

Enclosed are copies of three tables as follows:

- (1) Annual Rates of Change in Money Supply
- Semi-monthly Averages of Daily Figures,
1950-1961
- (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 Govern-
ments - Monthly, 1951-1961

Enclosed also is a three-panel chart of the moving aver-
age 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 ef-
fectively 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

5/17/61