Enclosed are copies of three tables as follows:


(2) Annual Rates of Change in Money Supply Plus Time Deposits - Semi-monthly, 1951-1961

(3) Annual Rates of Change in Money Supply, Time Deposits, and Short-term Governments - Monthly, 1951-1961

Enclosed also is a three-panel chart of the moving average column of these tables.

Possibly these tables and charts are of some use in measuring monetary action or changes in monetary action from time to time, or in measuring a proximate effect of monetary action.

The rationalization for concentrating on three categories of liquid assets - demand deposits of commercial banks, time deposits of commercial banks and short-term obligations of the Federal government - is that they are the monies, near-monies or liquid assets over which the Federal government can most effectively exercise control.

The inclusion of short-term governments is experimental. They probably should be weighted in some manner, with those nearest to maturity given the greatest weights.

I should be glad to hear from anyone who thinks that such time series may have value, concerning promising applications or interpretations. Do the basic data need further refinement before the series can be dependably used?

Presumably, if such series have any value, the chief use should be as current objectives and measures of monetary policy and action.

Homer Jones
Federal Reserve Bank of St. Louis