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FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC

TO: Federal Open Market Committee

DATE: January 11, 1994

FROM: Gary Gill *GG*

In preparation for the FOMC's discussion of its monetary growth objectives at the February 3-4 meeting and the related Humphrey-Hawkins report, Chairman Greenspan requests that you forward the following to Mr. Prell: (1) your projections of the percent change in nominal GDP, real GDP, and the CPI for the period from the fourth quarter of 1993 to the fourth quarter of 1994; (2) your projection of the average unemployment rate in the fourth quarter of 1994.

In addition, Chairman Greenspan would like to have your projections on a similar basis for 1995. In the past, we have waited until July to stretch the forecast out this far, in association with the announcement of tentative ranges for money and credit for the next year. The Committee will have an opportunity at its February meeting to discuss whether these 1995 projections should be included in the upcoming Humphrey-Hawkins report.

The projections for both 1994 and 1995 should be based on an assumption of what, in your judgment, would be an appropriate monetary policy. No common assumptions are proposed for fiscal policy and other exogenous factors. There will be an opportunity to amend your projections immediately following the February meeting.

Mr. Prell would appreciate receiving your projections via the Administrative Message System by January 31; Mr. Prell's identification code is .