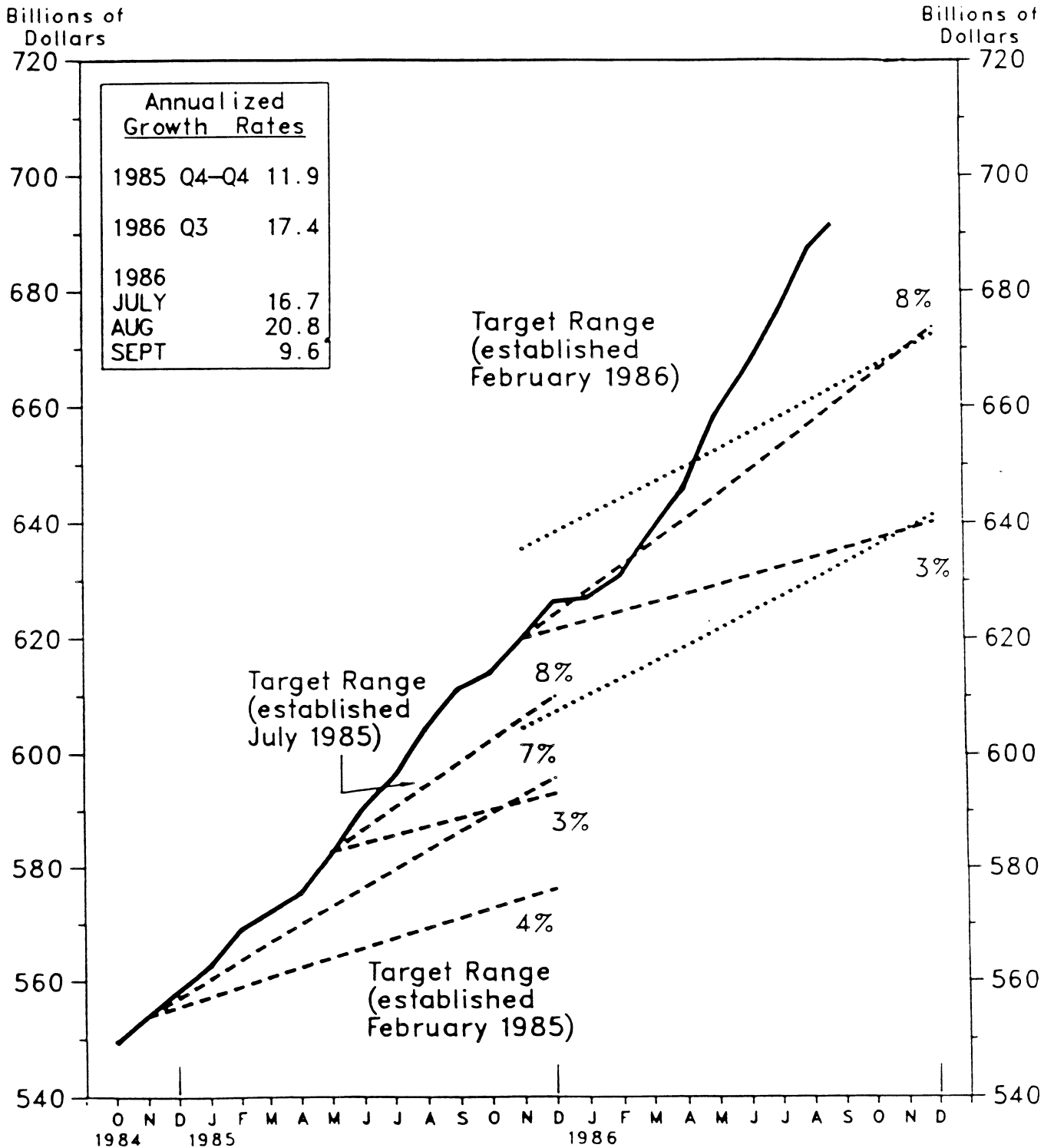


**“Prospects for Monetary & Fiscal Policies”
Remarks before the
Harvard Business School Association
of Northern California
San Francisco, CA**

**Robert T. Parry, President
Federal Reserve Bank of San Francisco**

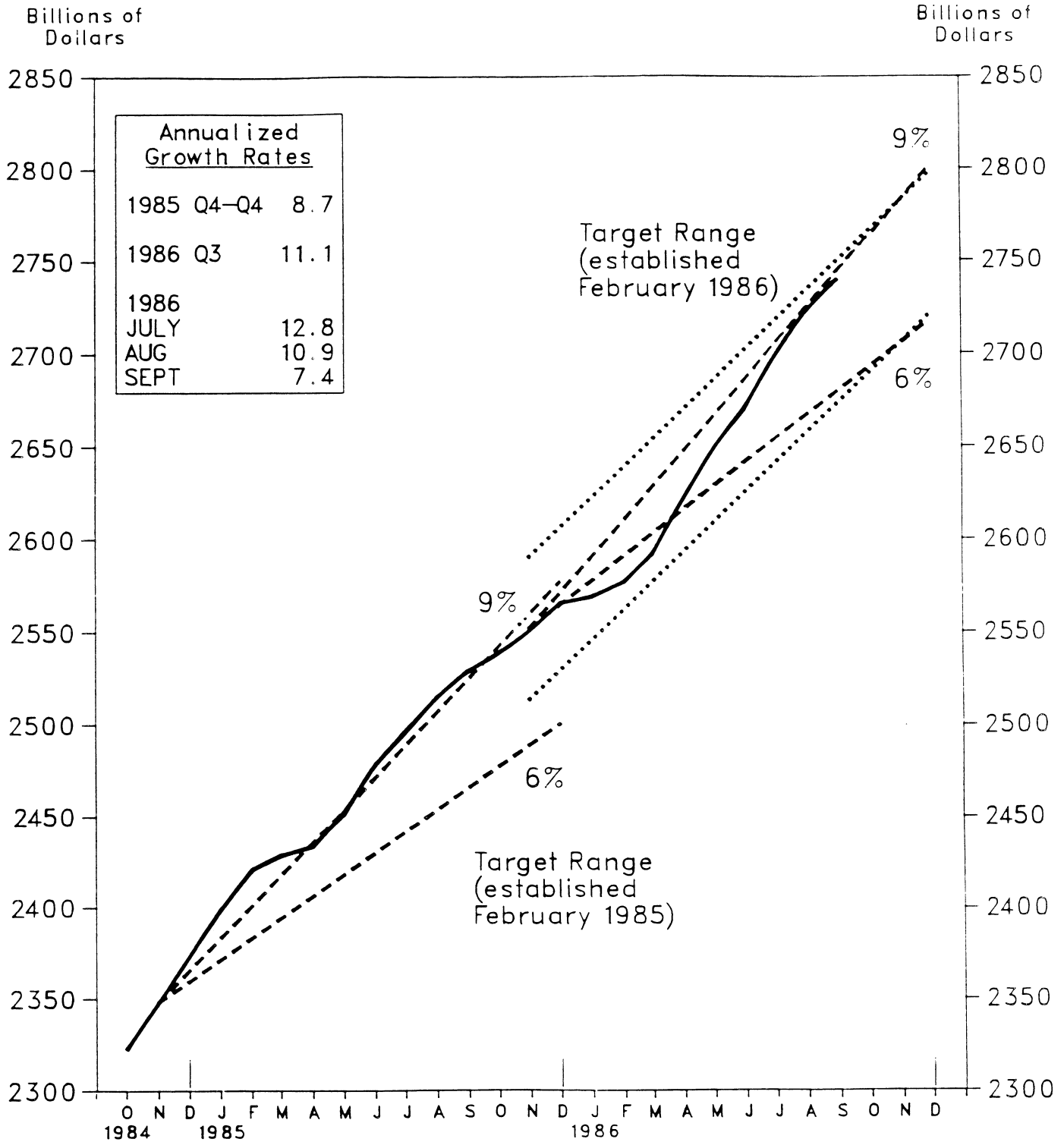
October 29, 1986

M1



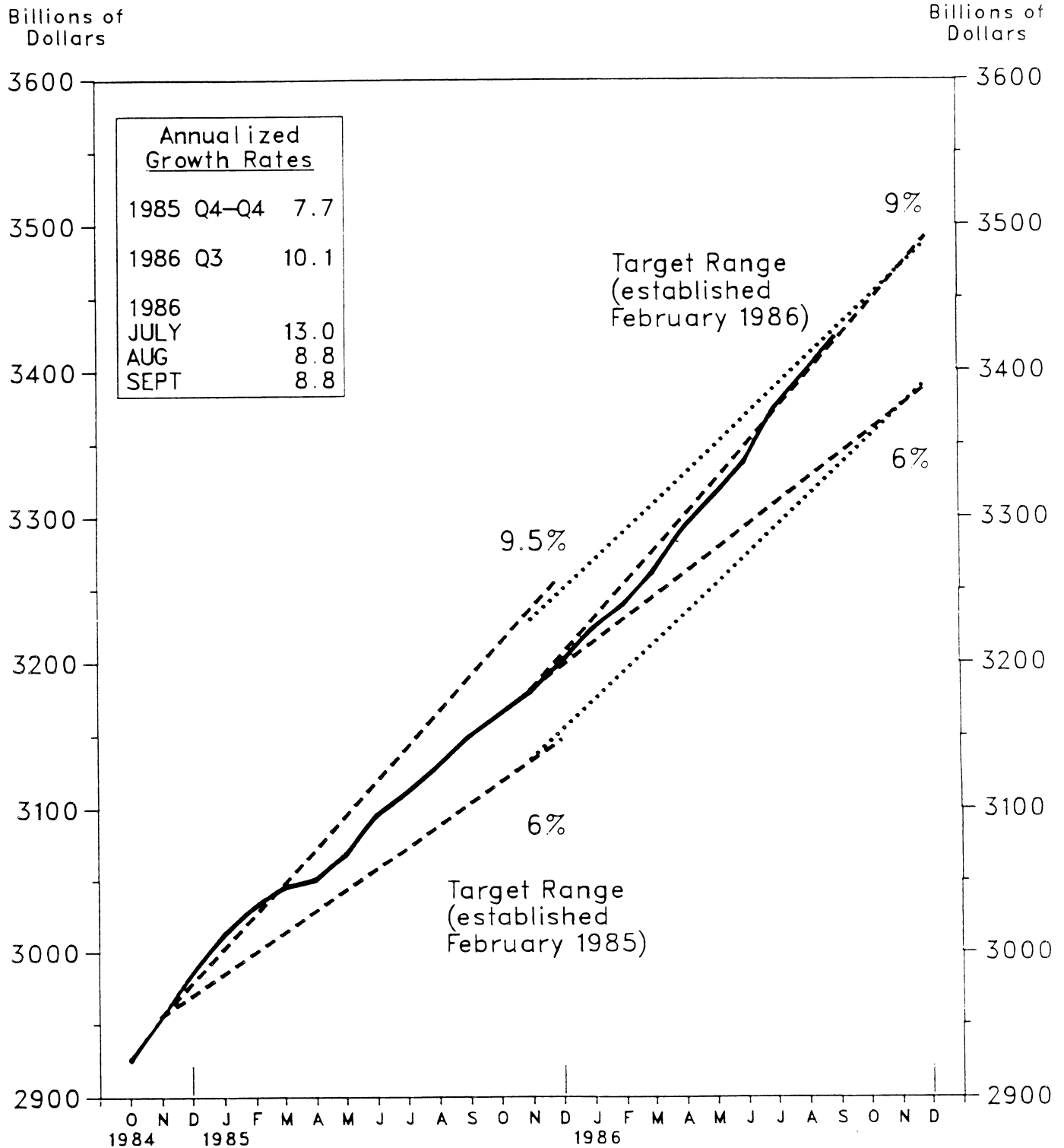
M1 is the sum of currency, nonbank travelers checks, demand deposits, and other checkable deposits.

M2



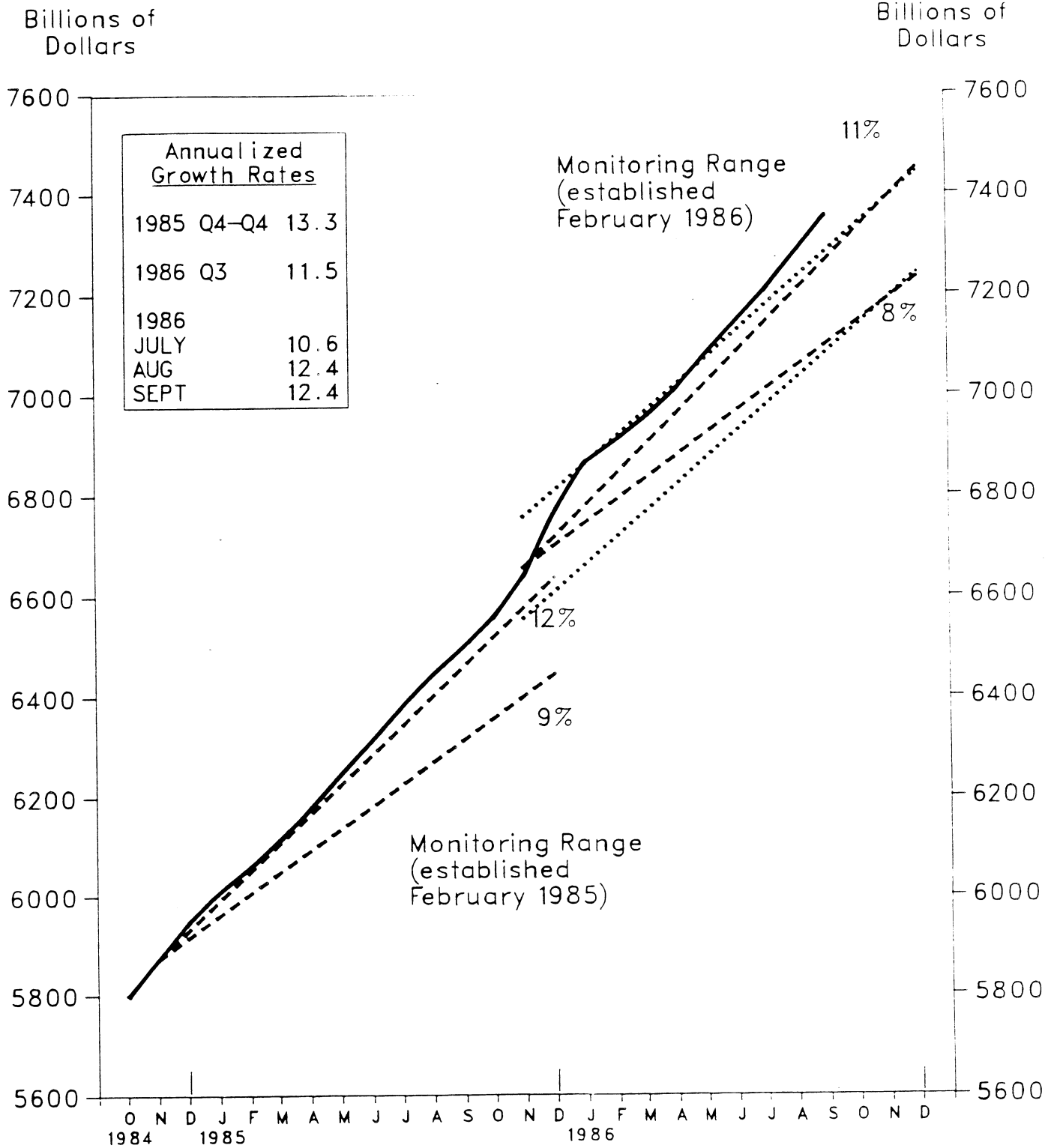
M2 is M1 plus overnight RPs and Eurodollars, general purpose and broker/dealer money market funds, MMDAs, and savings and small time deposits.

M3



M3 is M2 plus large time deposits, term RPs, term Eurodollars held by U.S. residents, institution-only money market funds, and term Eurodollars held by U.S. residents at foreign branches of U.S. banks and at all banks in the United Kingdom and Canada.

DOMESTIC NONFINANCIAL DEBT



Domestic Nonfinancial Debt consists of outstanding credit market debt of government and private nonfinancial sectors of the economy, excluding corporate equities.

Current Forecasts of the Federal Budget Deficit (Billions of Dollars)

