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MEMORANDUM FOR THE PRESIDENT

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 28, 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Weekly Monetary and Financial Conditions

mcg

Bank reserves increased in the most recent week as a result of member banks' borrowing additional reserves from the Federal Reserve System. This increased supply of credit was accompanied by rising interest rates, suggesting an even larger increase in demand for credit. Monetary aggregates continued to grow but at slower rates than in the recent past. Narrowly defined money averaged over four weeks grew at an 8.0 percent annual rate over the past four weeks compared to a 12.1 percent over the past eight weeks.



Alan Greenspan



Some Details
(Optional Reading)

Money Growth

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 Apr. 17, 1974 to average of four weeks ending Apr. 16, 1975)	4.1	7.1	7.6
Past 26 weeks (from average of four weeks ending Oct. 16, 1974 to average of four weeks ending Apr 16, 1975)	4.5	8.3	5.2
Past 13 weeks (from average of four weeks ending Jan. 15, 1975 to average of four weeks ending Apr. 16, 1975)	7.0	10.3	4.6
Past 4 weeks (from average of four weeks ending Mar. 19, 1975 to average of four weeks ending Apr. 16, 1975)	8.0	9.8	9.5

Interest Rates
(average of daily figures)
(percent)

Period	U.S. Government 3-month bills	U.S. Government 3-5 year issues	long term bonds	Prime commercial paper 4-6 months	Moody's Aaa bond rate
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
February	5.58	6.85	6.61	6.33	8.62
March	5.54	7.00	6.73	6.05	8.67
Week ending:					
Mar. 28	5.54	7.19	6.83	5.91	8.78
April 4	5.56	7.47	6.88	6.03	8.87
April 11	6.02	7.74	7.05	6.23	8.94
April 18	5.54	7.75	7.03	6.20	8.95
April 25 ^P	5.65	7.89	7.08	6.13	8.97