

The original documents are located in Box C21, folder “Presidential Handwriting, 5/16/1975 (1)” 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 Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections.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 Files

THE PRESIDENT HAS SEEN...

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

May 16, 1975

PRJ

MEMORANDUM FOR THE PRESIDENT

Subject: Weekly Monetary and Financial Conditions

The Federal Reserve Board approved a reduction in its discount rate, the interest rate at which it makes loans to member banks, from 6.25 percent to 6.00 percent. The narrowly defined money supply has risen at a 9.1 percent annual rate over the past three months, although there has been less growth during the past month.

Interest rates declined generally last week, especially in the short-term areas. New York City short-term notes were yielding up to 60 percent annual rates of interest late this week, reflecting the market's dim view of the city's financial situation. So far there have not been any spillover effects in the markets for other municipal obligations, or other financial assets.



Alan Greenspan



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
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	6.06	8.67
April	5.69	7.76	7.03	6.15	8.95
Week ending:					
April 18	5.54	7.75	7.03	6.20	8.95
April 25	5.65	7.90	7.08	6.13	8.96
May 2	5.72	7.87	7.09	6.15	9.01
May 9	5.36	7.64	6.98	6.08	8.97
May 16 ^P	5.18	7.45	6.94	5.97	8.88

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 May 8, 1974 to average of four weeks ending May 7, 1975)	4.1	7.2	8.1
Past 26 weeks (from average of four weeks ending Nov. 6, 1974 to average of four weeks ending May 7, 1975)	4.1	7.7	7.2
Past 13 weeks (from average of four weeks ending Feb. 5, 1975 to average of four weeks ending May 7, 1975)	9.1	10.7	6.1
Past 4 weeks (from average of four weeks ending Apr. 9, 1975 to average of four weeks ending May 7, 1975)	4.1	7.0	1.8
