued by bank holding companies and other corporations designed to appeal to individuals, and new high coupon Treasury issues offered in the mid-August refunding.

(3) The Federal funds market has eased appreciably since the last FOMC meeting. In the past two weeks, funds have been trading at rates within a 12 to 12½ per cent range, about 100 basis points below the average established during the week of the July FOMC meeting and about 150 basis points under the peak level reached in the first week of July. There has apparently been some lessening in banks' reluctance to borrow at the Federal Reserve since the late June - early July period of peak money market tensions. Member bank borrowing (exclusive of emergency borrowing) has been about \$200 million higher on average in the past four statement weeks as compared with the previous four. From mid-July to mid-August total borrowing averaged \$3.3 billion, of which \$1.5 billion represented emergency borrowing (almost all of which was at Franklin National).

(4) Private short-term interest rates have moved down concurrently with the Federal funds rate, though by smaller amounts. Key rates, such as those on 90-day commercial paper and bank CD's are now about ½ to ¾ of a percentage point below their levels at the time of the July meeting. Yields

on new corporate and municipal bonds have also edged lower over this period. New issues have been distributed more readily, partly because the sizes of some issues have been scaled down and the maturities shortened.

(5) In contrast to private rates, yields on Treasury and Federal agency securities have risen significantly during the intermeeting period. Yields on Treasury coupon issues have risen about 20 to 30 basis points and bill rates--which had been depressed relative to the general level of market rates--have advanced about one percentage point. A series of Treasury financing operations which added significantly to the floating supply of issues, together with anticipation of further bill financing, were mainly responsible for the upward pressure on rates. Market disappointment over the failure of Arab countries to invest their oil revenues in Treasury special issues has also added to the upward pressure.

(6) The three new coupon issues offered in the Treasury's mid-August refunding have been well received. In view of their high coupon rates, the issues were particularly attractive to individual investors. As a result, half of the amount auctioned was awarded to noncompetitive bidders, a record participation for this type of bidding. All three new issues are currently trading at modest premiums above their average auction prices. Dealers have not pressed their awards on the market and still hold nearly three-fourths of the \$1,050 million they were originally awarded.

(7) The table on page 5 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 Three Calendar Years	Past Twelve Months	Past Six Months	Past Three Months	Past Month
	1971	July '74	July '74	July '74	July '74
	--	over	over	over	over
	1973	July '73	Jan. '73	Apr. '74	June '74
Total reserves	8.5	9.9	8.9	17.2	23.3
Nonborrowed reserves	7.6	6.2	-3.8	-0.2	14.9
Reserves available to support private nonbank deposits	8.8	10.3	13.8	16.7	9.3
<u>Concepts of Money</u> (Revised series)					
M ₁ (currency plus demand deposits) <u>1/</u>	7.0	5.1	6.9	4.8	1.7
M ₂ (M ₁ plus time deposits at commercial banks other than large CD's)	10.4	8.5	8.3	7.2	5.8
M ₃ (M ₂ plus deposits at Thrift institutions)	11.7	7.6	7.3	5.7	4.9
<u>Bank Credit</u>					
Total member banks deposits (bank credit proxy adj.)	10.5	11.3	14.4	13.3	9.4
Loans and investments of commercial banks <u>2/</u>	12.8	11.9	13.6	10.5	13.1
<u>Short-term Market Paper</u>					
(Monthly average change in billions)					
Large CD's	1.0	1.8	3.3	3.3	2.1
Nonbank commercial paper	.2	.6	-.2	.3	.1

1/ Other than interbank and U.S. Government.

2/ Based on month-end figures. Includes loans sold to affiliates and branches.

NOTE: All items are based on average of daily figures, except for data on total loans and investments of commercial banks, commercial paper, and thrift institutions--which are derived from either end-of-month or last Wednesday-of-month figures. Growth rates for reserve measures in this and subsequent tables are adjusted to remove the effect of discontinuities from breaks in the series when reserve requirements are changed.

Prospective developments

(8) Three alternative sets of specifications are summarized below for Committee consideration (with more detailed figures shown in the table on p.6a).

	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
Targets (3rd & 4th qtrs. combined)			
M ₁	6½	5½	4½
M ₂	7½	6½	5½
Credit proxy	7½	6½	6
Associated ranges for August-September			
M ₁	5½-7½	4½-6½	4½-6½
M ₂	6½-8½	5½-7½	5-7
RPD	8½-10½	7½-9½	6½-8½
Federal funds rate range (inter-meeting period)	9½-11½	10½-12½	11½-13½

(9) Alternative B continues the 5½ per cent annual growth rate for M₁ over the second half of 1974 adopted by the Committee at its last meeting. Because of the downward revision in the level of the money stock as a result of benchmarking to the April call report, this 5½ per cent rate of growth would lead to a level of M₁ by the end of this year that is \$1.4 billion lower than that implicit in the growth path adopted at the last meeting. Alternative A encompasses a more rapid 6½ per cent rate of growth for M₁ over the July-December period, while Alternative C comprises specifications that might

Alternative Longer-Run Targets for Key Monetary Aggregates

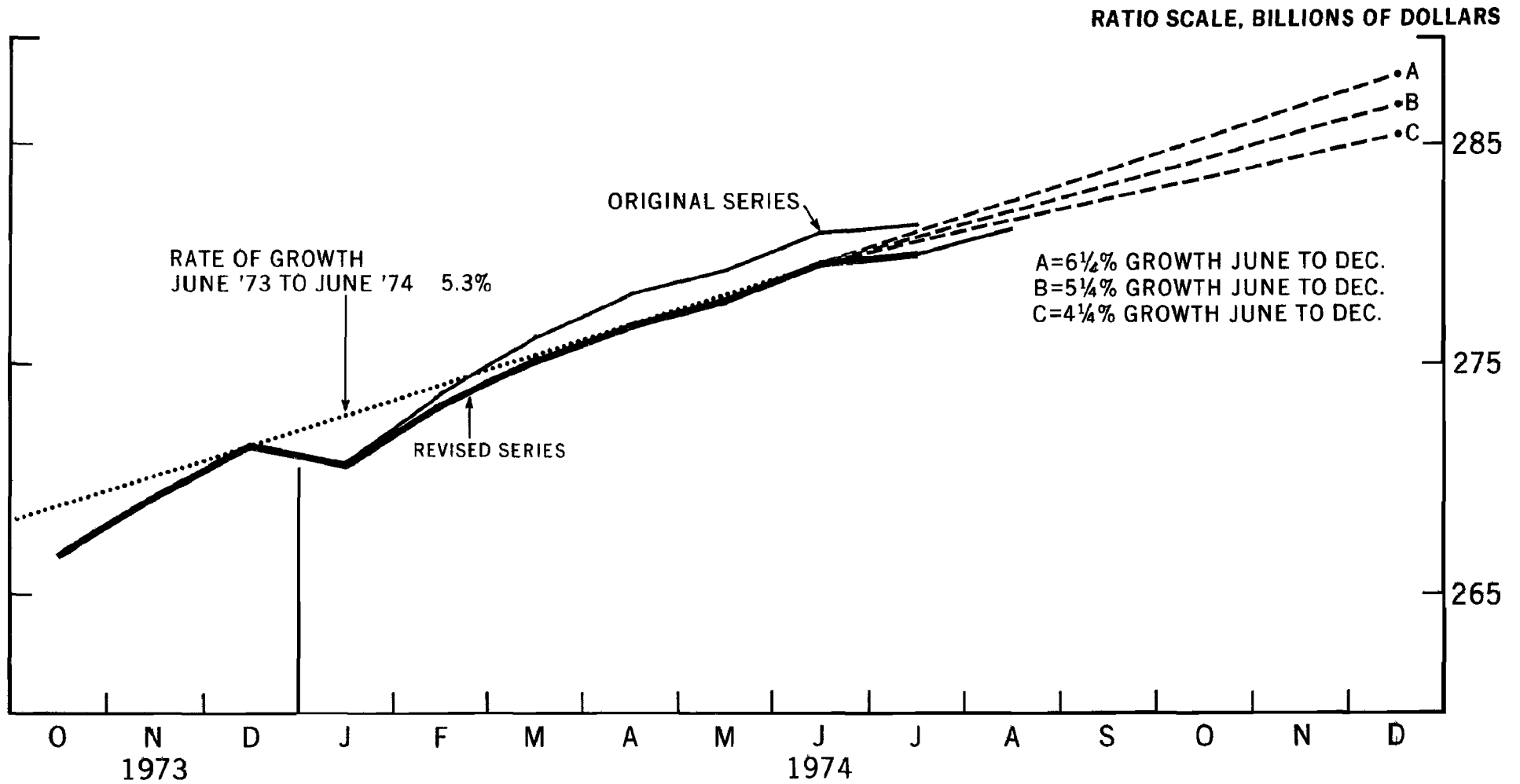
		<u>M₁</u>			<u>M₂</u>			<u>M₃</u>		
		<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>	<u>Alt. A</u>	<u>Alt. B</u>	<u>Alt. C</u>
1974	June	279.6	279.6	279.6	596.2	596.2	596.2	929.2	929.2	929.2
	July	280.0	280.0	280.0	599.1	599.1	599.1	933.0	933.0	933.0
	Aug.	281.2	281.1	281.0	602.5	602.4	602.3	936.9	936.7	936.6
	Sept.	283.0	282.7	282.4	606.3	605.7	605.2	942.1	940.6	939.6
	Dec.	288.2	286.9	285.6	618.7	615.5	612.2	958.4	952.3	947.3
Quarters:		<u>Rates of Growth</u>								
1974	3rd Q.	4.9	4.4	4.0	6.8	6.4	6.0	5.6	4.9	4.5
	4th Q.	7.3	5.9	4.5	8.2	6.5	4.6	6.9	5.0	3.3
Months:										
	Aug.	5.1	4.7	4.3	6.8	6.6	6.4	5.0	4.8	4.6
	Sept.	7.7	6.8	6.0	7.6	6.6	5.8	6.7	5.0	3.8
		<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	June	483.1	483.1	483.1	36,731	36,731	36,731	34,795	34,795	34,795
	July	486.9	486.9	486.9	37,445	37,445	37,445	35,066	35,066	35,066
	Aug.	489.0	488.9	488.8	37,188	37,173	37,158	35,348	35,333	35,318
	Sept.	494.2	493.7	493.4	37,603	37,549	37,494	35,634	35,579	35,525
	Dec.	500.9	498.9	497.3	38,732	38,545	38,385	36,219	36,035	35,876
Quarters:										
1974	3rd Q.	9.2	8.8	8.5	9.5	8.9	8.3	9.6	9.0	8.4
	4th Q.	5.4	4.2	3.2	12.0	10.6	9.5	6.6	5.1	4.0
Months:										
	Aug.	5.2	4.9	4.7	-8.2	-8.7	-9.2	9.7	9.2	8.6
	Sept.	12.8	11.8	11.3	13.4	12.1	10.9	9.7	8.3	7.0

be considered if the Committee wishes to aim for a lower rate of growth than previously desired for the monetary aggregates over the second half of the year. (The three alternatives are depicted in the chart on the following page).

(10) Under alternative B, and given the recent slowing in money growth, the staff expects that the Federal funds rate may decline a little further between now and the next meeting--centering around $11\frac{1}{2}$ per cent. Such a decline would not in itself be sufficient to lead to more than a quite modest downward adjustment in other market rates. Demand pressures on credit markets are expected to be fairly well sustained in the weeks ahead, as a sizable volume of corporate, municipal, and Federal agency offerings come to market. The Treasury will probably borrow another \$2 billion or so of cash in early September, possibly through tax bills, over and above ongoing additions to the weekly bill auctions. While this flow of new securities would work to limit downward rate adjustments, a sizable expectational decline in rates could take place if a further downdrift in the funds rate were accompanied by continued slow growth in the monetary aggregates and adverse business news.

(11) Alternative A contemplates a significant further decline in the funds rate over the next few weeks, which would undoubtedly spur a sharp drop of interest rates generally. Alternative C, on the other hand, envisions a return of the Federal funds rate to the 13 per cent area, and this would be accompanied by a re-emergence of market tensions and generally rising interest rates. Dealers in U.S. Government securities would, under the circumstances, attempt to liquidate positions enlarged in the wake of recent Treasury financings.

MONEY SUPPLY AND LONGER RUN TARGET PATH



(12) Under the Federal funds rates contemplated in any of the alternatives, the unusually low growth rate of M_1 in July would not be expected to persist in the months ahead, assuming the staff projections of nominal GNP growth are correct. Taking account of the strengthening indicated by fragmentary early-August data, M_1 would be expected to grow in a $4\frac{3}{4}$ - $6\frac{3}{4}$ per cent range in the August-September period under alternative B.

(13) Expansion in time deposits other than money market CD's at banks is expected to slow a little further over the months ahead under alternative B. While the Federal funds rate and other short-term rates may decline somewhat, the increased availability of instruments attractive to small savers (such as variable-rate debentures, money market mutual funds, and Treasury and Federal agency issues) is likely to lead to continued substitution of such instruments for Regulation Q-constrained time and savings accounts. Growth in savings accounts at nonbank thrift institutions is expected to remain quite weak under alternative B, thus continuing substantial constraint on the supply of private mortgage funds. Growth in consumer-type time and savings at both banks and nonbank thrift institutions would be even more constrained under alternative C, whereas growth in such savings would begin to recover under alternative A.

(14) Business loan growth at banks is likely to be less strong over the next few months than it was during the first seven months of the year, partly in reflection of a projected low rate of inventory accumulation and partly as a result of tight bank lending policies. Growth in money market CD's also is expected to be at a more moderate pace in the months ahead. In these circumstances, bank credit growth is also expected to slow over the latter half of the year.

(15) Demands for bank credit could be enlarged, however, should investors become more selective and should liquidity pressure become more pervasive. Under such circumstances, many borrowers, particularly those of less-than-prime quality, would be forced to fall back on bank lines. While borrowers' ability to float debt in the open market has improved since early July, yield spreads reflecting risk differentials generally remain wider than normal. Thus, markets and investor attitudes continue to be quite sensitive to shocks to confidence that might be generated by such factors as failures, or near-failures, of financial institutions or business firms.

Proposed directive

(16) 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 July 31 has been completed.

Alternative A

To implement this policy, while taking account of the forthcoming-Treasury-refunding-and-of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions that-would moderate CONSISTENT WITH SOMEWHAT FASTER growth in monetary aggregates over-the-months-ahead THAN HAS PREVAILED OVER RECENT MONTHS.

Alternative B

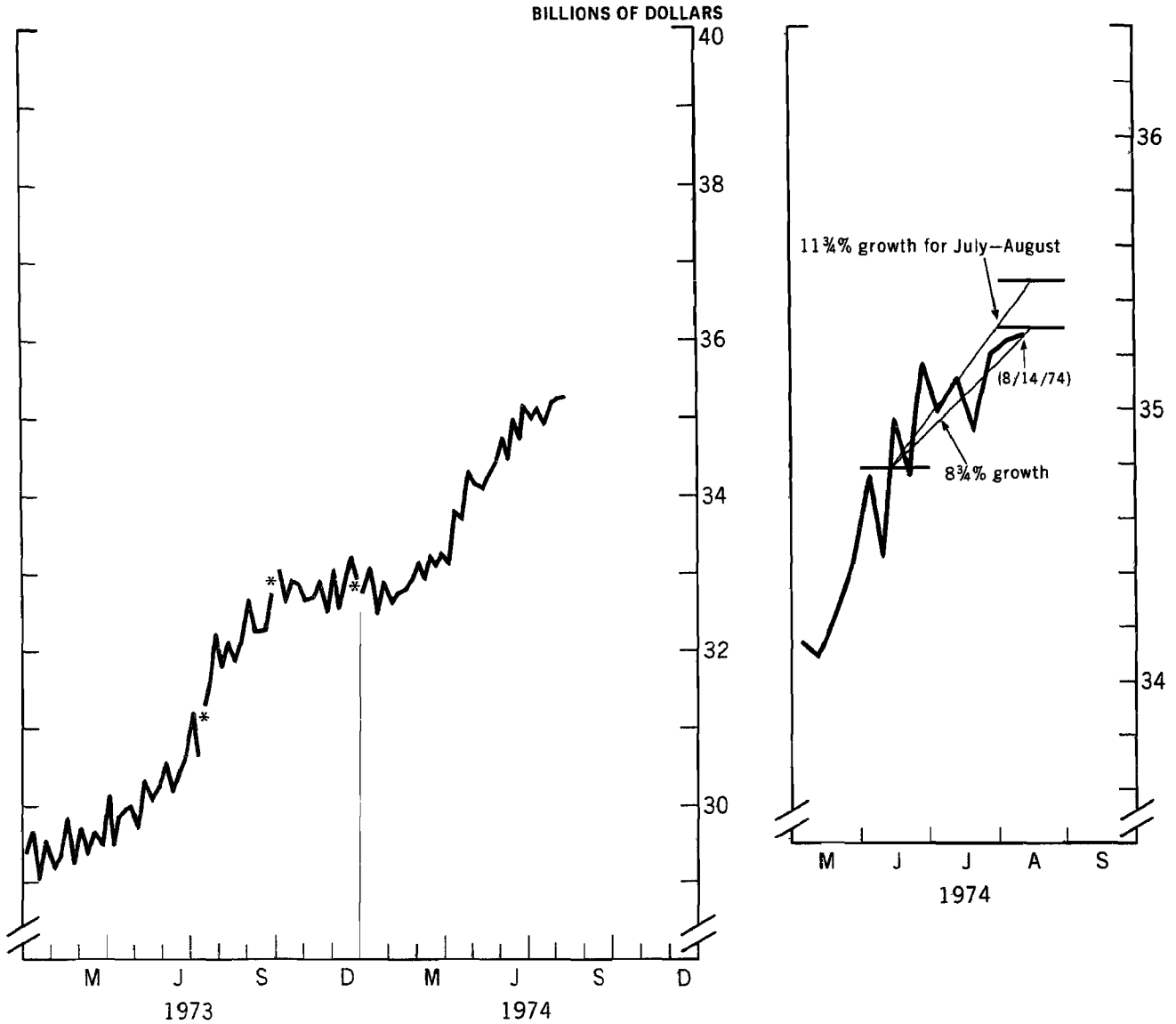
To implement this policy, while taking account of the forthcoming-Treasury-refunding-and-of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions that-would CONSISTENT WITH moderate growth in monetary aggregates over the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

Alternative C

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

(17) In the event 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 money market conditions in the neighborhood of the restrictive conditions recently prevailing, provided that the monetary aggregates appear to be growing at rates within the specified ranges of tolerance."

RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS

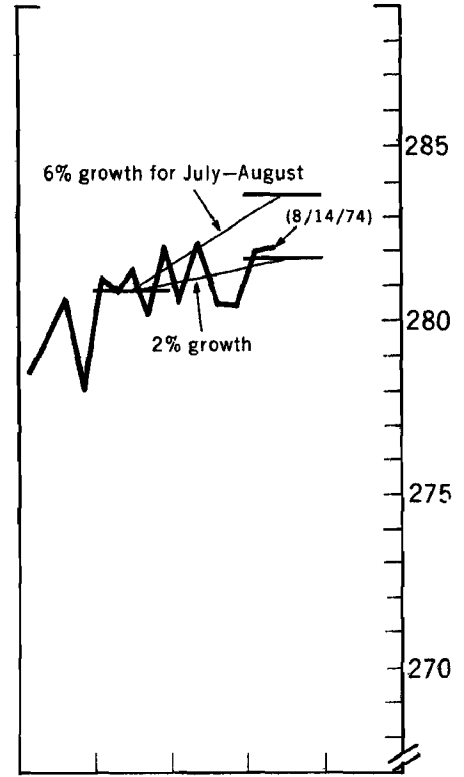
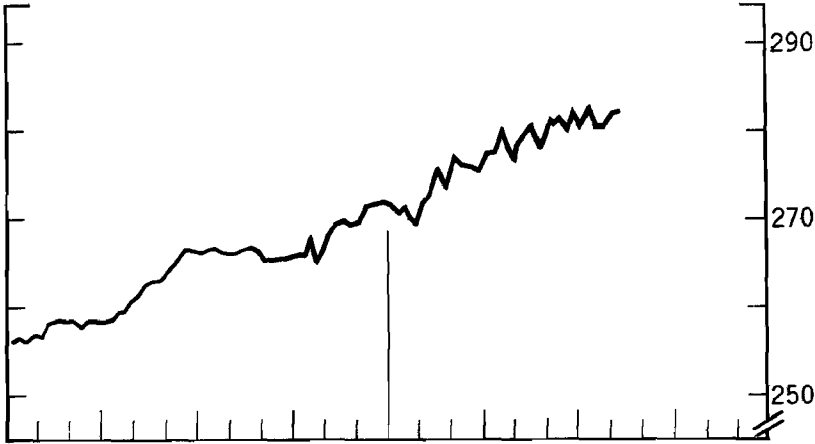


* Break in Series, Actual Level of RPD After Changes in Reserve Requirements

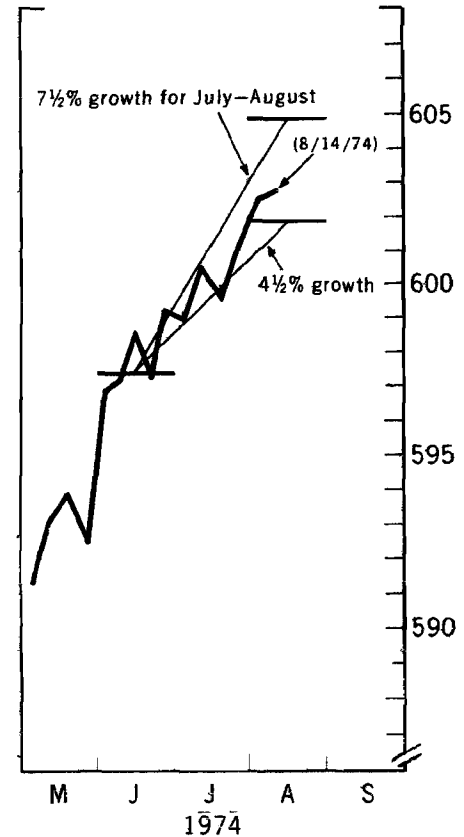
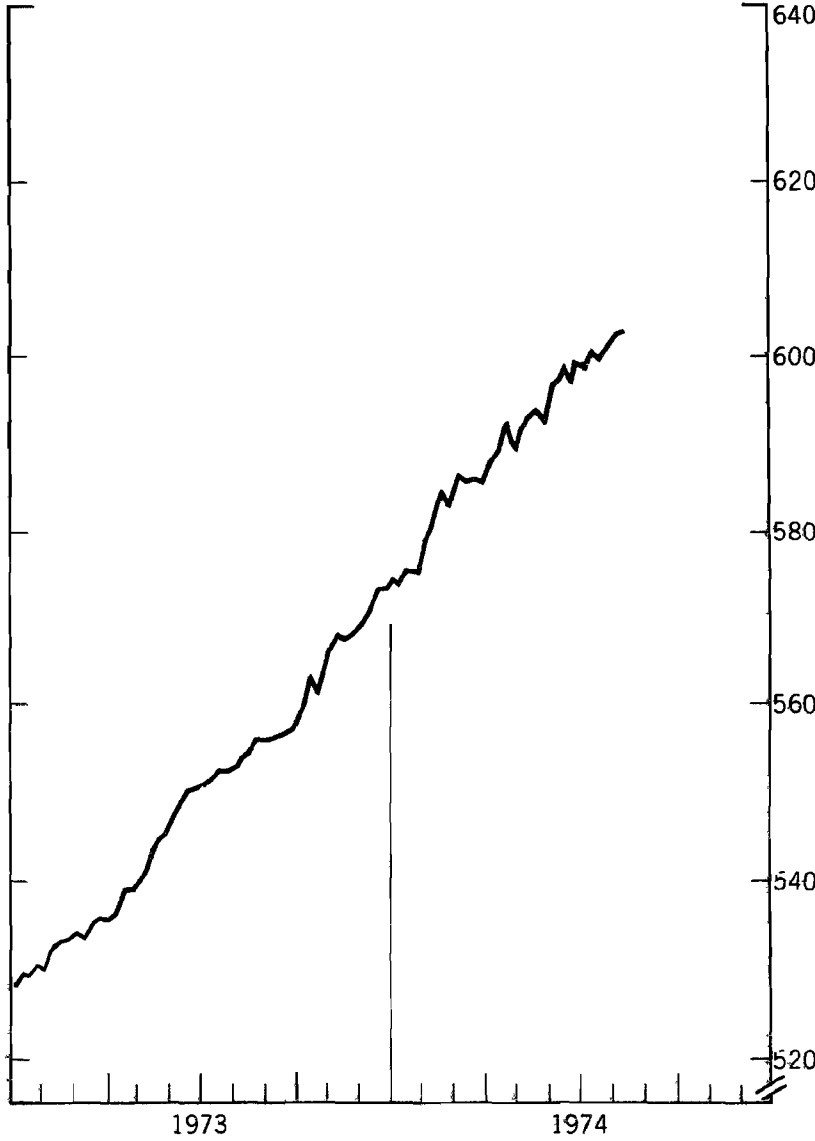
MONETARY AGGREGATES

NARROW MONEY SUPPLY M1

BILLIONS OF DOLLARS

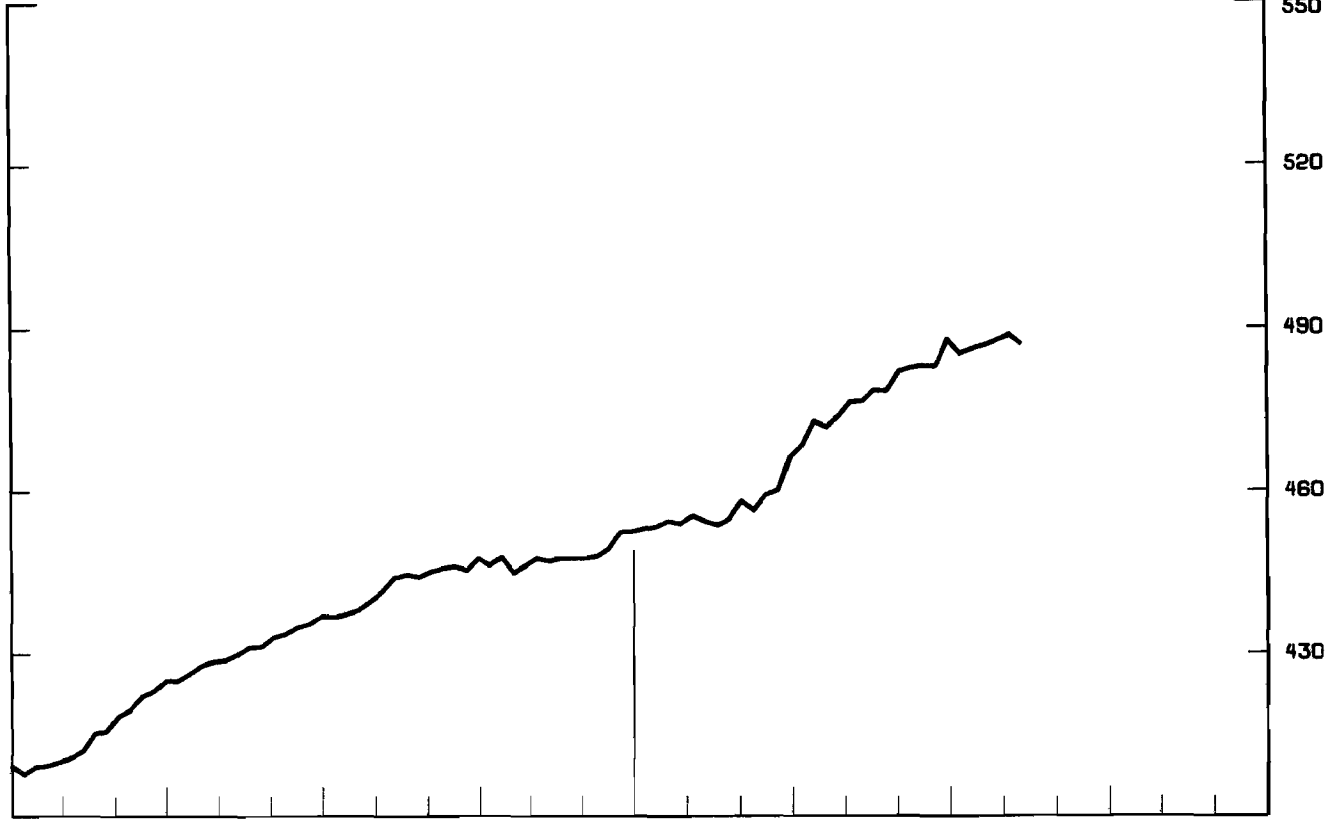


BROADER MONEY SUPPLY M2

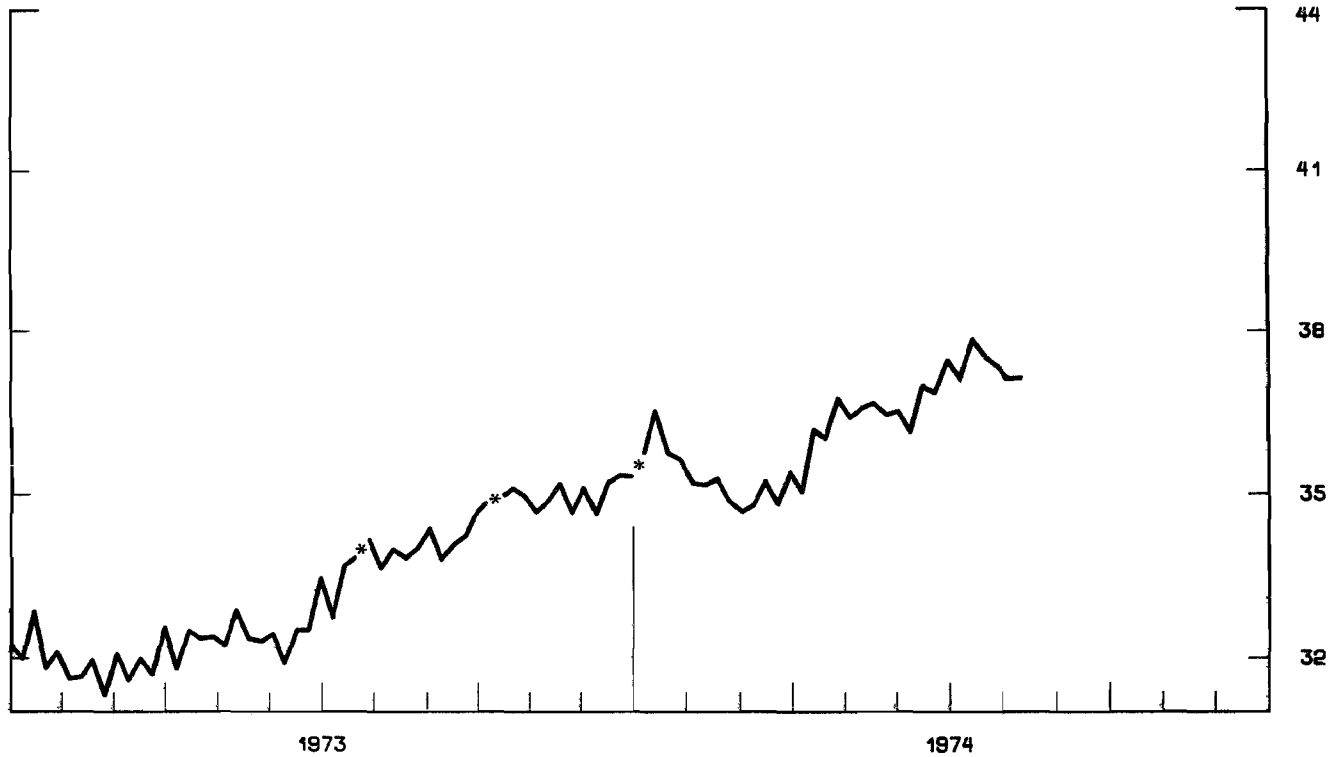


MONETARY AGGREGATES

ADJUSTED CREDIT PROXY



TOTAL RESERVES

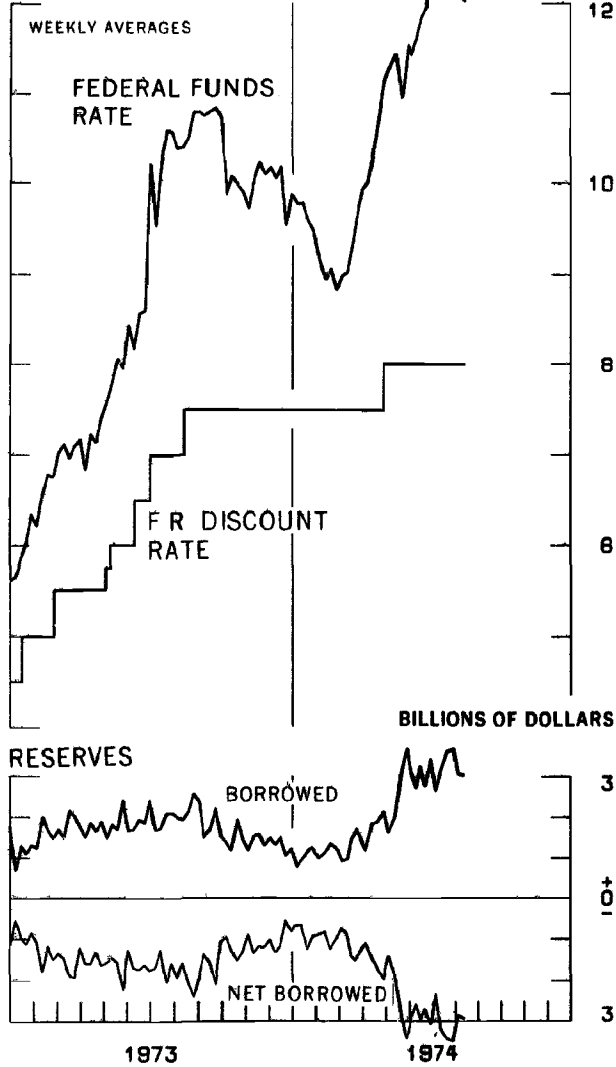


*Break in series, Actual Level of Total Reserves After Changes in Reserve Requirements

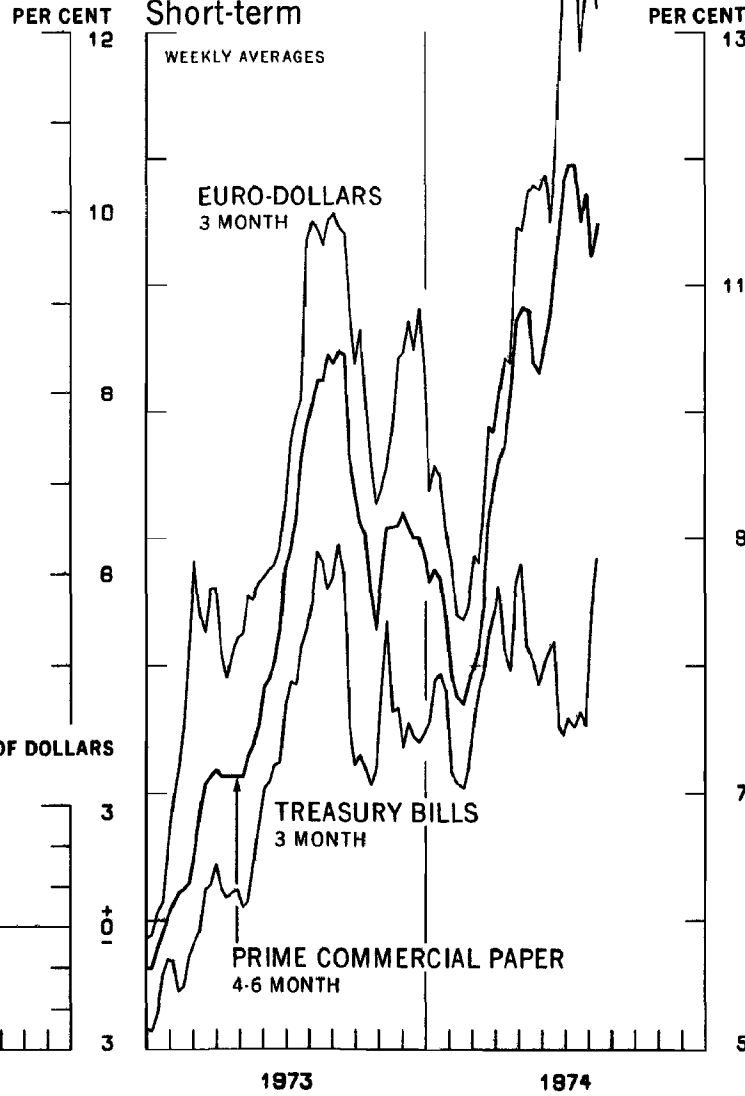
CHART 4

MONEY MARKET CONDITIONS AND INTEREST RATES

MONEY MARKET CONDITIONS



INTEREST RATES Short-term



INTEREST RATES Long-term

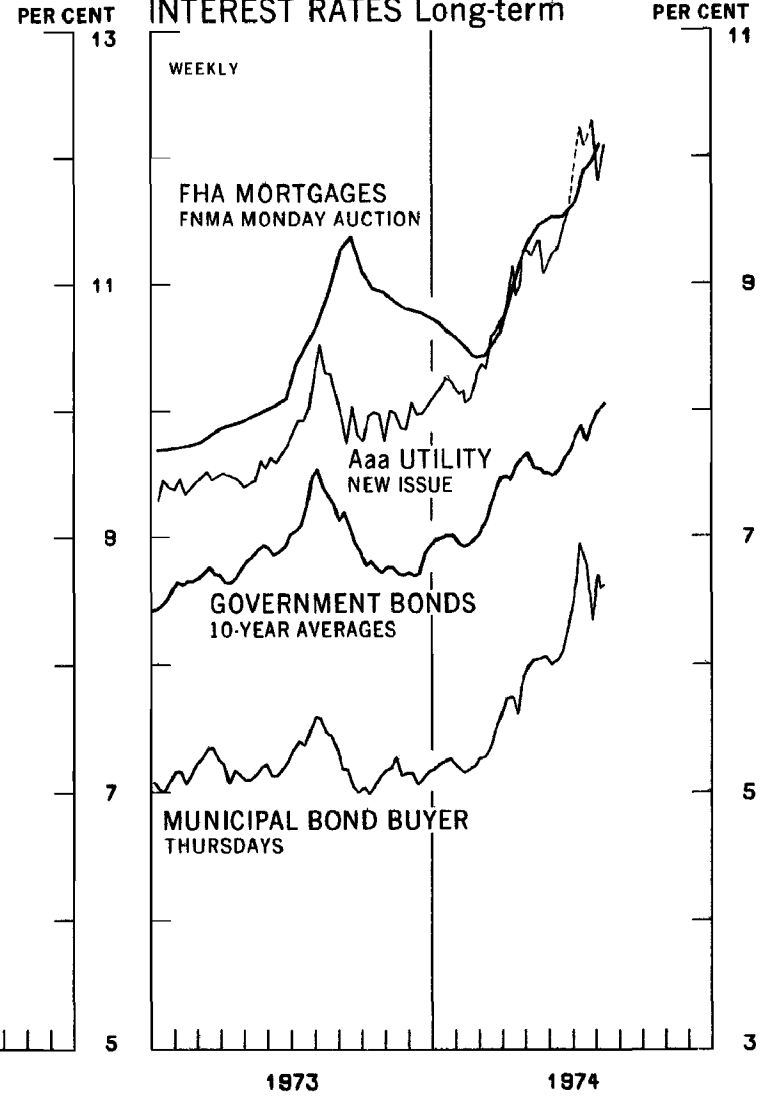


TABLE 1

STRICTLY CONFIDENTIAL

BANK RESERVES
(ACTUAL AND CURRENT PROJECTIONS)

AUGUST 16, 1974

PERIOD	RESERVES AVAILABLE FOR PRIVATE NONPANK DEPOSITS		AGGREGATE RESERVES		REQUIRED RESERVES			
	SEAS ADJ	NON SEAS ADJ	TOTAL RESERVES	NONBORROWED RESERVES	SEASONALLY ADJUSTED			
					PRIVATE DEMAND	OTHER TIME DEP	CD'S AND NON DEP	GOV'T AND INTERBANK
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MONTHLY LEVELS--\$MILLIONS								
1974--MAY	34,270	34,086	36,523	33,933	20,341	8,721	5,031	2,253
JUN.	34,795	34,439	36,731	33,725	20,379	8,807	5,411	1,936
JUL.	35,066	34,859	37,445	34,145	20,449	8,866	5,570	2,380
AUG.	(35,343)	(35,031)	(37,183)	(34,100)	(20,430)	(8,958)	(5,759)	(1,840)
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.	20.3		20.4	1.1	1.7	7.1		
MONTHLY:								
1974--MAY	21.7		20.8	-8.2	-4.1	9.7		
JUN.	18.4		6.8	-7.4	2.2	11.8		
JUL.	9.3		23.3	14.9	4.1	8.0		
AUG.	(9.5)		(-8.4)	(-1.6)	(-1.1)	(12.5)		
JUL.-AUG.	(9.4)		(7.4)	(6.7)	(1.5)	(10.3)		
WEEKLY LEVELS--\$MILLIONS								
JUL. 3	35,164	34,961	37,446	34,011	20,437	8,854	5,503	2,282
10	34,994	34,583	37,102	34,462	20,316	8,848	5,552	2,108
17	35,107	34,891	37,828	34,653	20,674	8,841	5,607	2,721
24	34,921	34,830	37,514	33,873	20,326	8,882	5,524	2,593
31	35,190	35,087	37,338	33,649	20,483	8,898	5,625	2,139
AUG. 7	35,241	34,924	37,102	34,019	20,346	8,942	5,720	1,861
14	35,270	34,943	37,114	34,073	20,391	8,984	5,749	1,844

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS. AT THE FOMC MEETING OF JULY 16, 1974 THE COMMITTEE AGREED ON A RPD RANGE OF 8.75 TO 11.75 PERCENT FOR THE JULY-AUGUST PERIOD.

TABLE 2

STRICTLY CONFIDENTIAL

MONETARY AGGREGATES
(ACTUAL AND CURRENT PROJECTIONS, SEASONALLY ADJUSTED)

AUGUST 16, 1974

PERIOD	MONEY SUPPLY		ADJUSTED CREDIT PROXY	U.S. GOVT. DEPOSITS	TIME AND SAVINGS DEPOSITS			NONDEPOSIT SOURCES OF FUNDS
	NARROW (M1)	BROAD (M2)			TOTAL	OTHER THAN CD S	CD S	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MONTHLY LEVELS--\$BILLIONS								
1974--MAY	279.2	592.8	477.8	3.8	394.7	313.6	81.2	10.7
JUN.	281.0	597.6	482.1	3.7	400.0	316.6	83.3	10.3
JUL.	281.2	600.1	486.9	2.5	404.2	318.9	85.4	11.2
AUG.	(282.3)	(603.3)	(489.6)	(5.0)	(406.6)	(321.1)	(85.5)	(10.2)
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.	7.0	7.8	20.9		23.6	8.5		
MONTHLY								
1974--MAY	4.7	5.3	16.8		22.6	5.8		
JUN.	7.7	9.7	13.3		16.1	11.5		
JUL.	0.9	5.0	9.4		12.6	8.7		
AUG.	(4.7)	(6.4)	(6.7)		(7.1)	(8.3)		
JUL.-AUG.	(2.8)	(5.7)	(8.1)		(9.9)	(8.5)		
WEEKLY LEVELS--\$BILLIONS								
JUL. 3	282.1	599.2	487.0	3.1	402.2	317.1	85.0	10.7
10	280.6	598.9	485.3	3.3	403.0	318.3	84.7	10.4
17	282.2	600.5	486.2	2.1	403.7	318.3	85.4	10.8
24	280.5	599.6	487.0	2.1	405.0	319.1	85.9	12.1
31	280.4	601.1	487.5	2.4	406.3	320.7	85.6	11.7
AUG. 7 P	282.0	602.5	488.8	3.9	405.3	320.4	84.9	11.0
14 PE	282.1	602.8	487.2	4.8	405.5	320.8	84.7	9.8

NOTE: DATA SHOWN IN PARENTHESES ARE CURRENT PROJECTIONS.

P - PRELIMINARY

PE - PARTIALLY ESTIMATED

August 16, 1974

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

	Open Market Operations <u>1/</u>					Daily Average Reserve Effect <u>2/</u>			△ in reserve categories		△Target
	Bills & Accept. (1)	Coupon Issues (2)	Agency Issues (3)	RP's Net <u>3/</u> (4)	TOTAL (5)	Open Market Operations (6)	△ Member Bank Borrowing (7)	Other <u>4/</u> Factors (8)	req. res. against U.S.G. and interb. (9)	available res. <u>5/</u> (6)+(7)+(8)-(9) (10)	available reserves <u>5/</u> (11)
<u>Monthly</u>											
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	173	773	315
May	653	207	185	1,111	2,155	1,970	866	-2,239	207	390	-130
June	-544	176	237	-984	-1,115	-673	420	74	-400	221	
July	898	125	726	-3,760	-2,011	1,601	309	-901	471	538	
Aug.											
Sept.											
<u>Weekly</u>											
1974--June	5	42	207	--	-6,093	-5,844	-23	-552	505	-201	131
	12	-370	--	-72	4,068	3,626	-1,892	-325	1,727	-218	-272
	19	--	--	--	-1,007	-1,007	1,829	494	-1,404	135	784
	26	-306	--	--	1,740	1,434	825	-435	-562	-87	-85
July	3	292	176	305	-170	603	197	647	-106	383	355
	10	58	--	298	128	484	46	-795	343	-28	-378
	17	288	125	291	-426	278	811	535	-390	648	308
	24	446	--	145	-72	518r	-469	466	-318	-260	-61
	31	1	--	-3	-3,787	-3,789	-195	48	-129p	-533p	257p
Aug.	7	66	--	-3	366	430	-589	-606	889p	-143p	-163p
	14	-138	--	--	1,820	1,682	-161	-43	204p	4p	-4p
	21										
	28										

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 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.

AUGUST 16, 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				
	Bills (1)	Coupon Issues (2)	Corporate Bonds (3)	Municipal Bonds (4)	Excess** Reserves (5)	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	394	3,689	176	-5,911	-12,826
Low	-289	-309	0	27	-83	776	13	-2,447	-8,711
1973 -- 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	182	1,736	40	-3,952	-11,603
May	408	85	142	83	178	2,590	102	-3,171	-9,091
June	580	9	66	124	204	3,020	134	-4,445	-9,920
July	* 457	* -214	11p	73p	183p	3,301p	149p	-3,522	-9,555
1974 -- June 5	1,031	12	50	98	225	3,054	131	-3,521	-9,361
12	1,110	76	185	100	131	2,729	136	-5,052	-10,333
19	778	29	29	127	247	3,223	142	-4,803	-9,946
26	-289	-45	0	171	99	2,788	133	-4,394	-9,347
July 3	75	-76	0	50	369	3,435	126	-3,794	-8,966
10	26	* -145	15	90	278	2,640	137	-4,116	-10,178
17	24	* -309	0	63	-16	3,175	152	-3,972	-9,826
24	* 284	* -263	13	27	189p	3,641p	155p	-2,669	-9,758
31	*1,673	* -209	14	144	192p	3,689p	163p	-3,111	-8,957
Aug. 7	*2,065	* -178	4	87	233p	3,083p	176p	-4,542p	-9,933p
14	*2,290	* 772	43p	112p	124p	3,040p	160p	-5,206p	-9,853p
21									
28									

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.

AUGUST 16, 1974

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	13.55	8.84	8.52	12.25	12.25	12.00	10.30	10.31	6.95	8.05	10.12
Low	8.81	7.04	6.39	7.88	8.00	7.88	8.05	8.14	5.16	6.93	8.43
1973 -- 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	8.08	7.90	7.94	5.05	6.79	9.01
Nov.	10.03	7.83	7.40	9.11	9.06	8.91	7.90	7.94	5.18	6.73	8.84
Dec.	9.95	7.45	7.01	9.28	9.44	9.13	8.00	8.04	5.12	6.74	8.78
1974 -- Jan.	9.65	7.77	7.01	8.86	9.05	8.83	8.21	8.22	5.22	6.99	8.71
Feb.	8.97	7.12	6.51	8.00	8.09	7.97	8.12	8.23	5.20	6.96	8.48
Mar.	9.35	7.97	7.34	8.64	8.69	8.56	8.46	8.42	5.41	7.21	8.53
Apr.	10.51	8.33	8.08	9.92	9.81	9.78	8.98	8.94	5.73	7.51	9.07
May	11.31	8.23	8.21	10.82	10.83	10.90	9.24	9.13	6.02	7.58	9.41
June	11.93	7.90	8.16	11.18	11.06	10.88	9.38	9.36	6.13	7.54	9.54
July	12.92	7.55	8.04	11.93	11.83	11.83	10.20	10.04	6.68	7.81	9.84
1974 -- June 5	11.45	8.03	8.21	10.70	10.63	10.50	9.23	9.14	6.01	7.51	9.54
12	11.60	8.11	8.06	10.85	10.75	10.50	9.28	9.18	6.04	7.49	--
19	11.85	8.19	8.16	11.23	11.13	11.00	9.49	9.48	6.73	7.53	9.54
26	11.97	7.50	8.14	11.45	11.75	11.50	9.50	9.65	6.33	7.62	--
July 3	13.55	7.45	8.36	11.95	11.75	11.75	--	9.79	6.64	7.68	9.65
10	13.34	7.58	8.32	12.09	12.25	12.00	10.25	10.16	6.95	7.82	--
17	13.04	7.51	7.84	12.25	11.88	12.00	10.10	10.10	6.78	7.88	9.90
24	12.60	7.63	7.75	11.90	11.50	11.63	--	10.09	6.34	7.77	--
31	12.29	7.53	8.13	11.45	11.75	11.75	10.30	10.28	6.70	7.90	9.98
Aug. 7	12.09	8.42	8.50	11.55	11.75	11.75	9.82	10.15	6.58	7.99	--
14	12.02	8.84	8.52	11.68	11.75	11.88	10.10p	10.00p	6.61	8.05p	10.12
21											
28											
Daily - Aug. 8	12.09	9.02	8.58	11.63	--	--	--	--	--	7.97	--
15	12.23p	8.76	8.49	11.75	--	--	--	--	--	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 bi-weekly auction for short-term forward commitments for Government underwritten mortgages.

APPENDIX TABLE I
RESERVES AND MONETARY VARIABLES

Period	RESERVES			MONEY STOCK MEASURES			BANK CREDIT MEASURES			OTHER				
	Total	Non-borrowed	Available to support Private Deposits	Revised Series			Adjusted Credit Proxy	Total Loans and Investments	Revised Series Total time	Series other than CD's	Thrift Institution Deposits 1/	CD's	Non-deposit funds	U.S. Gov't. Demand
				M 1	M 2	M 3								
(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	+8.3	+8.2	+8.1	+17.9	+11.1	+8.0	+14.4	-8.4	+1.2
1971	+7.2	+7.8	+6.9	+6.3	+11.2	+13.3	+9.4	+11.2	+18.2	+16.7	+17.1	+7.7	-7.6	-0.4
1972	+10.6	+7.7	+10.1	+8.7	+11.1	+13.0	+11.6	+14.6	+15.7	+13.5	+16.6	+10.4	+0.4	--
1973	+7.8	+7.2	+9.3	+6.1	+8.9	+8.8	+10.6	+13.5	+16.0	+11.4	+8.6	+19.4	+3.0	-1.2
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	+9.6	+10.2	+11.8	+6.1	+0.8	+1.8	-0.4
1st Half 1974	+11.0	+1.3	+13.3	+6.0	+8.4	+7.7	+14.9	+13.9	+20.0	+10.6	+6.4	+20.5	+2.9	-1.2
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	+12.7	+14.0	+10.6	+4.6	+4.7	+1.7	-0.3
4th Qtr. 1973	+6.1	+13.4	+1.4	+8.9	+11.0	+9.8	+3.3	+6.3	+6.1	+12.6	+7.6	-3.9	+0.1	-0.1
1st Qtr. 1974	+1.7	+1.5	+6.2	+5.6	+9.0	+8.9	+8.5	+15.9	+15.4	+12.2	+8.6	+4.9	+1.2	-1.2
2nd Qtr. 1974	+20.4	+1.1	+20.3	+6.4	+7.7	+6.4	+20.9	+11.5	+23.7	+8.7	+4.1	+15.6	+1.7	--
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	+6.3	+8.1	+11.1	+23.7	+22.3	+7.0	+11.6	+4.4	-0.5	-0.6
Mar.	+10.5	+1.8	+10.3	+0.9	+5.2	+6.6	+22.3	+17.2	+28.2	+9.6	+8.7	+5.5	+0.4	+1.5
Apr.	+14.7	+20.1	+10.0	+6.0	+8.3	+8.6	+15.4	+13.1	+22.5	+10.0	+9.0	+3.8	+0.2	-0.5
May	+5.4	+0.5	+9.9	+13.9	+11.8	+10.9	+11.0	+16.6	+18.8	+10.8	+9.4	+2.9	+0.3	-1.9
June	+0.5	+0.2	+17.3	+14.2	+12.8	+11.9	+11.1	+8.2	+11.2	+10.7	+10.4	+0.7	+0.2	+0.1
July	+27.2	+24.9	+18.5	+4.1	+5.7	+6.3	+8.6	+14.5	+12.8	+7.6	+7.3	+1.9	+0.9	-1.4
Aug.	-5.1	-13.5	+10.1	-0.5	+6.5	+5.0	+17.0	+18.2	+18.9	+13.0	+2.3	+2.4	+0.6	+0.9
Sept.	+9.4	+21.9	+13.3	-3.6	+3.7	+3.9	+5.7	+5.2	+9.8	+10.8	+4.2	+0.4	+0.2	+0.2
Oct.	+12.1	+26.7	+1.0	+5.0	+11.0	+9.3	+1.6	+7.7	+3.7	+16.1	+6.8	-2.9	-0.4	+1.0
Nov.	-4.3	-1.6	-6.3	+11.7	+11.5	+10.1	+2.7	+7.4	+3.3	+11.4	+7.2	-1.8	+0.2	-0.2
Dec.	+10.5	+14.4	+9.4	+9.8	+10.2	+9.6	+5.6	+3.6	+11.3	+10.1	+8.6	+0.8	+0.3	-0.9
1974--Jan.	+35.7	+45.9	+6.9	-3.5	+6.3	+7.1	+12.5	+14.7	+21.8	+16.0	+8.6	+2.7	+0.1	+1.3
Feb.	-24.8	-30.4	-0.3	+11.1	+12.7	+10.9	+1.3	+15.5	+14.9	+13.8	+7.8	+1.1	+0.2	-3.2
Mar.	-5.4	-10.0	+11.9	+9.2	+7.8	+8.3	+11.3	+16.8	+9.0	+6.6	+9.2	+1.1	+0.9	+0.7
Apr.	+32.7	+19.0	+19.7	+6.5	+7.2	+7.0	+31.6	+16.0	+30.5	+7.7	+6.6	+7.7	+1.0	+0.8
May	+20.8	-8.2	+21.7	+4.8	+5.1	+4.2	+16.8	+10.2	+22.6	+5.8	+2.5	+5.8	+1.1	-0.7
June	+6.8	-7.4	+18.4	+7.8	+10.6	+7.9	+13.3	+7.8	+16.7	+12.3	+3.3	+2.1	-0.4	-0.1
July p	+23.3	+14.9	+9.3	+1.7	+5.8	+4.9	+9.4	+13.1	+13.8	+9.9	+3.2	+2.1	+0.9	-1.2

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.

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

Period	RESERVES			MONEY STOCK MEASURES				BANK CREDIT MEASURES		OTHER					
	Total	Non-borrowed	Available to Support Pvt. Deposits	M ₁		M ₂	M ₃	Adj. Credit Proxy	Total Loans & Investments	Total Time	Time Other Than CD's	Thrift Institution Deposits	CD's	Non-Dep. Funds	U.S. Gov't Demand
				Total	Pvt. Dep.										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
				Revised Series						Revised Series					
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	840.4	421.2	586.8	331.2	276.6	305.7	54.6	4.9	7.6
Apr.	32,300	30,589	29,867	259.4	200.8	538.4	846.4	426.6	593.2	337.4	278.9	308.0	58.4	5.1	7.1
May	32,445	30,602	30,114	262.4	203.4	543.7	854.1	430.5	601.4	342.7	281.4	310.4	61.3	5.4	5.2
June	32,459	30,608	30,548	265.5	206.2	549.5	862.6	434.5	605.5	345.9	283.9	313.1	62.0	5.6	5.3
July	33,576	31,622	31,358	266.4	206.9	552.1	867.1	437.6	612.8	349.6	285.7	315.0	63.9	6.5	3.9
Aug.	33,906	31,741	32,038	266.3	206.4	555.1	870.7	443.8	622.1	355.1	288.8	315.6	66.3	7.1	4.8
Sept.	34,173	32,321	32,394	265.5	205.3	556.8	873.5	445.9	624.8	358.0	291.4	316.7	66.7	7.3	5.0
Oct.	34,942	33,466	32,845	266.6	206.1	561.9	880.3	446.5	628.8	359.1	295.3	318.5	63.8	6.9	6.0
Nov.	34,857	33,463	32,714	269.2	208.2	567.3	887.7	447.5	632.7	360.1	298.1	320.4	62.0	7.1	5.8
Dec.	35,105	33,807	32,912	271.4	209.7	572.1	894.8	449.6	634.6	363.5	300.6	322.7	62.8	7.4	4.9
1974--Jan.	35,850	34,799	32,799	270.6	208.7	575.1	900.1	454.3	642.4	370.1	304.6	325.0	65.5	7.5	6.2
Feb.	35,108	33,916	32,791	273.1	210.4	581.2	908.3	454.8	650.7	374.7	308.1	327.1	66.6	7.7	3.0
Mar.	34,949	33,634	33,117	275.2	211.9	585.0	914.6	459.1	659.8	377.5	309.8	329.6	67.7	8.6	3.7
Apr.	35,902	34,166	33,660	276.7	212.8	588.5	919.9	471.2	668.6	387.1	311.8	331.4	75.4	9.6	4.5
May	36,523	33,933	34,270	277.8	213.4	591.0	923.1	477.8	674.3	394.4	313.3	332.1	81.2	10.7	3.8
June	36,731	33,725	34,795	279.6	214.8	596.2	929.2	483.1	679.3	399.9	316.5	333.0	83.3	10.3	3.7
July p	37,445	34,145	35,066	280.0	215.1	599.1	933.0	486.9	686.7	404.5	319.1	333.9	85.4	11.2	2.5
WEEKLY:															
1974--April 3	35,398	33,895	33,240	276.3	212.9	586.6	--	466.3	--	381.8	310.3	--	71.5	9.5	4.8
10	35,040	33,846	33,117	276.4	212.3	587.7	--	468.4	--	385.1	311.3	--	73.9	9.3	5.0
17	36,161	34,345	33,794	278.7	214.6	590.6	--	472.9	--	386.7	311.9	--	74.8	9.4	5.0
24	36,003	34,064	33,722	276.3	212.4	588.4	--	471.8	--	388.9	312.0	--	76.9	9.7	4.0
May 1	36,742	34,585	34,277	275.3	211.5	587.9	--	473.8	--	390.5	312.5	--	78.0	10.2	4.4
8	36,385	34,768	34,151	277.1	212.7	589.5	--	476.4	--	392.1	312.4	--	79.7	10.4	5.3
15	36,572	34,595	34,104	278.0	213.7	591.3	--	476.6	--	393.8	313.3	--	80.6	10.8	3.3
22	36,659	33,569	34,250	279.2	214.6	592.1	--	478.5	--	394.9	312.9	--	82.0	11.1	3.2
29	36,447	32,841	34,434	276.7	212.2	590.8	--	478.4	--	396.6	314.0	--	82.5	11.0	3.0
June 5	36,514	33,460	34,754	279.8	215.3	595.1	--	481.9	--	397.2	315.3	--	81.9	10.6	3.7
12	36,122	33,393	34,467	279.6	214.6	595.4	--	482.5	--	398.4	315.8	--	82.5	10.1	4.7
19	36,967	33,744	34,963	280.2	215.4	597.1	--	482.9	--	400.4	316.9	--	83.5	9.7	3.5
26	36,851	34,063	34,775	278.9	214.2	596.1	--	482.8	--	401.4	317.2	--	84.1	10.4	3.3
July 3	37,446	34,011	35,164	280.8	216.0	598.1	--	487.9	--	402.4	317.4	--	85.0	10.7	3.1
10	37,102	34,462	34,994	279.3	214.2	597.8	--	485.3	--	403.2	318.5	--	84.7	10.4	3.3
17	37,828	34,653	35,107	280.9	216.1	599.4	--	486.2	--	404.0	318.5	--	85.4	10.8	2.1
24	37,514	33,873	34,921	279.2	214.3	598.7	--	487.0	--	405.3	319.5	--	85.9	12.1	2.1
31p	37,338	33,649	35,199	279.2	214.4	600.2	--	487.6	--	406.6	321.0	--	85.6	11.7	2.4
Aug. 7p	37,102	34,019	35,241	280.8	215.4	601.3	--	488.8	--	405.3	320.5	--	84.9	11.0	3.9

1/ 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. 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.

p - Preliminary.

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 r	5.6	5.8	9.0	9.4	8.9	9.1
	II r	6.4	7.3	7.7	7.9	6.4	7.2

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

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

r = Revised data.

Appendix Table IV

Growth Rates in Money Supply for Alternatives

		<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	III	4.9	4.9	6.8	7.2	5.6	5.7
	IV	7.3	7.1	8.2	7.9	6.9	6.7
	III & IV Combined	6.1	6.0	7.5	7.6	6.3	6.2
		<u>Alt. B</u>					
1974	III	4.4	4.7	6.4	7.1	4.9	5.5
	IV	5.9	6.0	6.5	6.5	5.0	5.0
	III & IV Combined	5.2	5.4	6.5	6.8	5.0	5.3
		<u>Alt. C</u>					
1974	III	4.0	4.5	6.0	7.0	4.5	5.3
	IV	4.5	4.8	4.6	5.1	3.3	3.5
	III & IV Combined	4.2	4.7	5.3	6.0	3.9	4.4

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

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

Appendix Table V

Money Supply Growth Rates

		<u>M₁</u>	<u>M₁ less Foreign Official Deposits</u>	<u>M₁ less Foreign Official Deposits and Deposits due to Foreign Commercial Banks</u>
1973	January	4.7	5.2	5.3
	February	5.6	5.6	6.7
	March	0.9	0.5	0.9
	April	6.0	6.5	6.6
	May	13.9	13.0	11.8
	June	14.2	14.7	14.4
	July	4.1	3.6	2.8
	August	-0.5	-0.5	--
	September	-3.6	-3.6	-3.7
	October	5.0	5.5	4.6
	November	11.7	10.9	10.1
	December	9.8	9.9	8.2
1974	January	-3.5	-4.0	-5.0
	February	11.1	11.2	11.3
	March	9.2	10.2	9.9
	April	6.5	3.9	4.0
	May	4.8	6.6	5.8
	June	7.8	6.1	6.2
	July	1.7	3.0	1.3

NOTE: Growth rates from January 1974 to date have been revised to reflect changes due to April 1974 call report benchmark adjustments to M₁.

APPENDIX TABLE VI

Comparison of Old and Revised Money Stock Growth Rates

	<u>M₁</u>		<u>M₂</u>	
	<u>Old</u>	<u>Revised</u>	<u>Old</u>	<u>Revised</u>
Quarterly average:				
1974--1st Half	+7.7	+6.6	+9.3	+8.7
QI	+6.7	+5.8	+9.9	+9.4
QII	+8.5	+7.3	+8.5	+7.9
Month end:				
1974--1st Half	+7.1	6.0	+8.9	+8.4
QI	+7.1	5.6	+9.9	+9.0
QII	+7.0	6.4	+7.8	+7.7
Monthly:				
1974--Jan.	-2.7	-3.5	+6.9	+6.3
Feb.	+12.9	+11.1	+13.6	+12.7
Mar.	+11.0	+9.2	+8.9	+7.8
Apr.	+8.3	+6.5	+8.2	+7.2
May	+4.7	+4.8	+5.3	+5.1
June	+7.7	+7.8	+9.7	+10.6
July	+0.9	1.7	+5.0	+5.8