

**The original documents are located in Box C7, folder “Presidential Handwriting, 11/30/1974” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

*Central File*

THE PRESIDENT HAS SEEN *W.J.*

COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

ALAN GREENSPAN, CHAIRMAN  
WILLIAM J. FELLNER  
GARY L. SEEVERS

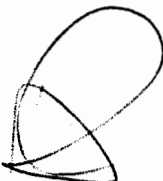
November 30, 1974

*W.J.*

MEMORANDUM FOR THE PRESIDENT

Subject: Monetary and Financial Conditions

The recent money growth rates have been higher than the very small ones of the immediately preceding few months. The annualized recent growth rate of the broadly defined money supply (about 9 percent) and that of the narrowly defined money supply (about 4 percent) suggest that for the second half of the year we may get up to the neighborhood of an annual rate of 8 percent for broadly defined money and of 4 percent for narrowly defined money. This expresses a policy of trying to provide enough effective demand for a good recovery of output trends only after a deceleration of the price trend. There has been little change in interest rates and bank loans this week.



Alan Greenspan  
Chairman



William J. Fellner  
Member



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 <sub>1</sub> (currency plus demand deposits)	M <sub>2</sub> (currency plus all commercial bank deposits except large CD's)	Credit (adjusted bank credit proxy)
Past 52 weeks (from average of four weeks ending Nov. 21, 1973 to average of four weeks ending Nov. 20, 1974)	5.1	7.9	9.7
Past 26 weeks (from average of four weeks ending May 22, 1974 to average of four weeks ending Nov. 20, 1974)	3.6	6.8	6.7
Past 13 weeks (from average of four weeks ending Aug. 21, 1974 to average of four weeks ending Nov. 20, 1974)	2.4	6.3	2.6
Past 4 weeks (from average of four weeks ending Oct. 23, 1974 to average of four weeks ending Nov. 20, 1974)	3.8	8.9	4.3

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
Week ending:					
Nov. 1	7.89	7.98	7.12	8.83	9.09
Nov. 8	7.88	7.83	7.04	8.88	8.99
Nov. 15	7.60	7.67	6.92	8.81	8.89
Nov. 22	7.53	7.53	6.87	8.73	8.84
Nov. 29 <sup>D</sup>	7.33	7.50	6.88	8.75	8.83