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THE PRESIDENT HAS SEEN *df.*

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

February 28, 1975

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on Monetary and Financial
Conditions

Measures of the money supply still show little sign of growing at rates that would be consistent with a recovery in economic activity later this year. Over the past 13 weeks the broadly defined money stock (M_2) has grown at about a 5.0 percent annual rate, while the narrowly defined money stock (M_1) has declined slightly. Interest rates have continued to fall in recent weeks despite this slow expansion in monetary aggregates, reflecting mainly the even slower growth in demand for credit associated with the developing recession.

Gary Seewers

Gary L. Seewers
Member

AG

Alan Greenspan
Chairman

Attachment

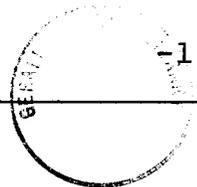


Some Details
(Optional Reading)

(1) Money Growth. The following figures give numerical content to the statements in the Summary concerning the growth of the money supply.

Percent Changes of Monetary Aggregates,
Seasonally Adjusted Annual Rates

Period	M ₁ (currency plus demand deposits)	M ₂ (currency plus all commercial bank deposits except large CD's)	Credit (adjusted bank credit proxy)
Past 52 weeks (from average of four weeks ending Feb. 20, 1974 to average of four weeks ending Feb. 19, 1975)	3.9	6.8	9.1
Past 26 weeks (from average of four weeks ending Aug. 21, 1974 to average of four weeks ending Feb. 19, 1975)	1.4	5.7	3.4
Past 13 weeks (from average of four weeks ending Nov. 20, 1974 to average of four weeks ending Feb. 19, 1975)	-.3	5.0	4.4
Past 4 weeks (from average of four weeks ending Jan. 22, 1974 to average of four weeks ending Feb. 19, 1975)	0	6.7	-1.6



Interest Rates
 (average of daily figures)
 (percent)

Period	U.S. Government			Prime commercial paper 4-6 months	Moody's Aaa bond rate
	3-month bills	3-5 year issues	long term bonds		
August	8.74	8.64	7.33	11.65	9.00
September	8.36	8.38	7.30	11.23	9.24
October	7.24	7.98	7.22	9.36	9.27
November	7.59	7.65	6.93	8.81	8.90
December	7.18	7.22	6.78	8.98	8.89
January	6.49	7.29	6.68	7.30	8.83
Week ending:					
Jan. 31	5.61	7.23	6.67	6.48	8.74
Feb. 7	5.67	6.91	6.59	6.45	8.68
Feb. 14	5.80	6.92	6.58	6.34	8.63
Feb. 21	5.41	6.71	6.63	6.28	8.58
Feb. 28 ^P	5.45	6.83	6.66	6.25	8.57

