APRIL 1976

FEDERAL RESERVE BULLETIN

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Changing Patterns in U. S. International Transactions

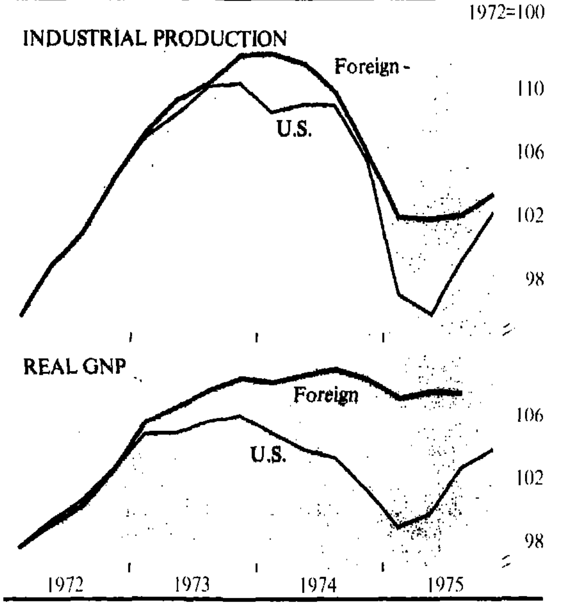
This article was prepared by the U.S. International Transactions Section of the Division of International Finance.

U.S. international transactions in 1975 were affected pervasively by the deepest worldwide recession since the 1930's—with merchandise flows and capital movements reflecting both the relative depths of recessions and the timing of upturns in the United States and abroad. These cyclical factors were superimposed upon the important effects of several other major developments. (1) The volume of fuel imports, adjusted for the influences of the U.S. recession and upturn, apparently has responded slightly to the steep rise in petroleum prices since mid-1973, but most of the expected long-run response has not yet been observed. (2) U.S. export volumes have been stimulated, and import volumes contracted, by changes in the price competitiveness of the United States, which was substantially improved by the large net depreciation of the dollar between 1970 and mid-1975 before being eroded somewhat by the dollar's subsequent appreciation. And (3) the sharp rise since 1973 in the foreign-exchange earnings of the Organization of Petroleum Exporting Countries (OPEC) has stimulated U.S. exports and altered the composition of U.S. capital flows.

The most striking feature of U.S. international transactions last year was the large swing in the merchandise trade balance, from a deficit of $5 billion in 1974 to a surplus of $9 billion in 1975 (Table 1). In large part this swing reflected the fact that economic activity—as measured by either real gross national product or industrial production—declined earlier and more deeply in the United States than in its major trading partners (Chart 1). Consequently, the volume of U.S. trade declined earlier and much more sharply on the import side than on the export side. This difference was magnified in value terms as U.S. export prices rose more than import prices, which actually declined when the dollar appreciated during the second half of last year. In recent months, however, the economic recovery in the United States has proceeded more rapidly than recoveries abroad, and imports have grown faster than exports, causing the trade balance to swing at least temporarily into deficit during January and February.

CHART 1

U.S. and foreign industrial production and real GNP



Indexes of foreign industrial production and real GNP are weighted averages for Canada, France, Germany, Italy, Japan, and the United Kingdom, with weights proportional to U.S. exports to these respective countries in 1973. Data are from national sources.

U.S. industrial production is the Federal Reserve index; U.S. real GNP is based on Dept. of Commerce data.

The U.S. current account—comprised of merchandise and service transactions and unilateral transfers—showed a surplus of $12.6 billion last year. Net investment income dropped from $10.1 billion in 1974 to $6.0

billion in 1975, largely because earnings on overseas petroleum investments declined from their extraordinarily high level in 1974. Defense expenditures abroad last year exceeded the value of military sales abroad by $0.8 billion.

The swing in the current account from a slight deficit in 1974 to a large surplus last year was mirrored by an equally large adjustment in private and official capital flows. Most of the change occurred in net foreign lending by U.S. banks vis-a-vis private foreigners, which registered a net outflow of nearly $10 billion last year, compared with a net outflow of $2.7 billion in 1974. Other major adjustments were a large reduction in net inflows from OPEC official accounts, a sizable increase in new foreign bond issues in the United States, and a big jump in foreign purchases of U.S. corporate stocks. The net increase in capital outflows for the year as a whole accompanied a decline in U.S. interest rates relative to interest rates abroad, which in turn reflected international differences in the policy stances adopted to combat recession and inflation. In the third quarter, net private capital flows turned inward temporarily, accompanying a sharp appreciation of the dollar and a shift to a net decline (outflow) in liabilities to foreign official agencies.

TABLE 1

U.S. international transactions, 1973–75

In billions of dollars; seasonally adjusted quarterly data.

Item	1973	1974	1975	1975			
				Q1	Q2	Q3	Q4
Merchandise exports	71.4	98.3	107.2	27.1	25.8	26.6	27.7
Merchandise imports	70.4	103.6	98.1	25.6	22.6	24.5	25.5
Trade balance	*1.0*	*−5.3*	*9.0*	*1.5*	*3.3*	*2.1*	2.2
Military transactions, net	−2.3	−2.2	−.8	−.4	−.4	−.1	*
Investment income, net	5.2	10.1	6.0	1.2	1.4	1.8	1.7
Other service transactions, net	.3	1.1	2.2	.5	.7	.6	.4
Official and private unilateral transfers[1]	−3.8	−4.0	−3.9	−1.0	−1.1	−.9	−1.0
Balance on current account[1]	**.3**	**−.2**	**12.6**	**1.9**	**3.9**	**3.5**	**3.3**
U.S. Government capital flows[1]	**−1.5**	**−2.0**	**−2.4**	**−.7**	**−.5**	**−.6**	**−.7**
Private capital, net	**−1.7**	**−10.9**	**−17.2**	**−6.9**	**−5.6**	**1.1**	**−5.8**
Reported by banks, net	−1.5	−2.7	−9.9	−5.6	−4.0	3.2	−3.5
Claims on foreigners, increase (−)	−6.0	−19.5	−13.1	−3.7	−3.8	−.8	−4.8
Liabilities to foreigners, increase (+)	4.5	16.8	3.2	−1.9	−.2	4.0	1.3
Securities transactions, net[2]	3.3	−1.3	−2.4	−1.4	−.3	.1	−.8
U.S. purchases (−) of foreign securities	−.8	−2.0	−6.3	−2.0	−1.0	−.9	−2.3
Of which: new bond issues	(−1.4)	(−2.4)	(−7.2)	(−2.1)	(−1.2)	(−1.3)	(−2.6)
Foreign purchases (+) of U.S. securities[2]	4.1	.7	3.9	.7	.7	1.0	1.5
Of which: stocks[2]	(2.8)	(.5)	(4.5)	(1.0)	(.9)	(1.3)	(1.3)
Direct investment flows, net[2]	−2.3	−5.2	−3.8	−.7	−1.6	−.7	−.8
U.S. investments abroad	−5.0	−7.5	−5.8	−1.0	−2.3	−.7	−1.8
Foreign investment in U.S.[2]	2.7	2.2	1.9	.3	.7	−.1	1.0
Other corporate flows, net	−1.2	−1.6	−1.1	.8	.3	−1.4	−.7
Liabilities to foreign official agencies, increase (+)	**5.1**	**9.8**	**3.1**	**3.5**	**1.8**	**−4.7**	**2.4**
Of which: to OPEC countries[3]	.4	10.0	4.2	.3	1.0	1.7	1.3
to other countries	4.7	−.2	−1.1	3.2	.8	−6.3	1.2
U.S. official reserve assets, increase (−)	**.2**	**−1.4**	**−.6**	**−.3**	*****	**−.3**	**.1**
Statistical discrepancy, inflow (+)	**−2.4**	**4.7**	**4.6**	**2.5**	**.4**	**.9**	**.7**

[1] Data for 1974 and 1975 exclude certain special transactions with India, Israel, and Vietnam, which are recorded in Department of Commerce statistics as unilateral transfers matched by completely offsetting U.S. Government capital flows.

[2] Includes certain official transactions.

[3] Not seasonally adjusted.

* Absolute value less than $50 million.

SOURCE.—U.S. Dept. of Commerce, Bureau of Economic Analysis.

TABLE 2

U.S. merchandise trade

Balance of payments basis; quarterly data at seasonally adjusted annual rates

Item	1974	1975	1974 Q1	1974 Q2	1974 Q3	1974 Q4	1975 Q1	1975 Q2	1975 Q3	1975 Q4
	Billions of dollars									
Export values	**98.3**	**107.2**	**89.9**	**96.9**	**100.1**	**106.4**	**108.2**	**103.4**	**106.4**	**110.8**
Agricultural	22.4	22.3	23.2	23.0	21.0	22.4	24.3	19.6	22.3	23.0
Nonagricultural	75.9	84.9	66.6	73.9	79.1	84.0	83.9	83.8	84.1	87.7
Import values	**103.6**	**98.1**	**90.3**	**102.7**	**109.4**	**111.9**	**102.2**	**90.3**	**97.9**	**102.1**
Fuel	27.4	28.3	18.9	30.1	31.0	29.5	27.6	26.4	30.0	29.4
Nonfuel	76.2	69.8	71.4	72.6	78.4	82.4	74.7	63.8	68.0	72.7
Balance	**−5.3**	**9.0**	**−.5**	**−5.8**	**−9.3**	**−5.5**	**6.0**	**13.1**	**8.4**	**8.7**
	1974=100									
Volumes										
Agricultural exports	100.0	101.8	106.3	104.9	96.0	92.4	101.8	89.7	104.9	110.3
Nonagricultural exports	100.0	95.7	95.9	101.1	99.3	100.7	95.8	94.6	95.0	97.5
Fuel imports	100.0	100.0	83.6	104.7	107.3	103.3	96.7	93.4	106.9	102.9
Nonfuel imports	100.0	83.2	106.4	99.0	99.1	99.1	87.9	73.9	82.4	88.6
Unit values										
Agricultural exports	100.0	97.9	97.4	97.8	97.8	108.1	106.4	97.4	94.8	93.1
Nonagricultural exports	100.0	116.9	91.6	96.3	104.9	109.9	115.4	116.7	116.7	118.6
Fuel imports	100.0	103.5	82.6	105.0	105.4	104.2	104.0	103.1	102.1	104.4
Nonfuel imports	100.0	110.1	88.1	96.3	103.8	109.1	111.5	113.4	108.3	107.7

SOURCE.—U.S. Dept of Commerce, Bureau of Economic Analysis and Bureau of the Census.

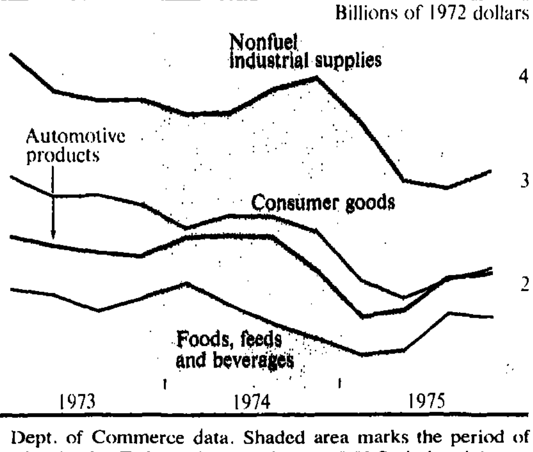
NONFUEL IMPORTS: Charting the course of the U.S. recession

As 1975 began, real GNP and industrial production were still receding in the United States. The turnaround in industrial production came in the second quarter, when real GNP also began to rise sharply (Chart 1). Not surprisingly, the volume of imports followed a similar pattern; volumes of both fuel and nonfuel imports reached their troughs in the second quarter (Table 2).

The decline in U.S. economic activity, as measured by industrial production, was roughly 13 per cent from peak to trough (1973 Q4 to 1975 Q2), while the decline in activity as measured by real GNP was 7 per cent (1973 Q4 to 1975 Q1). In sharp contrast, the volume of nonfuel imports plunged 31 per cent from peak to trough (1974 Q1 to 1975 Q2). Every major category of nonfuel imports showed proportionately greater peak-to-trough declines in volume terms than either U.S. industrial production or real GNP (Chart 2). Imports of nonfuel industrial supplies and consumer goods dropped sharply in the first half of last year. Automotive imports also declined sharply, but earlier. After reaching its trough, the volume of nonfuel imports rebounded sharply, climbing

CHART 2

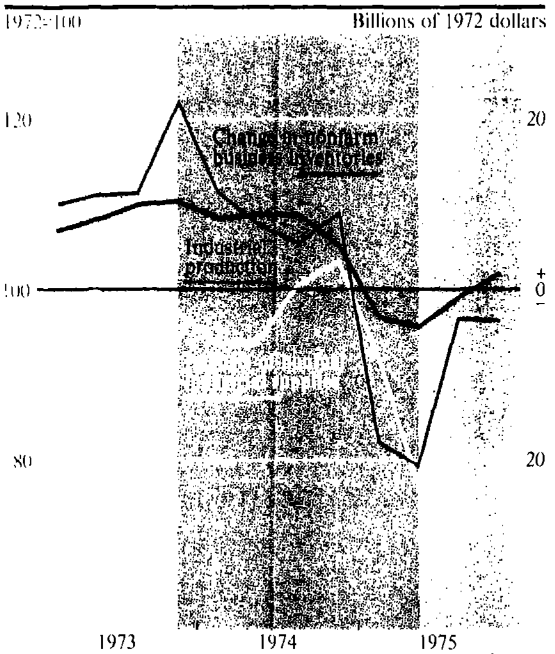
U.S. imports of major nonfuel commodity groups



Dept. of Commerce data. Shaded area marks the period of decline in the Federal Reserve index of U.S. industrial production.

CHART 3

Imports and the inventory cycle



Dept. of Commerce data for imports and inventory changes, with inventory changes at annual rates. Federal Reserve industrial production index.

20 per cent between 1975 Q2 and 1975 Q4, while industrial production increased by 7 per cent.

The relatively greater percentage swings in import volumes, particularly during the downswing, reflect the sensitivity of imports to the major inventory adjustment that occurred during the U.S. recession. Nonfarm business inventories in the United States, including inventories of imported goods, were built up considerably during 1973 and 1974 and then liquidated rapidly during 1975, accentuating the decline in import volumes. Particularly affected were imports of nonfuel industrial supplies (Chart 3), which in value terms accounted for almost half of the drop in total nonfuel imports during the first half of last year.

The average price of nonfuel imports, as measured by a unit value index, rose 10 per cent in 1975, much less than the 27 per cent increase from 1973 to 1974. Unit values rose throughout 1974 and then at a slower rate during the first half of 1975. Import prices actually declined 5 per cent in the second half of last year, in part because of the appreciation of the dollar during that period. Imports of food and nonfuel industrial supplies showed the sharpest price declines, following a drop in primary commodity prices on world markets. Import unit values for manufactured goods also declined, as the decline in the dollar cost of foreign currencies outweighed increases in the foreign-currency export prices of major U.S. trading partners. During the second half of 1975, the dollar appreciated by 8.8 per cent against a weighted average of the currencies of the other Group of Ten countries and Switzerland. (All discussions of dollar exchange rates in this article refer to this series. Weights are shares of each country in the total 1972 trade of the Group of Ten countries plus Switzerland. Shares are calculated as the sum of each country's exports and imports (f.o.b.) divided by total 1972 trade of the 11 countries.)

FUEL IMPORTS: A gradual response to large price increases

The steep rise since mid-1973 in the price charged for crude petroleum by OPEC countries, and the large associated increases in prices paid for refined petroleum products by U.S. consumers, is expected to substantially reduce domestic petroleum consumption relative to domestic production in the long run, and thereby to substantially slow the growth of petroleum imports. Relative to the general price level, domestic prices of refined petroleum products have risen about 60 per cent since early 1973.

Various studies based on a period during which energy prices in general were falling slowly relative to the over-all price level suggest that the price elasticity of energy consumption in the United States ranges between −0.1 and −0.2. If this historical response to small relative price declines also governs the long-run response of domestic oil consumption to the large increase in the relative price of refined petroleum products, domestic petroleum consumption should eventually fall 6 to 12 per cent below the levels that would have occurred in the absence of the OPEC price increases.

To date, the apparent adjustment of domestic petroleum consumption to higher prices has been considerably less than the full expected adjustment. Domestic petroleum consumption fell by 5.4 per cent between the first half of 1973 and the first half of 1975, but based on past relationships, three-fifths to nine-tenths of this decline can be attributed to a 5.3 per cent decline in real GNP during the same period. The remaining 0.6 to 2.2 per cent decline in oil consumption is much less than the full 6 to 12 per cent decline expected to result from higher prices, a fact which suggests that the response of consumption to the increase in petroleum prices is occurring very gradually.

Two major factors can explain the apparently small short-term response to higher prices. First, while price increases have induced a shift to energy-conserving appliances, to small cars with high miles-per-gallon ratings, and to energy-conserving design modifications of private and commercial buildings, these conservation efforts have only affected the energy requirements of newly purchased consumer durable goods and business plant and equipment; most consumer and business durable goods in use today predate the OPEC price hikes. Second, the reduction in oil consumption through increased production of substitute fuels, mainly coal, has been proceeding slowly, in part because the recession has delayed capital expenditures by both consumers and producers.

In the years ahead, as stocks of consumer and business durable goods gradually become more energy-conserving, and as increased supplies of coal and other oil substitutes become available, domestic demand for petroleum products should show more of its full expected response to the OPEC price hikes. The outlook for petroleum imports also depends on domestic oil production, however, which has fallen substantially since 1973 in spite of sharply higher prices.

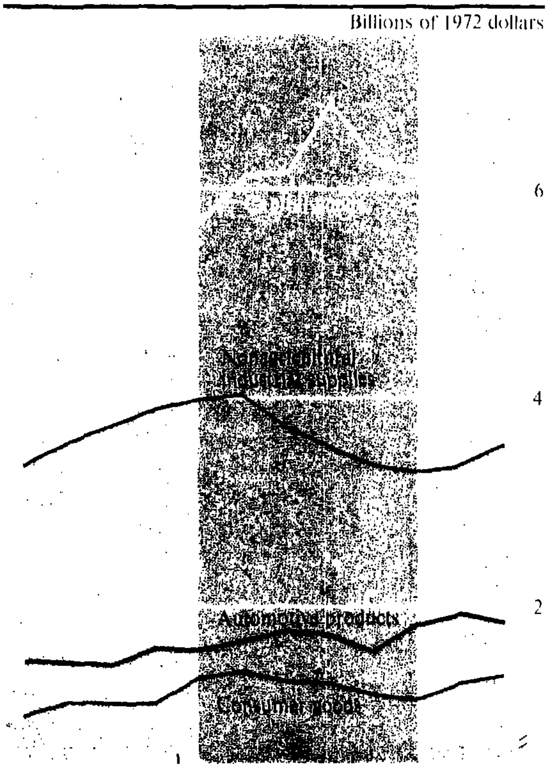
NONAGRICULTURAL EXPORTS: Evidence of increased price competitiveness

As 1975 began, the volume of U.S. nonagricultural exports was still declining, paralleling the recessions in major U.S. trading partners. The volume of nonagricultural exports peaked in 1974 Q2 (Table 2) when industrial production and real GNP in six major foreign industrial countries were near their highs. (For definitions see notes to Chart 1.) Similarly, the trough in nonagricultural export volume came in 1975 Q2, near the troughs in foreign industrial production and real GNP. Peak to trough, nonagricultural exports fell almost 7 per cent in volume, with combined exports to Canada, the European Economic Community (6), Japan, and the United Kingdom declining by about twice this percentage while combined exports to developing countries and other areas increased slightly.

All major groups of nonagricultural exports declined in volume during some stage of the recession in foreign economic activity (Chart 4). Exports of industrial supplies and consumer

CHART 4

U.S. exports of major nonagricultural commodity groups



Dept. of Commerce data. Shaded area marks the period of decline in the foreign industrial production index, as defined in the note to Chart 1.

TABLE 3

Machinery export prices for the United States, Germany, and Japan[1]

Dollar-equivalent indexes, 1970=100

Period	U.S.[2]	Germany	Japan	Relative price[3]
1970	100	100	100	100
1971	101.0	113.0	104.4	91.7
1972	101.6	128.7	112.1	82.7
1973	105.8	162.9	130.4	69.9
1974	119.0	184.3	150.2	69.1
1975	139.7	212.6	150.9	74.2
1975				
Q1	135.8	220.1	153.8	69.6
Q2	138.5	221.2	153.1	70.6
Q3	140.8	205.6	149.8	76.9
Q4	143.7	203.3	147.0	79.5

[1] Based on transactions price data, rather than export unit values. The U.S. index is constructed from data published by the Bureau of Labor Statistics. The German and Japanese indexes are available from national sources in local currency units, which have been converted into dollars at current exchange rates.

[2] U.S. data for 1970-74 are based on June prices, which are the only data available prior to 1974.

[3] Ratio of U.S. price index to a weighted average of German and Japanese price indexes. Weights in the latter are proportional to German and Japanese machinery export volumes in each period except 1975 Q4, for which weights are based on data for 1975 Q3.

goods both turned down in 1974 Q3, continued their declines through the first half of 1975, and then turned up in the second half of last year. Automotive exports fell in 1974 Q4 and 1975 Q1—mainly because of a decline in shipments to Canada—before picking up sharply in 1975 Q2 and flattening out in the second half. Capital goods exports, the largest component of U.S. nonagricultural exports, dropped sharply in 1975 Q1, but held steady during the remainder of the year.

The most striking feature of Chart 4 is the strong rise in the volume of capital goods exports during 1973 and 1974—an increase that was not substantially eroded in 1975. This development followed a significant improvement in the price competitiveness of the United States in response to both the net depreciation of the dollar since 1970 and the better performance of the United States, relative to major competitors, in holding down unit labor costs.

Export price indexes for machinery—which in 1975 represented 81 per cent of U.S. capital goods exports and 27 per cent of total U.S. exports—are shown in Table 3 for the United States, Germany, and Japan. These three countries, respectively, accounted for 20, 24, and 11 per cent of the value of world machinery exports in 1973. Between 1970 and 1975, German and Japanese export prices (in dollars) rose by 113 and 51 per cent, respectively, compared with an increase of 40 per cent for the United States. As a result, the price of U.S. machinery exports fell 26 per cent relative to a weighted average of German and Japanese export prices. Most of this improvement in U.S. price competitiveness occurred between 1970 and 1973, however, reflecting the sharp depreciation of the dollar against the mark and the yen during that period. The ratio of machinery export prices in the United States to those in Germany and Japan remained fairly constant between 1973 and the

TABLE 4

Machinery export volumes for the United States, Germany, and Japan

Year	Billions of 1970 dollars[1]				Percentage shares		
	U.S.	Germany	Japan	Total	U.S.	Germany	Japan
1970	11.37	10.57	4.39	26.33	43.2	40.1	16.7
1971	11.46	10.69	5.12	27.27	42.0	39.2	18.8
1972	13.04	11.33	6.08	30.45	42.8	37.2	20.0
1973	16.19	12.63	6.97	35.79	45.2	35.3	19.5
1974	19.91	14.17	7.86	41.94	47.5	33.8	18.7
1975[2]	20.03	12.88	8.00	40.91	49.0	31.4	19.6

[1] Constructed by deflating export value data (from national sources) by local-currency price indexes for machinery exports (from sources noted in Table 3).

[2] Data for the first three quarters at annual rates.

first half of 1975, and then rose when the dollar appreciated in the second half of last year.

The impact of these relative price movements on U.S. machinery exports is reflected in the changing U.S. share of the export volumes of the three countries combined (Table 4). Between 1970 and the first three quarters of 1975, the U.S. share rose from 43 to 49 per cent, while Japan's share rose from 17 to 20 per cent and Germany's share fell from 40 to 31 per cent.

AGRICULTURAL EXPORTS

Unlike other major components of U.S. trade, which are highly sensitive to levels of income and economic activity at home or abroad, agricultural exports are affected predominantly by worldwide weather patterns and other influences on world crop supplies. Good U.S. harvests in the 1972–73 and 1973–74 crop years, coupled in 1972–73 with poor Soviet grain and Asian rice harvests and a disastrous decline in the Peruvian anchovy catch, led to unusually large U.S. export volumes in 1973 and the first half of 1974. Poor U.S. feedgrain crops and better Asian crops in 1974–75 led to lower U.S. export volumes in the second half of 1974 and the first half of 1975. In the second half of last year U.S. export volumes were again boosted by the coincidence of good U.S. crops with a disastrous Soviet harvest.

The unit value of agricultural exports tended to fluctuate inversely with movements in export volume during the 1973–75 period (Table 5). These fluctuations, however, were superimposed upon a 50 per cent rise in unit value between the first half of 1973 and the first half of 1974. There is little prospect this year of any substantial reversal of this jump, since carryover stocks are small in the United States and even smaller elsewhere, particularly in the Soviet Union.

The steady quarter-to-quarter decline in export unit values during 1975 (Table 2) conceals midyear increases in cash prices for major grain crops in principal U.S. marketing centers. By early summer the disastrous effects of the Soviet drought had become apparent; and large grain purchases by the Soviet Union in early July,

TABLE 5

U.S. agricultural exports

Balance of payments basis; seasonally adjusted annual rates

Period	Volume (billions of 1967 dollars)	Unit value (1967 = 100)	Value (billions of dollars)
1972			
H1	7.9	111.4	8.8
H2	8.6	119.2	10.2
1973			
H1	10.6	148.2	15.7
H2	10.4	195.6	20.3
1974			
H1	10.2	227.5	23.1
H2	9.1	239.8	21.7
1975			
H1	9.2	237.4	21.9
H2	10.3	219.0	22.6

SOURCE.—U.S. Dept. of Commerce, Bureau of Economic Analysis and Bureau of the Census.

coupled with doubts then prevailing about the size of the 1975-76 U.S. feedgrain crop, began to drive up domestic prices of wheat and soybeans.

In late July widespread concern about the effect of Soviet grain purchases on U.S. consumer prices led President Ford to impose an embargo on further grain sales to the Soviet Union. Negotiations in September and October resulted in a 5-year U.S.–Soviet grain agreement. At the same time, with knowledge that the 1975–76 U.S. feedgrain crop was going to be large after all, the President lifted the ban on further grain sales to the Soviet Union from the 1974–75 crop. Through the first quarter of this year, however, no major additional sales have been negotiated, perhaps because Soviet harbors have been crowded by deliveries of grain already purchased. For calendar year 1975, U.S. grain exports to the Soviet Union totaled 7.5 million metric tons (mmt.), valued at $1.1 billion, which represented roughly 5 per cent of total U.S. agricultural exports.

The U.S.–Soviet grain agreement calls for minimum Soviet purchases of 6 to 8 mmt. of U.S. grain annually for a 5-year period, starting in October 1976, provided that U.S. grain supplies exceed a minimum of 225 mmt. The Soviet Union may make additional purchases after consultation with the U.S. Government. During the last 5 years, Soviet grain purchases from the United States have averaged 6.6 mmt., varying from a low of 0.5 mmt. in 1971 to a high of 14.3 mmt. in 1973. By narrowing the range of variation, the U.S.-Soviet agreement may somewhat reduce the sensitivity of grain prices and export volume to unanticipated changes in world crop supplies.

CAPITAL TRANSACTIONS AND EXCHANGE-RATE MOVEMENTS

The scale of net private and official capital transactions in the U.S. international accounts is by definition the mirror image of the balance on current transactions. To the extent that the current-account balance is largely predetermined in the short run by the levels of U.S. and foreign economic activity, the scale of net private and official capital transactions is also largely predetermined. Of course, interest rates and other financial market conditions, including exchange-rate expectations, respond jointly to the demand for current-account financing, thereby assuring the appropriate scale of net capital transactions. Many different combinations of financial conditions, and many different compositions of capital transactions, are consistent with any over-all scale of net capital flows. The particular combination of financial conditions that emerges—along with the composition of capital transactions and the actual exchange-rate movements that are induced—is influenced considerably by both the scale of official exchange transactions and the stance of domestic and foreign stabilization policies, particularly monetary policies.

In 1975 the shift of the U.S. current account to a record surplus entailed an adjustment of the capital account toward large outflows on balance. In the early part of the year, credit market conditions in the United States relative to those abroad were conducive to providing the necessary capital adjustment without an abrupt appreciation of the dollar; in fact, the dollar depreciated even though the current-account balance shifted into surplus during the first quarter. This depreciation continued until early March, when the value of the dollar (as defined previously) stood 9.2 per cent below its peak in September 1974. The Federal Reserve and foreign central banks intervened to moderate the depreciation of the dollar, with the extent of net intervention roughly indicated by the $3.2 billion increase in U.S. liabilities to foreign official agencies (other than OPEC) in the first quarter.

In the second quarter the dollar appreciated slightly, as U.S. interest rates began to firm relative to those abroad while the current-account surplus continued to rise. A sharp appreciation of the dollar began in June, and by the end of September the value of the dollar stood 11.9 per cent above its March low, despite a reduction in liabilities to foreign official agencies (other than OPEC) of $6.3 billion in the third quarter. During the fourth quarter the value of the dollar fluctuated in a narrow range, despite a relative decline in U.S. interest rates, as liabilities to foreign official agencies (other than OPEC) rose by $1.2 billion. For the year as a whole, the dollar showed a net appreciation of 5.7 per cent, and liabilities to foreign official agencies (other than OPEC) declined by $1.1 billion.

The remainder of last year's current-account surplus was balanced by a net outflow of private capital minus a net inflow from transactions with official OPEC agencies (Table 1). Recorded net outflows on capital account, however, exceed recorded net inflows on current account by a statistical discrepancy of $4.6 billion. Major components of capital transactions during 1975 included $9.9 billion of net lending by banks to private foreigners and a record $7.2 billion of new foreign bond issues in the United States. The increase in official liabilities to OPEC-surplus countries fell from $10.0 billion in 1974 to $4.2 billion last year, while foreign purchases of U.S. corporate stock (including those identified with OPEC purchasers) rose from $0.5 billion to $4.5 billion.

The $9.9 billion net outflow of bank loans to private foreigners was distributed unevenly throughout the year, reflecting swings in interest differentials associated with the relative strengths of credit demands in the United States and abroad. Domestic demand for U.S. bank credit was particularly weak in the first half of 1975, as the rapid liquidation of business inventories that accompanied the U.S. recession contributed to a sharp drop in financing requirements. While financing requirements in the United States were reduced, however, foreign demand for credit remained strong. Developing countries (other than OPEC) were a major source of credit demand, as the recessions in industrial countries and the higher costs of oil and other imports left them with a combined goods and services deficit in excess of $30 billion by most estimates. Demand for external credit by developed countries was not so great last year as it had been in 1974, but several industrial countries were still running large current deficits.

The weakening domestic demand for credit during the first half of 1975 was accompanied by a steep decline in U.S. short-term interest rates—for example, the rate payable on 90-day certificates of deposit fell from 8.94 per cent at the end of 1974 to a low of 5.25 per cent in June. Although interest rates in foreign countries were also generally declining, the cost of funds in the U.S. market dropped more than the cost of funds abroad. In response, U.S. banks reduced their liabilities to foreigners, which had increased by a very large amount in 1974, while continuing to expand their foreign assets nearly as fast as the peak rate attained following the elimination of U.S. capital controls in 1974. The situation changed markedly in the third quarter. As interest costs rose in the United States, banks began again to bring in funds from abroad, and the rate of foreign lending abated. During the fourth quarter, as U.S. interest rates again eased relative to foreign rates, the capital outflow through banks resumed.

While banks' international transactions in 1975 were somewhat scaled down from the hectic pace of 1974, activity in securities markets increased. New foreign bond issues offered in the U.S. market reached a record high of $7.2 billion, three times the amount offered in 1974 (Table 6). One-third of the surge reflected a $1.7 billion rise in borrowings by international and regional organizations to finance their increased commitments, primarily to non-OPEC developing countries. Canadian bond offerings in the United States, which had doubled from 1973 to 1974, again doubled to more than $3 billion last year. This dramatic expansion of Canadian borrowing, which helped to finance Canada's record current-account deficit, was encouraged by relatively high Canadian interest rates, particularly during the fourth quarter.

TABLE 6

New foreign bond issues in the United States

In billions of dollars

Period	Total	Canada	International and regional organizations	Other
1974	**2.4**	**1.7**	...	**.6**
Q1	.7	.6	...	.1
Q2	.5	.4	...	.1
Q3	.4	.3	...	.1
Q4	.8	.5	...	.3
1975ᵖ	**7.2**	**3.2**	**1.7**	**2.2**
Q1	2.1	.7	.5	.9
Q2	1.2	.7	...	.5
Q3	1.3	.5	.5	.3
Q4	2.6	1.3	.7	.5

p Preliminary.

SOURCE.—U.S. Dept. of Commerce, Bureau of Economic Analysis.

TRANSACTIONS WITH OPEC COUNTRIES

In the past 2 years the foreign exchange earnings of OPEC countries have skyrocketed, turning them into major merchandise importers and important participants in financial markets. As a result of the sharp increase in oil prices since mid-1973, oil revenues of the 13 OPEC countries jumped from an average of $12.5 billion (on a cash basis) in 1971–72 to an average of about $100 billion in 1974–75. Inclusive of other export revenues and income on international investments, OPEC's gross foreign exchange earnings amounted to more than $105 billion in 1974 and about $115 billion in 1975. These earnings are likely to rise further this year with the economic expansion in oil-consuming countries. In comparison, the combined export earnings of all developing countries other than members of OPEC amounted to about $90 billion in 1975.

The dramatic growth of foreign exchange earnings has led the OPEC countries to sharply increase their spending. In 1974 OPEC imports of goods and services increased by roughly 70 per cent, from $28 billion in 1973 to more than $48 billion. In 1975 OPEC imports increased by another 60 per cent to more than $75 billion. Because of labor shortages and other bottlenecks in some OPEC countries, and financial and institutional constraints in other OPEC countries, the growth of total OPEC imports has slowed significantly since the third quarter of 1975.

OPEC merchandise imports from the United States (excluding military items) reached $10.7 billion in 1975, about one-fifth of OPEC imports from all areas and more than 10 per cent of total U.S. exports. OPEC imports of U.S. machinery and transport equipment alone reached $5.7 billion last year, almost 13 per cent of U.S. exports of capital goods. Total U.S. merchandise exports to OPEC countries increased by $4 billion in 1975 (compared with a $3 billion increase in 1974), accounting for about 45 per cent of the recession-dampened growth of U.S. exports last year. In addition, U.S. military sales to OPEC countries jumped from about $0.25 billion in 1973 to $0.8 billion in 1975, when they represented roughly 20 per cent of total U.S. military sales to foreign countries.

The aggregate OPEC investible surplus—OPEC's current-account surplus less disbursements of grant aid—reached almost $60 billion in 1974 and then dropped sharply to around $35 billion or $40 billion in 1975 as spending on development projects increased. Under current projections of spending and earnings, OPEC's aggregate investible surplus is expected to show little change in the next 2 years. In 1974 virtually every OPEC country was in surplus on current account, although more than 60 per cent of OPEC's total investible surplus accrued to only four countries—Saudi Arabia, Kuwait, the United Arab Emirates, and Qatar. In 1975, nine-tenths of the surplus accrued to these four countries. This growing concentration of the OPEC surplus has been accompanied by a shift in the maturity structure of OPEC investments toward longer-term assets, a trend that is likely to continue.

The United States has received a significant share of surplus OPEC earnings. In 1974 almost 20 per cent of OPEC's investible surplus was placed in the United States (more than $11 billion), but in 1975 the U.S. share dropped to about 16 per cent ($6 billion). More than 80 per cent of OPEC investments in the United States during 1974 were in short-term assets—mainly Treasury bills and bank deposits. In contrast, virtually the entire increase in OPEC claims on U.S. residents during 1975 took the form of longer-term assets, including purchases of $1.9 billion in Treasury bonds and notes. Identified OPEC purchases of U.S. stocks jumped from $0.2 billion in 1974 to $1.5 billion in 1975, one-third of total foreign purchases of U.S. stocks last year. In addition, $1.4 billion in OPEC purchases of U.S. corporate and Federal agency bonds were identified last year.

RECENT DEVELOPMENTS AND OUTLOOK

In January and February of this year the U.S. merchandise trade balance swung at least temporarily into deficit, in part reflecting a sharp response of import volumes to the pick-up in domestic economic activity. In foreign exchange markets, abrupt depreciations of several major currencies—both the British pound and the French franc in early March, and the Italian lira on several occasions during the first quarter—resulted in a 3 per cent appreciation of the dollar between the end of 1975 and the end of March, when the dollar reached its highest level since early 1973.

With economic activity more firmly established on a rising path in the United States than in most major U.S. trading partners, the U.S. trade balance is likely to decline sharply this year, and the current-account surplus should also decline. This expected cyclical decline in the current-account surplus will be superimposed upon several more gradual shifts. As discussed above, the noncyclical component of fuel imports should begin to decelerate noticeably as efforts to conserve on domestic energy consumption take hold, and as domestic coal production expands. The improvement since 1970 of the price competitiveness of the United States, due largely to the net depreciation of the dollar, may continue to provide a lagged stimulus for export expansion and import substitution; on the other hand, this stimulus may be offset somewhat by the effects of reversals in the U.S. relative price position (vis-a-vis some major competitors) that have resulted from the appreciation of the dollar since mid-1975. U.S. exports to the growing OPEC market should continue to rise, but the rate of increase will decline as OPEC development outlays slow.

Unless liabilities to foreign official agencies increase substantially this year, the reduction in the current-account surplus is likely to be associated with a decline in net private capital outflows. This decline should show up mainly as a reduction in net outflows through banks. New issues of foreign bonds have remained so strong in the first quarter—an estimated $2.8 billion—that even with some tapering off later they should wind up the year nearly equal to or in excess of their 1975 level. The United States should continue to receive a substantial share of surplus OPEC earnings, with these inflows likely to be invested primarily in long-term assets.

As recovery from recession proceeds, the industrialized countries are likely to register an increase in their combined current-account deficit vis-a-vis the developing countries. With the current-account surplus of OPEC countries likely to show little change during the next several years, the combined current-account deficit of other developing countries should be reduced, though it will remain considerably above the range that prevailed prior to the jump in oil prices. □

Revised Series for Member Bank Deposits and Aggregate Reserves

The seasonally adjusted series for member bank deposits and for aggregate reserves have been revised. The revisions incorporate changes in seasonal factors for each series based on the latest annual review of seasonal factors. In addition, in the current review some procedural changes were adopted for the seasonal adjustments of two of the deposit series and for the reserve aggregates. Revised monthly data back to 1970 for the deposit and reserve series are shown on page 298.[1]

SEASONAL ADJUSTMENT OF MEMBER BANK DEPOSITS

The seasonally adjusted series for member bank deposits cover all deposits subject to reserve requirements—that is, the total of time, savings, and net demand deposits as defined in the Board's Regulation D. These data are available promptly from member banks on a daily-average basis, and they are the basis for calculation of required reserves and related reserve aggregates. They are the most important source of current data used in constructing various measures of the money stock, such as those described in the revision published in the February BULLETIN. Also, the combination of total member bank deposits and certain nondeposit liabilities is used as a proxy for measurement of daily-average bank credit. Member bank deposits alone are referred to as the credit proxy whereas the *adjusted* credit proxy is the sum of member bank deposits and nondeposit liabilities.

NOTE.—Edward R. Fry and Stephen Zeller of the Board's Division of Research and Statistics prepared this article.

[1] Monthly- and weekly-average data are available back to 1959 on request from the Board's Banking Section, Division of Research and Statistics.

The deposit series are broken down by major deposit components—total time and savings, "private" demand, and U.S. Government demand. The series for private demand deposits covers all demand deposits except those due to the U.S. Government, less cash items in process of collection and demand balances due from domestic commercial banks. Consequently, this series is not really limited to private deposits; it also includes deposits of States and political subdivisions, foreign governments, and foreign official institutions.

Seasonal adjustments formerly were computed for total member bank deposits, private demand deposits excluding net interbank deposits, net interbank demand deposits, negotiable time certificates of deposit (CD's), and other time and savings deposits.[2] The seasonally adjusted series for U.S. Government demand deposits formerly was derived by subtracting other seasonally adjusted components from the total deposit series. In this revision, the procedure was changed to provide for direct adjustment of U.S. Government deposits and for deriving the seasonally adjusted total member bank deposit series by summing the component series. The revised procedure was applied to data for the period 1965–75.

This change was adopted to minimize distortions in the U.S. Government deposit series as the Treasury shifted balances from commercial banks to its accounts at Federal Reserve Banks. Since late 1974 average U.S. Government balances at commercial banks have been reduced substantially, and much of the seasonal fluctuation in these balances now is reflected in flows through accounts at the Federal Reserve Banks. The multiplicative seasonal factors now used for

[2] Data for these detailed breakdowns of deposits are available on request from the Board's Banking Section, Division of Research and Statistics.

TABLE 1

1975 seasonal factors for member bank deposits

In per cent

Month	Total[1]	Deposits subject to reserve requirements						
		Demand				Time and savings		
		Total[1]	Private interbank	Other	U.S. Govt.	Total[1]	CD's	Other
Jan.	101.0	103.6	106.4	103.4	110.0	99.7	99.1	99.9
Feb.	99.2	98.8	98.0	98.9	130.0	99.2	96.9	100.1
Mar.	99.6	98.8	95.0	99.1	115.0	99.9	98.1	100.6
Apr.	100.3	100.9	98.6	101.1	118.0	99.8	97.1	100.8
May	99.6	97.8	94.1	98.0	120.0	100.4	98.8	100.9
June	99.6	99.0	96.4	99.2	97.0	99.9	97.9	100.6
July	99.8	99.8	101.0	99.7	94.0	99.8	99.0	100.1
Aug.	99.7	98.3	100.0	98.2	70.0	100.6	103.0	99.9
Sept.	100.1	99.0	99.3	99.0	96.0	100.7	104.6	99.5
Oct.	100.1	99.6	100.4	99.5	82.0	100.5	103.5	99.5
Nov.	99.6	100.5	103.4	100.3	66.0	99.5	101.3	98.9
Dec.	101.0	103.9	107.4	103.6	102.0	99.6	100.7	99.2

[1]Seasonal factors for total deposits, total private demand, and total time and savings are implied factors derived by dividing not-seasonally-adjusted data by the seasonally adjusted series.

adjusting U.S. Government deposits at commercial banks result in smaller fluctuations in this series in the most recent period—taking account of the lower balances maintained in these accounts.

Table 1 provides monthly seasonal factors for the member bank deposit series. For total deposits, private demand deposits, and time and savings deposits aggregates—for all of which data are published regularly in the BULLETIN—the factors shown were derived from sums of the seasonally adjusted components. Seasonal factors for the component series reflect direct adjustment of the components.[3] Data for these components are not published in the BULLETIN, but they are available in the Board's H.3 statistical release. Separate seasonal factors are not shown for the adjusted bank credit proxy series, which is derived by adding to the seasonally adjusted series on total member bank deposits three series that are not seasonally adjusted: namely, Euro-dollar borrowings, loans sold to bank-related institutions, and certain other nondeposit items.

The principal effects of these revisions on growth of the adjusted bank credit proxy series were in the first and second quarters in recent years. First-quarter growth in 1975, based on quarterly-average figures, was raised 1.7 percentage points to an annual rate of 5.8 per cent, while second-quarter growth was reduced 1.6 percentage points to 3.6 per cent. The revision had little effect on quarterly-average growth rates in the second half of 1975. These changes reflected primarily smaller declines in U.S. Government demand deposits in the first quarter after the revision and smaller increases in the second quarter.

SEASONAL ADJUSTMENT OF THE RESERVE AGGREGATES

With the revision in the seasonally adjusted member bank deposit aggregates, described above, a new method of seasonally adjusting the reserves against these deposits has been introduced. The seasonally adjusted levels of total reserves, as published by the Board in the BULLETIN and in the weekly H.3 statistical release, are still derived by adding to seasonally adjusted reserves required against deposits the amounts of reserves required to be held against nondeposit funds and the amounts of excess reserves. Because there is no seasonal move-

[3]Seasonal factors were derived by use of a Census X-11 multiplicative method with the results modified judgmentally in some instances. This review covered the period from 1965–75, with no revisions prior to 1965.

ment in the latter two reserve categories, these components, as in the past, have been added on a not-seasonally-adjusted basis. Nonborrowed reserves, as before, are derived from total reserves by subtracting member bank borrowings, also on a not-seasonally-adjusted basis. What is different in the new series is the method of seasonally adjusting required reserves against member bank deposits.

Until this revision, required reserves were seasonally adjusted by dividing the weekly level of reserves required against member bank deposits by the implied seasonal factor for member bank deposits (credit proxy) for the period 2 weeks earlier.[4] This procedure failed to capture all the seasonal movement in the reserves required against deposits because deposits and reserves are related by average reserve ratios that, by themselves, exhibit some seasonality.

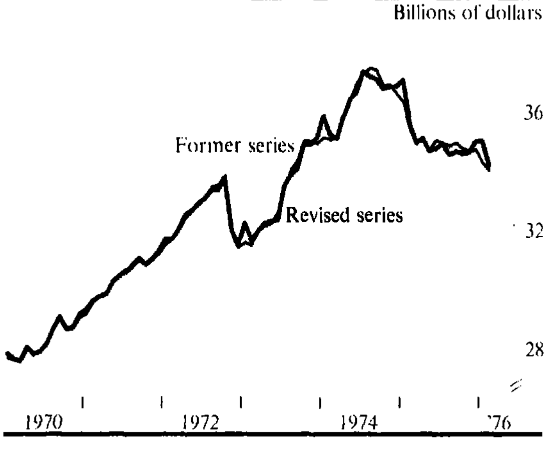
Readers will note that the implied seasonal factor for the credit proxy is just a weighted average of the seasonal factors against the deposit components of the credit proxy, with the weights depending on the levels of deposits in each of these categories.[5] The reserves required against these deposits, on the other hand, are computed by multiplying each deposit category by an appropriate *average* reserve ratio. These average reserve ratios depend not only on the structure of reserve requirement ratios—as determined by the Board of Governors—but also on shifts in these deposits among banks of different sizes.

In the construction of a seasonal factor for required reserves, then, the weighting of the seasonal factors should reflect not only the level of deposits but also the average reserve ratio in effect against these deposits. In this way, seasonally adjusted required reserves will be linked to seasonally adjusted member bank deposits as they are in the old series, but at the same time they will be linked in a way that incorporates the structure of reserve requirements.

Stated explicitly, seasonally adjusted required reserves against deposits are now computed as the sum of two items—(1) seasonally adjusted net demand deposits and (2) seasonally adjusted total time and savings deposits—each of which is multiplied by an appropriate seasonally adjusted average reserve ratio. Seasonally adjusted total reserves are derived by adding reserves against nondeposit funds and excess reserves, both on a not-seasonally-adjusted basis, to seasonally adjusted required reserves against member bank deposits. Seasonally adjusted figures for nonborrowed reserves are then obtained by subtracting borrowings from the Federal Reserve, also on a not-seasonally-adjusted basis, from the total reserves series. Reserves available to support private nonbank deposits (RPD's) are derived by a method similar to that used for total reserves, except that a seasonally adjusted average reserve ratio is applied to private demand deposits (excluding interbank) instead of to net demand deposits. All of these series are derived first on a weekly basis; the monthly seasonally adjusted levels are simply pro-rata averages of the weekly seasonally adjusted levels.

The effects of using the old and the new methods of seasonal adjustment are highlighted by the pattern of total reserves as shown in the

Total reserves



[4] This is strictly a function of lagged reserve accounting; required reserves this week are based on average deposits 2 weeks ago. Prior to the adoption of lagged accounting, in September 1968, required reserves were calculated against current deposits and seasonally adjusted required reserves were computed contemporaneously in the earlier period.

[5] See the Appendix for a derivation of these weights.

chart. Until the change in Regulation D in November 1972, at which time reserve requirements against net demand deposits became more graduated, the two series followed each other quite closely. After that the large increases in net demand deposits that occurred in connection with the year-end holidays had a significant effect on the average reserve ratio against these deposits. By using the credit proxy seasonal factor alone, as exemplified by the old series in the chart, it was not possible to eliminate the large "spike" that has appeared in January of each year since 1972. Hence a new method of seasonal adjustment was developed to address this problem. In the revised series shown in the chart, total reserves exhibit a much smoother pattern.

While not shown graphically, the same seasonal "spike" was evidenced in the old series for nonborrowed reserves. As with total reserves, the revised series has eliminated this "spike" from the seasonally adjusted data.

APPENDIX: Derivation of required reserves seasonal factor.

Let the credit proxy (member bank deposits) be broken down into two categories: (1) net demand deposits *(ND)* and (2) total time and savings deposits *(TT)*.[6] Then the credit proxy seasonally adjusted may be written as

$$CP^{SA} = \frac{CP}{SF_{CP}} = \frac{ND}{SF_{ND}} + \frac{TT}{SF_{TT}} \tag{1}$$

where CP denotes the credit proxy, SF_{CP} its implied seasonal factor, and SF_{ND} and SF_{TT} the seasonal factors used to seasonally adjust net demand deposits and total time and savings deposits, respectively. We can express the credit proxy seasonal factor as

$$\frac{1}{SF_{CP}} = \frac{ND}{ND + TT}\,\frac{1}{SF_{ND}} + \frac{TT}{ND + TT}\,\frac{1}{SF_{TT}} \tag{2.1}$$

or, more compactly, as

$$\frac{1}{SF_{CP}} = w_1 \cdot \frac{1}{SF_{ND}} + w_2 \frac{1}{SF_{TT}} \tag{2.2}$$

where the weights, w_1 and w_2, sum to unity.

The revised series for seasonally adjusted required reserves is computed as

$$RR^{SA} = \frac{r_{ND}}{SF^{r}_{ND}}\,\frac{ND}{SF_{ND}} + \frac{r_{TT}}{SF^{r}_{TT}}\,\frac{TT}{SF_{TT}} \tag{3}$$

where RR^{SA} is seasonally adjusted required reserves, r_{ND} and r_{TT} are the average reserve ratios against ND and TT, and the seasonal factors for these average reserve ratios are denoted by SF^{r}_{ND} and SF^{r}_{TT}. The implied seasonal factor for required reserves becomes

$$\frac{1}{SF_{RR}} = \frac{(r_{ND}/SF^{r}_{ND})ND}{r_{ND}ND + r_{TT}TT}\,\frac{1}{SF_{ND}} + \frac{(r_{TT}/SF^{r}_{TT})TT}{r_{ND}ND + r_{TT}TT}\,\frac{1}{SF_{TT}} \tag{4.1}$$

which is of the form

$$\frac{1}{SF_{RR}} = w'_1 \frac{1}{SF_{ND}} + w'_2 \frac{1}{SF_{TT}} \tag{4.2}$$

While this equation is similar in form to Equation 2.2, the weights do *not* sum exactly to unity in any given week. When averaged over the entire year, however, they will.

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[6] For simplicity, we have assumed that net demand deposits is seasonally adjusted directly and not, as is actually the case, as the sum of its three subcomponents: private demand deposits, U.S. Government demand deposits, and net interbank deposits. Thus, in practice, the algebra is slightly more complicated. In addition, we assume that lagged accounting, when in effect, is correctly reflected in the deposit data.

Member bank deposits and aggregate reserves

In billions of dollars (for footnotes see opposite page)

Period	Member bank reserves, S.A.[1]				Deposits subject to reserve requirements[3]								Total member bank deposits plus nondeposit items[4]	
					S.A.				N.S.A.					
	Total	Non-borrowed	Required	Available[2]	Total	Time and savings	Demand: Private	Demand: U.S. Govt.	Total	Time and savings	Demand: Private	Demand: U.S. Govt.	S.A.	N.S.A.
1970—Jan....	27.74	26.78	27.57	25.42	286.6	149.1	132.8	4.7	291.2	148.9	138.4	3.9	306.2	310.8
Feb....	27.71	26.63	27.51	25.42	285.0	148.9	131.1	5.0	285.1	148.8	130.2	6.1	305.1	305.2
Mar....	27.64	26.74	27.48	25.36	288.0	150.2	132.7	5.1	288.0	151.0	131.2	5.8	307.6	307.6
Apr....	28.06	27.21	27.91	25.65	292.4	153.3	134.2	4.9	293.7	153.8	135.4	4.5	311.8	313.0
May...	27.90	26.94	27.75	25.84	293.0	154.3	134.3	4.3	290.8	154.9	130.5	5.4	313.3	311.1
June...	27.96	27.08	27.77	25.90	294.5	155.6	133.2	5.6	292.7	155.7	131.5	5.4	315.3	313.5
July...	28.22	26.86	28.05	26.01	301.1	161.1	134.3	5.7	299.4	160.9	132.7	5.8	321.3	319.5
Aug...	28.80	27.96	28.62	26.43	306.9	165.8	134.9	6.2	303.9	166.0	132.0	5.9	325.9	322.9
Sept...	29.14	28.54	28.90	26.91	310.0	169.7	134.7	5.6	309.3	169.8	133.7	5.8	326.7	326.0
Oct....	28.74	28.28	28.54	26.56	313.1	172.8	134.8	5.4	313.3	173.2	135.1	5.1	327.5	327.8
Nov...	28.78	28.37	28.55	26.65	316.5	175.6	135.0	5.9	315.4	174.9	136.0	4.6	329.6	328.5
Dec....	29.11	28.77	28.86	26.81	320.8	178.8	135.9	6.2	325.2	178.1	141.1	6.0	332.9	337.2
1971—Jan....	29.24	28.88	29.01	26.96	325.1	183.0	136.5	5.6	330.7	182.8	142.2	5.6	336.1	341.7
Feb....	29.63	29.30	29.38	27.25	331.2	187.6	138.0	5.6	330.9	187.1	136.8	7.0	340.8	340.6
Mar...	29.81	29.49	29.61	27.50	334.8	191.5	139.3	3.9	334.6	192.3	137.8	4.5	342.9	342.7
Apr....	29.88	29.73	29.72	27.72	338.6	193.3	140.3	5.0	339.8	193.6	141.5	4.7	344.7	345.9
May...	30.30	30.02	30.08	28.00	343.1	195.5	142.2	5.5	340.9	195.8	138.4	6.7	348.4	346.1
June...	30.51	30.02	30.31	28.25	345.1	198.0	142.6	4.5	343.1	197.8	140.9	4.4	350.7	348.8
July...	30.61	29.79	30.43	28.35	348.6	199.5	143.5	5.6	346.7	198.9	142.1	5.7	353.8	352.0
Aug...	30.94	30.13	30.75	28.53	350.6	200.4	143.6	6.5	347.1	200.8	140.6	5.8	355.5	352.0
Sept...	31.14	30.65	30.95	28.51	351.3	202.0	143.1	6.2	350.9	202.7	141.9	6.3	356.4	356.1
Oct....	30.91	30.55	30.75	28.49	352.6	205.1	142.7	4.8	353.0	205.9	142.7	4.3	358.4	358.8
Nov...	31.09	30.70	30.85	28.72	355.6	207.8	143.2	4.7	354.4	206.8	144.3	3.2	361.9	360.6
Dec....	31.24	31.12	31.06	28.78	360.1	210.5	143.7	5.8	364.6	209.7	149.2	5.7	365.0	369.5
1972—Jan....	31.56	31.54	31.35	29.03	362.7	213.7	143.2	5.7	368.6	213.4	149.2	6.0	367.5	373.5
Feb....	31.72	31.69	31.57	29.26	366.2	216.5	144.9	4.8	365.7	215.9	143.7	6.1	370.7	370.1
Mar...	32.06	31.96	31.87	29.56	370.4	217.5	147.2	5.7	370.2	218.1	145.5	6.6	374.9	374.6
Apr....	32.44	32.32	32.29	29.79	373.4	219.5	147.6	6.3	375.3	219.8	149.0	6.5	377.6	379.5
May...	32.72	32.61	32.58	29.89	378.4	222.3	148.9	7.2	377.0	223.1	145.1	8.8	382.6	381.2
June...	33.02	32.92	32.81	30.18	380.4	225.1	149.5	5.9	378.6	225.2	147.8	5.7	384.6	382.8
July...	33.11	32.87	32.91	30.37	385.1	227.5	151.4	6.2	383.2	227.1	150.1	6.1	389.2	387.4
Aug...	33.51	33.12	33.32	30.62	388.4	230.5	152.1	5.7	384.5	231.3	149.0	4.3	392.7	388.9
Sept...	33.57	33.03	33.36	31.01	390.0	233.0	152.2	4.8	389.6	233.8	150.9	4.9	394.1	393.7
Oct....	33.87	33.31	33.65	31.09	394.2	235.5	152.7	6.0	394.1	236.2	152.5	5.4	398.4	398.2
Nov...	32.07	31.46	31.72	29.66	399.2	239.1	152.6	7.5	396.4	237.6	153.7	5.1	403.3	400.6
Dec....	31.44	30.39	31.16	29.00	402.3	241.7	154.4	6.2	406.8	240.7	160.1	6.1	406.6	411.2
1973—Jan....	31.60	30.44	31.34	29.36	404.0	244.3	153.6	6.1	410.4	243.8	160.0	6.6	408.5	414.9
Feb....	31.55	29.96	31.35	29.36	409.9	249.7	154.0	6.2	409.0	248.5	152.4	8.1	414.4	413.5
Mar...	32.01	30.19	31.80	29.59	416.7	255.9	153.3	7.4	416.3	256.2	151.6	8.5	421.4	421.1
Apr...	32.21	30.50	31.99	29.82	420.2	260.6	153.5	6.1	422.3	260.5	154.9	6.8	425.2	427.3
May...	32.28	30.44	32.14	30.03	424.5	263.6	155.1	5.9	423.0	264.5	151.4	7.0	429.7	428.2
June...	32.66	30.81	32.44	30.43	428.4	266.2	156.3	5.8	426.3	265.9	154.8	5.6	433.3	431.3
July...	33.43	31.48	33.15	31.19	431.7	269.0	157.4	5.2	429.9	268.5	156.2	5.1	437.6	435.7
Aug...	34.12	31.96	33.95	31.95	435.7	274.3	157.0	4.3	433.7	276.6	154.0	3.1	442.4	440.4
Sept...	34.39	32.54	34.16	32.33	437.3	277.0	156.1	4.2	437.7	279.0	154.7	4.1	443.9	444.4
Oct....	35.05	33.57	34.80	32.77	439.8	277.4	156.5	5.8	439.7	278.8	156.1	4.8	446.3	446.2
Nov...	35.04	33.64	34.81	32.71	440.3	278.2	157.3	4.8	438.2	276.6	158.3	3.2	446.7	444.6
Dec....	34.98	33.69	34.68	32.78	442.8	279.7	158.1	5.0	447.5	278.5	164.0	5.0	449.4	454.0
1974—Jan....	35.18	34.13	35.02	32.67	447.4	283.9	157.6	5.9	453.0	283.1	163.4	6.5	453.9	459.5
Feb....	35.10	33.91	34.92	32.80	449.6	287.6	158.1	3.9	447.1	285.7	156.3	5.1	456.5	454.0
Mar...	35.16	33.84	35.02	33.03	451.6	288.6	158.7	4.3	450.4	288.6	156.9	4.9	459.1	457.9
Apr....	35.82	34.09	35.64	33.51	460.7	296.6	160.0	4.1	462.5	296.2	161.5	4.9	468.7	470.6
May...	36.45	33.86	36.29	34.08	466.2	301.9	159.2	5.1	464.7	303.0	155.6	6.0	475.0	473.5
June...	37.00	34.00	36.81	34.55	472.2	306.8	160.6	4.8	470.0	306.4	158.9	4.7	480.6	478.4
July...	37.30	34.00	37.14	34.85	475.7	310.7	160.6	4.4	474.3	310.1	160.0	4.1	484.9	483.5
Aug...	37.49	34.16	37.30	35.21	476.9	313.0	159.8	4.1	475.1	315.3	157.0	2.9	485.9	484.2
Sept...	37.44	34.16	37.26	35.21	478.5	314.4	159.7	4.4	479.7	317.2	158.3	4.1	487.1	488.2
Oct....	36.92	35.11	36.80	34.77	479.8	316.8	159.7	3.3	480.5	318.6	159.1	2.8	487.6	488.3
Nov...	36.94	35.69	36.74	34.77	483.1	318.8	160.6	3.7	481.2	317.4	161.4	2.4	490.7	488.8
Dec....	36.63	35.90	36.37	34.42	486.9	322.9	160.6	3.4	491.8	321.7	166.6	3.4	495.3	500.1
1975—Jan....	36.37	35.97	36.22	34.23	490.1	328.2	159.3	2.6	495.1	327.2	165.0	2.9	497.7	502.6
Feb....	35.49	35.34	35.30	33.50	490.9	329.1	159.9	1.9	487.0	326.5	158.0	2.4	497.4	493.5
Mar...	34.99	34.88	34.79	32.94	493.4	329.2	161.7	2.5	491.6	328.9	159.8	2.8	499.9	498.0
Apr....	35.08	34.97	34.92	33.00	494.1	329.7	161.7	2.7	495.4	329.1	163.2	3.2	500.8	502.2
May...	34.74	34.67	34.58	32.77	493.7	328.6	162.6	2.5	491.8	329.8	159.0	3.1	501.2	499.2
June...	35.07	34.85	34.87	32.90	499.5	330.5	165.8	3.2	497.5	330.2	164.2	3.0	506.5	504.5
July...	34.98	34.68	34.79	32.89	498.3	330.8	164.9	2.6	497.2	330.2	164.5	2.5	505.1	504.0
Aug...	34.88	34.67	34.69	32.76	496.3	328.4	165.1	2.8	494.8	330.5	162.3	2.0	503.3	501.8
Sept...	34.99	34.59	34.80	32.77	498.4	329.8	165.6	3.0	499.1	332.2	164.0	2.9	505.5	506.1
Oct....	34.79	34.60	34.58	32.61	500.1	333.1	164.0	3.0	500.4	334.7	163.3	2.5	508.0	508.3
Nov...	34.73	34.67	34.44	32.43	505.9	336.1	165.9	3.9	503.6	334.3	166.7	2.5	514.1	511.9
Dec....	34.75	34.62	34.49	32.44	506.0	338.7	164.4	3.0	510.9	337.2	170.7	3.1	514.4	519.3

NOTES TO TABLE

[1] Averages of daily figures. Member bank reserve series reflect actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M.

[2] Reserves available to support private nonbank deposits are defined as (1) required reserves for (a) private *demand deposits*, (b) *total time* and savings deposits, and (c) nondeposit sources subject to reserve requirements, and (2) excess reserves. This series excludes required reserves for net interbank and U.S. Govt. demand deposits.

[3] Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

[4] "Total member bank deposits" subject to reserve requirements, plus Euro-dollar borrowings, loans sold to bank-related institutions, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

S.A. = seasonally adjusted; N.S.A. = not seasonally adjusted.

Notes relating to changes in series over the 1970–75 period for the table on page 298 are as follows:

1. Effective Oct. 1, 1970, the reserve requirement of all member banks against time deposits (other than savings deposits) in excess of $5 million was reduced from 6 per cent to 5 per cent. At the same time, a 5 per cent reserve requirement was imposed against funds obtained by member banks through the issuance of commercial paper by their affiliates. This action reduced required reserves and RPD's approximately $500 million (net).

2. Effective Jan 7, 1971, the reserve percentage required to be maintained against certain foreign borrowings, primarily Euro-dollars, by member banks and the sale of assets to their foreign branches was raised from 10 per cent to 20 per cent. This action had little effect on required reserves and RPD's.

3. Effective Nov. 9, 1972, Regulations D and J were revised to (1) adopt a system of reserve requirements against demand deposits of all member banks based on the amount of such deposits held by a member bank, and (2) require banks—member and nonmember—to pay cash items presented by a Federal Reserve Bank on the day of presentation in funds available to the Reserve Bank on that day. These changes reduced required reserves approximately $2.5 billion, effective Nov. 9; and $1.0 billion, effective Nov. 16, and increased required reserves $300 million, effective Nov. 23. On the same dates RPD's were reduced $2.3 billion and $785 million and increased $235 million, respectively.

4. Effective June 21, 1973, the Board amended its Regulation D to establish a marginal reserve requirement of 8 per cent against certain time deposits and to subject to the 8 per cent reserve requirement certain deposits exempt from the rate limitations of the Board's Regulation Q. In addition, reserves against certain foreign branch deposits were reduced from 10 per cent to 8 per cent. These changes had little effect on required reserves or RPD's.

5. Effective July 12, 1973, reserve requirements were imposed against finance bills. This action increased required reserves and RPD's approximately $90 million.

6. Effective July 19, 1973, the reserve requirement against all net demand deposits, except the first $2 million, was increased ½ percentage point. This action increased required reserves approximately $760 million and RPD's approximately $670 million.

7. Effective Oct. 4, 1973, the marginal reserve requirement against certain time deposits was increased from 8 per cent to 11 per cent. This action increased required reserves and RPD's approximately $465 million.

8. Effective Dec. 27, 1973, the marginal reserve requirement against certain time deposits was reduced from 11 per cent to 8 per cent. This action reduced required reserves and RPD's approximately $360 million.

9. Effective Sept. 19, 1974, the marginal reserve requirement against time deposits in denominations greater than $100,000 and with more than 4 months' maturity was eliminated. This action reduced required reserves and RPD's approximately $510 million.

10. Effective December 12, 1974, the reserve requirement against all time deposits with an original maturity of 6 months or longer was reduced from 5 per cent to 3 per cent; the reserve requirement against all time deposits with an original maturity of 6 months was increased from 5 to 6 per cent; and the reserve requirement against net demand deposits over $400 million was reduced from 18 per cent to 17-½ per cent. In addition, the 3 per cent marginal reserve requirement on large CD's with an initial maturity of less than 4 months was removed. This action reduced required reserves approximately $710 million and RPD's approximately $650 million.

11. Effective February 13, 1975, reserve requirements against all categories of net demand deposits up to $400 million were reduced ½ of a percentage point, and the reserve requirement against net demand deposits of more than $400 million was reduced 1 percentage point. This action reduced required reserves approximately $1,065 million and RPD's approximately $980 million.

12. Effective May 22, 1975, the reserve requirement against foreign borrowings of member banks, primarily Euro-dollar, was reduced from 8 per cent to 4 per cent. This action reduced required reserves approximately $80 million.

13. Effective October 30, 1975, the reserve requirement against member bank time deposits with an original maturity of 4 years or more was reduced from 3 per cent to 1 per cent. This action reduced required reserves by $360 million.

Staff Economic Studies

The research staffs of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects, and other staff members prepare papers related to such subjects. In some instances the Federal Reserve System finances similar studies by members of the academic profession.

From time to time the results of studies that are of general interest to the economics profession and to others are summarized—or they may be printed in full—in this section of the Federal Reserve BULLETIN.

In all cases the analyses and conclusions set forth are those of the authors and do not necessarily indicate concurrence by the Board of Governors, by the Federal Reserve Banks, or by the members of their staffs.

Single copies of the full text of each of the studies or papers summarized in the BULLETIN *are available in mimeographed form. The list of Federal Reserve Board publications at the back of each* BULLETIN *includes a separate section entitled "Staff Economic Studies" that enumerates the studies for which copies are currently available in that form.*

STUDY SUMMARY

THE GROWTH OF MULTIBANK HOLDING COMPANIES: 1956–73

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Prepared as a staff paper in 1975

Multibank holding companies are becoming more and more significant in this country's banking system. Such companies have grown rapidly since 1965—in geographic distribution, in amount of deposits, and in number of offices. Furthermore, their share of U.S. bank deposits and offices has increased more than threefold.

This study provides a consistent data series on multibank holding companies (MBHC's) from 1956 through 1973. The data are used to describe and analyze the aggregate growth of MBHC's as well as their growth in individual States, with emphasis on the 8 years from year-end 1965 to year-end 1973.

The aggregate data on MBHC's revealed three distinct growth phases: slow growth from 1956 through 1965, moderate growth through 1970, and rapid growth from 1971 through 1973. The shift from slow to moderate growth was due in part to an upsurge of MBHC activity in New York State, while the change from moderate to rapid growth was clearly caused by the 1970 Amendments to the Bank Holding Company Act. The accelerated growth of MBHC's over the 1956–73 period reflected primarily external growth—that is, formations of new MBHC's and acquisitions by existing MBHC's. Finally, the aggregate data indicated that MBHC-affiliated offices commonly had larger than average amounts of deposits.

The growth patterns in the 15 States with the most MBHC activity were found to be consistent with the national growth phases. A scrutiny of the branching laws of the most active States showed that substantial MBHC activity almost always occurred in States that restrict branching.

A review of MBHC activity in all States that had MBHC-affiliated banks suggested the existence of three growth patterns: horizontal, or no growth; vertical, or very rapid growth; and ascending, or steady growth. In 1973, the breakdown of these growth patterns was as follows: horizontal in 19 States, vertical in 11 States, and ascending in 6 States. Two States with only a few years of MBHC activity did not fit into any of these patterns.

Most States with no growth contained only grandfathered affiliates—banks affiliated with MBHC's prior to the Bank Holding Company Act of 1956. An examination of these States indicated that MBHC affiliates *may* grow faster than independent banks in the long run. In the vertical growth States, changes in laws or the actions of highly visible banks or MBHC's apparently provoked the take-off of activity. No single factor, but rather a variety of situations, caused States to follow an ascending growth path. □

Bank Holding Company Financial Developments in 1975

The year 1975 was a difficult period for the American banking system. During the year bank holding companies (BHC's) suffered a sharp increase in loan losses, primarily due to the recent recession and to overbuilding in the real estate sector. In addition, BHC's had to contend with diminished public confidence in the banking system as the result of several large failures during the previous 2 years. In this difficult setting, most BHC's adopted policies during 1975 that were designed to reduce their risk.

This article reviews the major financial developments of BHC's—both one-bank and multibank—during 1975, and is based on annual reports to stockholders and other data recently released by BHC's. Since financial data for all BHC's are not yet available, the review is limited to the 100 largest BHC's; these 100 have the bulk of the assets held by all BHC's.

TABLE 1

Selected balance sheet items for major bank holding companies

Amounts in billions of dollars

BHC's	Year-end 1974	Year-end 1975	Percentage change
	Total assets		
Largest 10	310.3	322.5	3.9
" 25	437.9	449.7	2.7
" 100	609.6	626.3	2.7
	Net loans		
Largest 10	182.6	183.7	.6
" 25	252.3	251.3	(.4)
" 100	347.6	343.3	(1.3)
	Stockholders' equity and reserves		
Largest 10	12.6	14.1	11.9
" 25	19.1	21.1	10.5
" 100	30.2	32.9	8.9

BHC ASSET AND LOAN GROWTH

Growth in BHC assets came to a virtual halt in 1975 in marked contrast to the 1970–74 period when the total assets of major BHC's expanded at a rapid rate. For the 100 largest BHC's, total assets increased only 2.7 per cent in 1975 from $609.6 billion to $626.3 billion.[1] Moreover, 36 of the top 100 BHC's actually experienced declines in total assets during the year. To some extent, the very slow growth of the large BHC's simply mirrored the relatively slow asset growth of the entire commercial banking system in 1975. But it also was due in part to a decline in the share of the total assets in the banking system held by the larger banks.

During 1975 net loans of the 100 largest BHC's fell 1.3 per cent from $347.6 billion to $343.3 billion.[2] This decline reflected a substantial lessening of the extremely heavy loan pressures to which the major BHC's had been subjected in 1974. It apparently also reflected a desire by most BHC's to reduce their portfolio risk and to build up liquidity. At year-end 1975, the ratio of net loans to total assets for the top 100 BHC's was 54.8 per cent, down from 57.0

NOTE.—This article was prepared by Anthony Cyrnak, Michael Martin, and Samuel Talley of the Board's Division of Research and Statistics.

[1] See Table 1 for the asset growth of the largest 10 and largest 25 BHC's.

[2] Net loans equal gross loans minus unearned income on loans and reserves for loan losses. Major BHC's began reporting loans on a net basis in 1975. For comparative purposes, they also have reported 1974 loans on a net basis.

per cent a year earlier. A major offset to the decline of loans in BHC portfolios was a significant increase in holdings of U.S. Government securities.

BHC CAPITAL

In the last 2 years, bank regulators, investors, and even bankers themselves have become increasingly concerned about the capital position of banks. In 1975 stockholders' equity and reserves for loan losses of the 100 largest BHC's increased 8.9 per cent from $30.2 billion to $32.9 billion.[3] This increase, when coupled with the very slow growth in assets of these companies, resulted in a rise in the ratio of stockholders' equity and reserves to total assets from 5.0 per cent at year-end 1974 to 5.2 per cent at year-end 1975. Moreover, the ratio of stockholders' equity and reserves to net loans during the same period climbed from 8.7 per cent to 9.6 per cent. These increases in the capital ratios of the 100 largest BHC's are in marked contrast to the sharp declines that had occurred during the 1970–74 period. However, the level of the capital ratios at the end of 1975 remained appreciably below those of the early 1970's.

[3] Stockholders' equity rose from $27.0 billion in 1974 to $29.1 billion in 1975, largely as a result of retained earnings. Reserves for loan losses rose from $3.2 billion in 1974 to $3.8 billion in 1975, primarily as a result of loan-loss provisions exceeding net loan charge-offs (charge-offs less recoveries).

TABLE 2

Selected balance sheet ratios for major bank holding companies

In per cent

BHC's	Year-end 1974	Year-end 1975	Percentage point change
	Net loans to total assets		
Largest 10	58.8	57.0	(1.8)
" 25	57.6	55.9	(1.7)
" 100	57.0	54.8	(2.2)
	Stockholders' equity and reserves to total assets		
Largest 10	4.1	4.4	.3
" 25	4.4	4.7	.3
" 100	5.0	5.2	.2
	Stockholders' equity and reserves to net loans		
Largest 10	6.9	7.7	.8
" 25	7.6	8.4	.8
" 100	8.7	9.6	.9

BHC PROFITS

Profits for the 100 largest BHC's during 1975 increased only slightly over the level reached in 1974. Income before securities gains and losses for these organizations rose from $3,253 million in 1974 to $3,272 million in 1975, or 0.6 per cent. Net income—income after securities gains and losses and extraordinary items—also increased slightly, rising from $3,192 million in 1974 to $3,274 million in 1975, a gain of 2.6 per cent (see Table 3). Earnings performance varied considerably among individual organizations, with 57 BHC's reporting an increase and 43 posting a decline over 1974 levels in both measures of profit.

TABLE 3

Selected performance data for major bank holding companies

Amounts in millions of dollars

Item	1974	1975	Percentage increase
Income before securities gains and losses (after tax)	3,253	3,272	.6
Net income (after tax)	3,192	3,274	2.6
Provisions for loan losses	1,572	2,844	80.9
Net loan charge-offs	1,205	2,352	95.2
Reserves for loan losses	3,188	3,748	17.6
Ratio of reserves for loan losses to year-end net loans	.92	1.09	

During 1975 BHC earnings were helped significantly by unusually wide interest rate spreads—the difference between the rates received on interest-bearing assets and the rates paid on interest-bearing liabilities. These spreads began to widen sharply in late 1974 and reached record levels for recent years in early 1975. While these spreads declined somewhat during the spring, they persisted at above normal levels for the remainder of the year.

Among the primary factors adversely affecting BHC profits during 1975 were sizable increases in nonaccruing loans and large provisions for loan losses. For many BHC's, nonaccruing loans—many of which were related to developments in the real estate market—dampened the growth of net interest income significantly. Also, the increase in provisions for loan losses in 1975 depressed earnings to some extent for nearly all of the 100 largest BHC's. Under current accounting procedures, BHC's are required to make minimum provisions for loan losses by using a formula based on past loan loss experience and the current level of loans. These minimum provisions, however, can be exceeded if BHC management considers such a decision prudent in light of current economic conditions. By late 1974 the condition of many BHC loan portfolios dictated that provisions for loan losses in excess of the prescribed minimum be charged against earnings. Many BHC's continued these larger provisions for loan losses throughout much of 1975. As a result, provisions for loan losses for the largest 100 BHC's in 1975 were $2,844 million, an increase of 80.9 per cent over the 1974 level.[4]

In 1975 the top 10 BHC's had a somewhat better earnings performance than the other 90 large BHC's. On the basis of net income before securities gains and losses, the top 10 increased their earnings, in aggregate, about 6 per cent, whereas the next 90 BHC's had an aggregate earnings decline of about 4 per cent. One factor accounting for this difference was the greater growth in assets for the top 10 BHC's. During 1975 total assets for the 10 largest BHC's increased 3.9 per cent, compared with a 1.5 per cent increase for the other 90.[5]

One factor adversely affecting the relative earnings performance of the top 10 BHC's was that their provisions for loan losses rose about 111 per cent in 1975, compared with an increase of only 56 per cent for the next 90 BHC's.

BHC EQUITY FINANCING

Thus far in the 1970's the major BHC's have issued very few new equity issues, even though their capital ratios have declined sharply. During some of this period, many BHC's could have issued stock at attractive prices by historical standards. However, the BHC managements were apparently reluctant to sustain the resulting dilution in earnings per share. With the precipitous decline in BHC stock prices in the late spring of 1974, BHC's lost access to equity markets on terms that they deemed acceptable.

During 1975 BHC stock prices rose significantly from their year-end 1974 level, but they were still too depressed to encourage a substantial amount of new equity financing. In the second half of the year, however, two rather highly leveraged BHC's did enter the market with three sizable equity issues. These issues included a $34 million common stock offering, a $75 million nonconvertible preferred issue, and a $46 million exchange of convertible preferred stock for a like amount of outstanding subordinate debentures. In each case, these equity issues had to be offered on terms that were relatively unfavorable to the BHC by historical standards. For example, the common stock issue was sold at a price that was almost 30 per cent below book value.

[4] Under current BHC accounting methods, loan-loss provisions increase the reserve for loan losses while net loan charge-offs reduce the reserve. In 1975, provisions for loan losses exceeded net loan charge-offs by almost $500 million for the largest 100 BHC's, and were primarily responsible for increasing their reserves from $3,188 million at year-end 1974 to $3,748 million at year-end 1975. With this increase in reserves and a slight decline in net loans during 1975, the ratio of reserves to year-end net loans for the 100 largest BHC's rose from 0.92 per cent at the end of 1974 to 1.09 per cent at the end of 1975.

[5] The difference in loan growth rates between the top 10 and the other 90 large BHC's was even more pronounced with the top 10 recording a 0.6 per cent increase, compared with a 3.3 per cent decrease for the next 90 BHC's.

BHC BOND FINANCING

The dollar amount of BHC bond financing during 1975 was far below the 1974 level. For 1975 total BHC bond financing consisted of 34 issues amounting to $1,320 million, compared with 29 issues amounting to $2,314 million for 1974 (Table 4). Bond financing activity increased during the second half of 1975. BHC's floated 19 issues amounting to $741 million in the second half, compared with 15 issues amounting to $579 million in the first half.

There were several significant aspects of the BHC bond financing in 1975. First, bond financing continued to be dominated by issues of the largest companies. In 1975 BHC's with assets exceeding $15 billion accounted for four issues amounting to $685 million, or 51.9 per cent of the total BHC bond financing. In 1974 these large BHC's accounted for eight issues representing $1,530 million, or 66.1 per cent of the total BHC bond financing.

Second, during 1975 more BHC's resorted to the private placement market than in 1974.

TABLE 4

Aggregate long-term debt offerings by bank holding companies[1]

Amounts in millions of dollars

Year	Number of issues	Amount
1971	29	852
1972	48	1,817
1973	25	877
1974	29	2,314
1975	34	1,320

[1]These data include private placements and convertible debenture offerings, but exclude offerings by holding company subsidiaries and foreign holding companies.

One factor contributing to the increased use of private placements was the controversy over disclosure requirements involving BHC issues sold to the general public. For 1975 BHC private placements involved eight issues amounting to $138 million, in contrast with five issues amounting to $43 million for 1974.

Third, the issuance of floating-rate notes declined precipitously during 1975. BHC's sold three floating-rate note issues amounting to only $12 million in 1975, compared with eight floating-rate note issues amounting to $1,130 million in 1974. Moreover, BHC's with assets of less than $500 million accounted for all of the floating-rate notes issued in 1975, whereas in 1974 these issues were dominated by BHC's with more than $1 billion in assets.

BHC STOCK PRICE TRENDS

During 1975 BHC common stock prices rose from their relatively depressed levels at the end of 1974. However, there was a substantial difference in the performance among various groups of BHC's. For example, Standard and Poor's stock price index for New York City banks rose only 4.4 per cent during the year, compared with a 26.0 per cent increase in the index for banks outside New York City. The relatively poor performance by the New York City organizations was due in part to investor concern over holdings by these BHC's of securities of New York City and New York State. Also noteworthy is that the increases in the stock indexes for both New York City banks and banks outside New York City trailed the 31.5 per cent rise in the Standard and Poor's composite 500-stock index. □

Changes in Bank Lending Practices, 1975

Quarterly surveys of changes in bank lending practices among large commercial banks have been conducted by the Federal Reserve since late 1964. These surveys, taken in February, May, August, and November of each year, provide information relating to changes in recent and anticipated business loan demand, in price and nonprice terms of lending, and in banks' willingness to extend loans of types other than short-term commercial and industrial loans. This article continues the series of annual reviews of the surveys and summarizes the responses of the 123 banks included in the 1975 sample.

For much of 1974 the growing momentum of the economic downturn was obscured from the view of bankers by the heavy inventory financing of businesses that were willing and able to pay high rates of interest for bank loans. By late 1974, however, it was becoming increasingly apparent that the economy was in the midst of a severe downturn of uncertain duration. The optimism of the banking community was rapidly replaced by a highly cautious and restrictive lending posture that came to characterize bank lending practices throughout 1975.

Loan/deposit ratios had risen sharply in 1973 and 1974 under the pressure of inflation-induced business borrowing, and bank liquidity had been permitted to erode. Consequently, 1975 was a year when large banks became increasingly concerned about their heavy reliance on borrowed funds to finance loan growth, and they increased their holdings of liquid assets and reduced their dependence on money market funds. While demands for bank loans declined throughout 1975, banks generally maintained or tightened their previously adopted restrictive loan policies to restrain business loan growth and improve earnings. On the other hand, easing of lending policies toward consumers was apparent in the surveys, and this availability of bank financing contributed to the resurgence of consumer spending in 1975, which was an important element in the recovery of the economy.

Restrictive policies toward business lending were indicated not only by nonprice terms and conditions but also by the adoption of a prime rate that, although dropping from 10½ to 7 per cent over the year, remained high relative to market alternatives. Banks tended to overestimate the prospective demand for loans during 1975 and were slow to lower their prime rates as market rates fell. Loan demand was in fact extremely weak in 1975, reflecting reduction in economic activity, substantial inventory liquidation followed by only modest accumulation in the second half, increasing generation of internal funds as the year progressed, and substantial capital market financing by firms undertaken in large part to restructure corporate balance sheets by funding outstanding business loans.

In an atmosphere of diminishing demand on banks for business credits, the 3 months prior to the mid-February 1975 survey were marked by a significant contraction in the outstanding volume of commercial and industrial loans. Almost 70 per cent of the banks surveyed in February reported a weakening in the strength of business loan demand over the November-to-February interval, and most participants were anticipating that loan demand would either remain weak or deteriorate further during the following months. In addition, with market rates declining, a sizable proportion of the sample banks eased interest rate terms, as evidenced by a reduction of 175 basis points in the bank prime rate from the time of the previous survey. However, not only did the prime rate continue

NOTE.—This article was prepared by Virginia L. Lewis and Paul Boltz of the Board's Division of Research and Statistics.

high relative to other short-term market rates, but also little or no alteration in nonprice terms of lending to nonfinancial and financial businesses was noted. Such terms remained at the highly restrictive levels they had reached during 1974.

In spite of decreased demands for business loans, most banks retained a restrictive stance in their willingness to make most other types of loans. Compared with the November 1974 survey, only a few of the respondents were more willing to make consumer loans, single-family mortgage loans, and loans to brokers, and for most respondents such policies were unchanged.

By May business loan volume had shrunk further, and market interest rates had sunk to new lows for the year. In addition, at commercial banks substantial run-offs in the amount outstanding of large certificates of deposit (CD's) had occurred over the first half of the year, as banks no longer had to depend on sales of CD's for financing business loans.

Although more than 50 per cent of the respondents in May reported a further weaken-

QUARTERLY SURVEY—FEBRUARY 1975

Changes in bank lending practices at selected large banks: Policy on February 15, 1975, compared with policy 3 months earlier

Number of banks; figures in parentheses indicate percentage distribution of total banks reporting

Item	Total		Much stronger		Moderately stronger		Essentially unchanged		Moderately weaker		Much weaker	
Strength of demand for commerical and industrial loans:[1]												
Compared with 3 months earlier	123	(100.0)	....		5	(4.1)	33	(26.8)	77	(62.6)	8	(6.5)
Anticipated in next 3 months	123	(100.0)	....		7	(5.7)	44	(35.7)	67	(54.5)	5	(4.1)
	Total		Much firmer policy		Moderately firmer policy		Essentially unchanged		Moderately easier policy		Much easier policy	
Loans to nonfinancial businesses:												
Terms and conditions:												
Interest rates charged	123	(100.0)	1	(.8)	7	(5.7)	61	(49.6)	45	(36.6)	9	(7.3)
Compensating or supporting balances	123	(100.0)	4	(3.3)	15	(12.2)	102	(82.9)	2	(1.6)	....	
Standards of creditworthiness	123	(100.0)	8	(6.5)	33	(26.8)	82	(66.7)	....		....	
Maturity of term loans	123	(100.0)	6	(4.9)	13	(10.6)	103	(83.7)	1	(.8)	....	
Practice concerning review of credit lines or loan applications:												
Established customers	123	(100.0)	1	(.8)	12	(9.8)	98	(79.7)	11	(8.9)	1	(.8)
New customers	123	(100.0)	13	(10.6)	33	(26.8)	59	(48.0)	18	(14.6)	....	
Local service area customers	123	(100.0)	....		11	(8.9)	97	(78.9)	14	(11.4)	1	(.8)
Nonlocal service area customers	123	(100.0)	11	(8.9)	26	(21.1)	75	(61.1)	11	(8.9)	....	
Factors relating to applicant:[2]												
Value as depositor or source of collateral business	123	(100.0)	8	(6.5)	22	(17.9)	92	(74.8)	1	(.8)	....	
Intended use of the loan	123	(100.0)	8	(6.5)	23	(18.7)	90	(73.2)	2	(1.6)	....	
Loans to independent finance companies:[3]												
Terms and conditions:												
Interest rates charged	123	(100.0)	2	(1.6)	7	(5.7)	88	(71.6)	19	(15.4)	7	(5.7)
Compensating or supporting balances	123	(100.0)	4	(3.3)	10	(8.1)	108	(87.8)	1	(.8)	....	
Enforcement of balance requirements	123	(100.0)	7	(5.7)	12	(9.8)	104	(84.5)	....		....	
Establishing new or larger credit lines	123	(100.0)	14	(11.4)	24	(19.5)	82	(66.7)	3	(2.4)	....	
	Total		Considerably less willing		Moderately less willing		Essentially unchanged		Moderately more willing		Considerably more willing	
Willingness to make other types of loans:												
Term loans to businesses	123	(100.0)	6	(4.9)	14	(11.4)	93	(75.6)	10	(8.1)	....	
Consumer instalment loans	122	(100.0)	....		7	(5.7)	99	(81.2)	15	(12.3)	1	(.8)
Single-family mortgage loans	120	(100.0)	5	(4.2)	8	(6.7)	95	(79.1)	12	(10.0)	....	
Multifamily mortgage loans	119	(100.0)	6	(5.0)	12	(10.1)	100	(84.1)	1	(.8)	....	
All other mortgage loans	121	(100.0)	6	(5.0)	13	(10.7)	98	(81.0)	4	(3.3)	....	
Participation loans with correspondent banks	123	(100.0)	2	(1.6)	7	(5.7)	98	(79.7)	15	(12.2)	1	(.8)
Loans to brokers	123	(100.0)	5	(4.1)	7	(5.7)	97	(78.8)	13	(10.6)	1	(.8)

[1] After allowance for bank's usual seasonal variation.

[2] For these factors, firmer means the factors were considered to be more important in making decisions for approving credit requests, and easier means they were considered to be less important.

[3] "Independent," or "noncaptive," finance companies are finance companies other than those organized by a parent company mainly for the purpose of financing dealer inventory and carrying instalment loans generated through the sale of the parent company's products.

ing of loan demand since the February survey, optimism that stabilization in the demand for business loans was forthcoming was evident in the estimations of future loan demand: only about one-fifth of the banks foresaw further deterioration in demand over the next quarter. For the most part, nonprice terms of lending varied only slightly and remained quite restrictive. Although a significant minority of banks had eased their policies with regard to interest rates charged to nonfinancial businesses—the prime rate had declined from 9 per cent in mid-February to 7½ per cent in mid-May—bank lending rates remained well above other market rates. In spite of further softening in loan demand, most banks did not aggressively seek to augment their diminishing loan portfolios by relaxing their lending policies regarding either business or most other types of loans, though one-quarter of the respondents were moderately more willing to make consumer loans.

Following the mid-May survey, the rate of shrinkage in the volume of business loans slowed, and short-term market interest rates

QUARTERLY SURVEY—MAY 1975

Changes in bank lending practices at selected large banks: Policy on May 15, 1975, compared with policy 3 months earlier

Number of banks; figures in parentheses indicate percentage distribution of total banks reporting

Item	Total	Much stronger	Moderately stronger	Essentially unchanged	Moderately weaker	Much weaker
Strength of demand for commercial and industrial loans:[1]						
Compared with 3 months earlier	123 (100.0)	....	12 (9.8)	43 (34.9)	64 (52.0)	4 (3.3)
Anticipated in next 3 months	123 (100.0)	....	17 (13.8)	77 (62.6)	28 (22.8)	1 (.8)
	Total	**Much firmer policy**	**Moderately firmer policy**	**Essentially unchanged**	**Moderately easier policy**	**Much easier policy**
Loans to nonfinancial businesses:						
Terms and conditions:						
Interest rates charged	123 (100.0)	1 (.8)	6 (4.9)	73 (59.3)	39 (31.7)	4 (3.3)
Compensating or supporting balances	123 (100.0)	2 (1.6)	12 (9.8)	106 (86.2)	3 (2.4)	....
Standards of creditworthiness	123 (100.0)	3 (2.4)	15 (12.2)	103 (83.8)	2 (1.6)	....
Maturity of term loans	123 (100.0)	1 (.8)	10 (8.1)	105 (85.4)	7 (5.7)	....
Practice concerning review of credit lines or loan applications:						
Established customers	123 (100.0)	....	6 (4.9)	97 (78.9)	18 (14.6)	2 (1.6)
New customers	123 (100.0)	1 (.8)	18 (14.6)	80 (65.1)	24 (19.5)	....
Local service area customers	123 (100.0)	....	7 (5.7)	95 (77.2)	21 (17.1)	....
Nonlocal service area customers	123 (100.0)	1 (.8)	17 (13.8)	94 (76.5)	11 (8.9)	....
Factors relating to applicant:[2]						
Value as depositor or source of collateral business	123 (100.0)	8 (6.5)	18 (14.6)	93 (75.6)	4 (3.3)	....
Intended use of the loan	123 (100.0)	2 (1.6)	10 (8.1)	104 (84.6)	7 (5.7)	....
Loans to independent finance companies:[3]						
Terms and conditions:						
Interest rates charged	123 (100.0)	....	2 (1.6)	104 (84.6)	16 (13.0)	1 (.8)
Compensating or supporting balances	123 (100.0)	....	7 (5.7)	116 (94.3)	....	....
Enforcement of balance requirements	123 (100.0)	1 (.8)	14 (11.4)	108 (87.8)	....	....
Establishing new or larger credit lines	123 (100.0)	6 (4.9)	20 (16.3)	88 (71.5)	8 (6.5)	1 (.8)
	Total	**Considerably less willing**	**Moderately less willing**	**Essentially unchanged**	**Moderately more willing**	**Considerably more willing**
Willingness to make other types of loans:						
Term loans to businesses	123 (100.0)	1 (.8)	7 (5.7)	93 (75.6)	22 (17.9)	....
Consumer instalment loans	122 (100.0)	....	3 (2.5)	85 (69.6)	30 (24.6)	4 (3.3)
Single-family mortgage loans	121 (100.0)	3 (2.5)	5 (4.1)	103 (85.1)	10 (8.3)	....
Multifamily mortgage loans	120 (100.0)	6 (5.0)	11 (9.2)	102 (85.0)	1 (.8)	....
All other mortgage loans	119 (100.0)	5 (4.2)	11 (9.2)	97 (81.6)	6 (5.0)	....
Participation loans with correspondent banks	123 (100.0)	1 (.8)	5 (4.1)	101 (82.1)	16 (13.0)	....
Loans to brokers	122 (100.0)	2 (1.6)	8 (6.6)	101 (82.7)	8 (6.6)	3 (2.5)

[1] After allowance for bank's usual seasonal variation.

[2] For these factors, firmer means the factors were considered to be more important in making decisions for approving credit requests, and easier means they were considered to be less important.

[3] "Independent," or "noncaptive," finance companies are finance companies other than those organized by a parent company mainly for the purpose of financing dealer inventory and carrying instalment loans generated through the sale of the parent company's products.

began to rise for the first time in 1975. Yet at the time of the August survey, the demand for business credits was much weaker than had been anticipated in May, with 45 per cent of the participant banks reporting that demand had declined further and 48 per cent noting that loan demand was essentially unchanged from its low May level. Respondents were evenly divided on prospects for future loan demand. Almost one-half of the banks believed demand from commercial and industrial customers would intensify over the next 3 months, and an equal percentage anticipated little or no change in the strength of such demand during the period between the mid-August and mid-November surveys.

Notwithstanding the continued weak demand for loans by nonfinancial businesses, both price and nonprice terms and conditions of lending at the time of the August survey had become more restrictive at many participating banks. More than one-third indicated moderately firmer policies with regard to interest rate practices, reversing the trend of the previous two surveys, and a small minority had tightened the compen-

QUARTERLY SURVEY—AUGUST 1975

Changes in bank lending practices at selected large banks: Policy on August 15, 1975, compared with policy 3 months earlier

Number of banks; figures in parentheses indicate percentage distribution of total banks reporting

Item	Total	Much stronger	Moderately stronger	Essentially unchanged	Moderately weaker	Much weaker
Strength of demand for commercial and industrial loans:[1]						
Compared with 3 months earlier	123 (100.0)	...	9 (7.3)	59 (48.0)	52 (42.3)	3 (2.4)
Anticipated in next 3 months	123 (100.0)	...	57 (46.3)	55 (44.8)	11 (8.9)	...
	Total	Much firmer policy	Moderately firmer policy	Essentially unchanged	Moderately easier policy	Much easier policy
Loans to nonfinancial businesses:						
Terms and conditions:						
Interest rates charged	123 (100.0)	2 (1.6)	46 (37.4)	72 (58.6)	3 (2.4)	...
Compensating or supporting balances	123 (100.0)	...	20 (16.3)	101 (82.1)	2 (1.6)	...
Standards of creditworthiness	123 (100.0)	4 (3.3)	14 (11.4)	105 (85.3)	...	...
Maturity of term loans	123 (100.0)	...	8 (6.5)	112 (91.1)	3 (2.4)	...
Practice concerning review of credit lines or loan applications:						
Established customers	123 (100.0)	...	5 (4.1)	107 (87.0)	11 (8.9)	...
New customers	123 (100.0)	1 (.8)	11 (8.9)	92 (74.9)	19 (15.4)	...
Local service area customers	122 (100.0)	...	4 (3.3)	105 (86.0)	13 (10.7)	...
Nonlocal service area customers	122 (100.0)	2 (1.6)	7 (5.7)	102 (83.7)	11 (9.0)	...
Factors relating to applicant:[2]						
Value as depositor or source of collateral business	123 (100.0)	3 (2.4)	14 (11.4)	103 (83.8)	3 (2.4)	...
Intended use of the loan	123 (100.0)	2 (1.6)	5 (4.1)	110 (89.4)	6 (4.9)	...
Loans to independent finance companies:[3]						
Terms and conditions:						
Interest rates charged	123 (100.0)	1 (.8)	23 (18.7)	98 (79.7)	1 (.8)	...
Compensating or supporting balances	123 (100.0)	...	8 (6.5)	115 (93.5)	...	...
Enforcement of balance requirements	123 (100.0)	...	14 (11.4)	109 (88.6)	...	...
Establishing new or larger credit lines	123 (100.0)	6 (4.9)	17 (13.8)	96 (78.0)	4 (3.3)	...
	Total	Considerably less willing	Moderately less willing	Essentially unchanged	Moderately more willing	Considerably more willing
Willingness to make other types of loans:						
Term loans to businesses	123 (100.0)	2 (1.6)	8 (6.5)	92 (74.8)	20 (16.3)	1 (.8)
Consumer instalment loans	122 (100.0)	...	...	89 (72.9)	29 (23.8)	4 (3.3)
Single-family mortgage loans	121 (100.0)	2 (1.7)	8 (6.6)	101 (83.4)	10 (8.3)	...
Multifamily mortgage loans	120 (100.0)	2 (1.7)	10 (8.3)	108 (90.0)	...	...
All other mortgage loans	121 (100.0)	2 (1.7)	11 (9.1)	101 (83.4)	7 (5.8)	...
Participation loans with correspondent banks	121 (100.0)	1 (.8)	...	105 (86.8)	15 (12.4)	...
Loans to brokers	120 (100.0)	1 (.8)	2 (1.7)	109 (90.8)	8 (6.7)	...

[1] After allowance for bank's usual seasonal variation.

[2] For these factors, firmer means the factors were considered to be more important in making decisions for approving credit requests, and easier means they were considered to be less important.

[3] "Independent," or "noncaptive," finance companies are finance companies other than those organized by a parent company mainly for the purpose of financing dealer inventory and carrying instalment loans generated through the sale of the parent company's products.

sating balance requirements and their standards of creditworthiness for their loan applicants, with nonprice terms remaining highly stringent on balance. The prime rate charged by most banks had edged up 50 basis points over the interval between surveys, but since other short-term interest rates had also increased, the rise in the prime rate was undoubtedly viewed as maintenance of restrictive price policies by banks relative to other sources of financing.

According to the August survey, bankers did not appreciably change their posture toward making loans other than business loans. Some banks indicated more willingness to extend consumer or term loans to businesses than in the previous survey, but these banks reported that demand for such loans was still weak in their market areas.

Almost one-half of the respondents in the August survey expected that the demand for commercial and industrial loans would be moderately stronger over the mid-August to mid-November period, but the results of the November survey suggested that business loan de-

QUARTERLY SURVEY—NOVEMBER 1975

Changes in bank lending practices at selected large banks: Policy on November 15, 1975, compared with policy 3 months earlier

Number of banks; figures in parentheses indicate percentage distribution of total banks reporting

Item	Total	Much stronger	Moderately stronger	Essentially unchanged	Moderately weaker	Much weaker
Strength of demand for commercial and industrial loans:[1]						
Compared with 3 months earlier	123 (100.0)	....	7 (5.7)	60 (48.7)	52 (42.3)	4 (3.3)
Anticipated in next 3 months	123 (100.0)	....	34 (27.6)	78 (63.5)	9 (7.3)	2 (1.6)
	Total	**Much firmer policy**	**Moderately firmer policy**	**Essentially unchanged**	**Moderately easier policy**	**Much easier policy**
Loans to nonfinancial businesses:						
Terms and conditions:						
Interest rates charged	123 (100.0)	....	8 (6.5)	68 (55.3)	47 (38.2)	....
Compensating or supporting balances	123 (100.0)	....	6 (4.9)	110 (89.4)	7 (5.7)	....
Standards of creditworthiness	123 (100.0)	1 (.8)	14 (11.4)	108 (87.8)	....	....
Maturity of term loans	123 (100.0)	....	6 (4.9)	110 (89.4)	7 (5.7)	....
Practice concerning review of credit lines or loan applications:						
Established customers	123 (100.0)	....	1 (.8)	108 (87.8)	14 (11.4)	....
New customers	123 (100.0)	....	9 (7.3)	97 (78.9)	17 (13.8)	....
Local service area customers	123 (100.0)	....	2 (1.6)	107 (87.0)	14 (11.4)	....
Nonlocal service area customers	123 (100.0)	....	8 (6.5)	104 (84.6)	11 (8.9)	....
Factors relating to applicant:[2]						
Value as depositor or source of collateral business	123 (100.0)	....	9 (7.3)	109 (88.6)	5 (4.1)	....
Intended use of the loan	123 (100.0)	....	3 (2.4)	114 (92.7)	6 (4.9)	....
Loans to independent finance companies:[3]						
Terms and conditions:						
Interest rates charged	122 (100.0)	....	3 (2.5)	103 (84.4)	16 (13.1)	....
Compensating or supporting balances	122 (100.0)	....	5 (4.1)	116 (95.1)	1 (.8)	....
Enforcement of balance requirements	122 (100.0)	....	9 (7.4)	113 (92.6)	....	....
Establishing new or larger credit lines	123 (100.0)	5 (4.1)	15 (12.2)	99 (80.4)	4 (3.3)	....
	Total	**Considerably less willing**	**Moderately less willing**	**Essentially unchanged**	**Moderately more willing**	**Considerably more willing**
Willingness to make other types of loans:						
Term loans to businesses	123 (100.0)	1 (.8)	3 (2.4)	98 (79.7)	21 (17.1)	....
Consumer instalment loans	122 (100.0)	....	1 (.8)	89 (73.0)	31 (25.4)	1 (.8)
Single-family mortgage loans	121 (100.0)	4 (3.3)	2 (1.7)	104 (85.9)	10 (8.3)	1 (.8)
Multifamily mortgage loans	120 (100.0)	4 (3.3)	5 (4.2)	109 (90.8)	2 (1.7)	....
All other mortgage loans	121 (100.0)	4 (3.3)	7 (5.8)	104 (85.9)	6 (5.0)	....
Participation loans with correspondent banks	122 (100.0)	1 (.8)	4 (3.3)	105 (86.1)	12 (9.8)	....
Loans to brokers	122 (100.0)	....	2 (1.6)	110 (90.2)	9 (7.4)	1 (.8)

[1] After allowance for bank's usual seasonal variation.

[2] For these factors, firmer means the factors were considered to be more important in making decisions for approving credit requests, and easier means they were considered to be less important.

[3] "Independent," or "noncaptive," finance companies are finance companies other than those organized by a parent company mainly for the purpose of financing dealer inventory and carrying instalment loans generated through the sale of the parent company's products.

mand had again failed to materialize to the extent projected 3 months earlier. About half of the respondents indicated that loan demands had remained unchanged, while an almost equal proportion experienced somewhat weaker borrowing demands. However, in their estimates of prospective strength of loan demand, the majority of the reporting banks became more cautious, as almost three-fourths expected credit demands to remain unchanged over the subsequent 3 months.

In the November survey, a sizable proportion of the respondents indicated no significant change in either price or nonprice terms of lending. However, nearly 40 per cent reported easier price terms. For the latter group the easing appeared to reflect mainly a policy of adjusting rates in line with more rapidly declining market rates of interest. Even so, by November inflows of deposits to banks had accelerated, respondents had made considerable progress in improving their liquidity positions, and there were some signs that bank lending policies toward business term loans had been eased. In addition, there had been a further easing in consumer loan policies; for the year as a whole banks appeared to have become increasingly more willing to make such loans.

Changes in Time and Savings Deposits at Commercial Banks, July–October 1975

The rate of growth in time and savings deposits of individuals, partnerships, and corporations (IPC's) at insured commercial banks slowed moderately during the 3 months ending October 31, 1975. After having risen 3.0 per cent in the 3 months ending July 31, 1975, time and savings deposits rose at a 2.1 per cent quarterly rate to a level of $383 billion, not seasonally adjusted. Results of the quarterly survey conducted jointly by the Federal Reserve System and the Federal Deposit Insurance Corporation indicate that the slowdown was concentrated among savings and small-denomination (less than $100,000) time deposits. The prolonged decline in the volume of large-denomination ($100,000 or more) time deposits ended—at least temporarily—in September.

NOTE.—John R. Williams of the Board's Division of Research and Statistics prepared this article.

TABLE 1

Types of time and savings deposits of individuals, partnerships, and corporations held by insured commercial banks on survey dates, January 31–October 31, 1975

Type of deposit	Number of issuing banks 1975				Amount (in millions of dollars) 1975				Percentage change in deposits (quarterly rate)	
	Jan. 31	Apr. 30	July 31	Oct. 31	Jan. 31	Apr. 30	July 31	Oct. 31	Apr. 30–July 31	July 31–Oct. 31
Total time and savings deposits	**14,204**	**14,263**	**14,305**	**14,378**	**361,388**	**364,736**	**375,731**	**383,485**	3.0	**2.1**
Savings	**13,989**	**14,052**	**14,088**	**14,214**	**135,856**	**144,250**	**151,965**	**154,282**	5.3	**1.5**
Time deposits in denominations of less than $100,000–Total	**14,085**	**14,148**	**14,194**	**14,280**	**117,985**	**123,550**	**128,771**	**131,580**	4.2	2.2
Accounts with original maturity of—										
Less than 1 year	13,464	13,570	13,587	13,719	34,628	36,329	37,443	37,262	3.1	.5
1 up to 2½ years	13,792	13,851	13,858	14,003	37,240	36,203	35,872	35,397	–.9	–1.3
2½ up to 4 years	12,285	12,573	12,592	12,659	17,365	18,568	19,500	20,318	5.0	4.2
4 up to 6 years	11,336	11,844	12,047	12,188	27,016	30,027	32,658	34,553	8.8	5.8
6 years and over:										
Negotiable deposits	2,749	3,860	4,371	4,623	1,026	1,157	1,464	1,664	26.5	13.7
Nonnegotiable deposits	1,417	1,885	2,098	2,296	710	1,266	1,834	2,386	44.9	30.1
All maturities: Open accounts Passbook or statement form [2]	3,769	3,902	3,866	3,921	28,581	30,714	31,125	31,820	1.3	2.2
Time deposits in denominations of $100,000 or more	**8,295**	**8,363**	**8,442**	**8,699**	**102,082**	**91,378**	**89,008**	**92,241**	**–2.6**	**3.6**
Negotiable CD's	3,993	3,969	3,976	3,960	71,718	64,298	62,830	64,895	–2.3	3.3
Nonnegotiable CD's and open account	4,763	4,929	4,943	5,230	30,364	27,080	26,178	27,346	–3.3	4.5
Christmas savings and other special funds	8,770	9,044	9,039	8,226	5,465	5,558	5,987	5,382	7.7	–10.1

[1] Less than .05 per cent.

[2] Includes time deposits, open account, issued in passbook, statement, or other forms that are direct alternatives for regular savings accounts. *Most of these are believed to be in accounts totaling less* than $100,000. The figures shown on this line are included above in the appropriate maturity category.

NOTE.—Data were compiled jointly by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation. The information was reported by a probability sample of all insured commercial banks.

Some deposit categories include a small amount of deposits outstanding in a relatively few banks that no longer issue these types of deposits and are not included in the number of issuing banks. Dollar amounts may not add to totals because of rounding.

TABLE 2

Small-denomination time and savings deposits, IPC, held by insured commercial banks on July 31, 1975, and October 31, 1975, by type of deposit, by most common rate paid on new deposits in each category, and by size of bank

Deposit group, and distribution of deposits by most common rate	All banks		Size of bank (total deposits in millions of dollars)				All banks		Size of bank (total deposits in millions of dollars)			
			Less than 100		100 and over				Less than 100		100 and over	
	Oct. 31	July 31	Oct. 31	July 31	Oct. 31	July 31	Oct. 31	July 31	Oct. 31	July 31	Oct. 31	July 31
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Savings deposits:												
Issuing banks	14,214	14,088	13,354	13,260	860	828	154,282	151,965	63,067	61,755	91,215	90,210
Distribution:												
Total	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less	5.9	6.8	5.9	6.8	6.7	7.0	4.6	4.5	3.4	3.9	5.2	5.0
4.01-4.50	6.3	6.8	6.0	6.5	10.7	11.7	10.2	11.1	7.8	8.4	12.0	12.9
4.51-5.00	87.8	86.4	88.1	86.7	82.6	81.3	85.2	84.4	88.8	87.7	82.8	82.1
Memo: paying ceiling rate[2]	87.8	86.4	88.1	86.7	82.2	80.9	85.0	84.1	88.8	87.1	82.4	81.7
Time deposits in denominations of less than $100,000:												
Maturing in—												
Less than 1 year:												
Issuing banks	13,719	13,587	12,858	12,757	861	830	37,262	37,443	17,310	17,612	19,952	19,831
Distribution:												
Total	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less	6.0	6.5	5.9	6.6	6.5	5.3	8.5	7.2	5.1	5.5	11.5	8.8
5.01-5.50	94.0	93.5	94.1	93.4	93.5	94.7	91.5	92.8	94.9	94.5	88.5	91.2
Memo: paying ceiling rate[2]	93.2	92.7	93.3	92.6	92.4	93.9	90.7	91.7	94.0	93.8	87.7	90.0
1 up to 2½ years:												
Issuing banks	14,003	13,958	13,150	13,140	853	818	35,397	35,872	23,742	24,098	11,655	11,774
Distribution:												
Total	100	100	100	100	100	100	100	100	100	100	100	100
5.50 or less	2.2	2.0	2.2	2.0	1.9	1.5	2.1	2.4	1.6	1.7	3.1	3.9
5.51-6.00	97.8	98.0	97.8	98.0	98.1	98.5	97.9	97.6	98.4	98.3	96.9	96.1
Memo: paying ceiling rate[2]	96.5	96.5	96.5	96.6	96.4	96.1	96.8	96.2	97.5	97.3	95.3	94.1
2½ up to 4 years:												
Issuing banks	12,659	12,592	11,830	11,800	829	792	20,318	19,500	12,489	12,134	7,829	7,366
Distribution:												
Total	100	100	100	100	100	100	100	100	100	100	100	100
5.50 or less	(1)	.1	(1)	.1	(1)	(1)	(1)	.1	(1)	.1	(1)	(1)
5.51-6.00	1.8	1.3	1.8	1.3	1.7	1.9	1.4	1.7	.8	.7	2.2	3.4
6.01-6.50	98.2	98.6	98.2	98.6	98.3	98.1	98.6	98.2	99.2	99.2	97.8	96.6
Memo: paying ceiling rate[2]	97.7	98.1	97.7	98.1	97.7	97.2	97.8	97.4	98.2	98.3	97.0	96.1
4 up to 6 years:												
Issuing banks	12,188	12,047	11,360	11,255	828	792	34,553	32,657	17,093	16,228	17,460	16,429
Distribution:												
Total	100	100	100	100	100	100	100	100	100	100	100	100
6.50 or less	1.8	1.6	1.8	1.4	2.0	3.1	1.1	1.7	.4	.7	1.7	2.7
6.51-7.00	16.6	16.3	17.0	16.8	10.2	10.5	10.3	9.9	13.0	13.2	7.7	6.6
7.01-7.25	81.6	82.1	81.2	81.8	87.8	86.4	88.6	88.4	86.6	86.1	90.6	90.7
Memo: paying ceiling rate[2]	82.7	81.7	82.5	81.4	86.4	86.3	89.8	88.0	89.0	85.4	92.2	90.6
6 years and over—Negotiable deposits:												
Issuing banks	4,623	4,371	4,362	4,128	261	243	1,664	1,464	1,019	802	645	662
Distribution:												
Total	100	100	100	100	100	100	100	100	100	100	100	100
6.00 or less	.4	.4	.4	.3	1.2	1.2	1.1	10.6	1.7	1.7	.2	21.6
6.01-7.00	1.0	1.8	.9	1.7	2.4	3.0	1.5	1.4	1.2	2.4	1.9	.1
7.01-7.50	98.6	97.8	98.7	98.0	96.4	95.8	97.4	88.0	97.1	95.9	97.9	78.3
Memo: paying ceiling rate[2]	93.9	95.1	94.0	95.4	92.3	89.7	89.7	84.8	95.0	94.4	81.3	73.1
6 years and over —Non-negotiable deposits:												
Issuing banks	2,296	2,098	1,837	1,666	459	432	2,386	1,834	609	472	1,777	1,362
Distribution:												
Total	100	100	100	100	100	100	100	100	100	100	100	100
6.00 or less	.5	1.3	.5	1.5	.5	.4	(1)	.1	(1)	.2	(1)	.1
6.01-7.00	1.9	1.2	2.0	1.0	1.3	1.7	4.8	1.7	2.2	.3	5.7	2.1
7.01-7.50	97.6	97.5	97.5	97.5	98.2	97.9	95.2	98.2	97.8	99.5	94.3	97.8
Memo: paying ceiling rate[2]	94.0	94.9	93.7	94.7	95.5	95.7	93.3	96.0	93.7	93.8	93.1	96.8

For Notes, see p. 319.

With slack demand for external financing by businesses continuing throughout most of the period, total credit demands on commercial banks remained weak. Consequently, banks had little incentive to raise their rates of interest on deposits in order to attract loanable funds. Rates on large-denomination time deposits generally moved in accordance with changes in short-term money market rates, rising during August and September before falling off again in late October. The aggregate weighted-average interest cost on savings and small-denomination time deposits rose slightly to 5.54 per cent, reflecting rapid growth among the longer-maturity time deposits, which bear relatively high interest rates.

TABLE 3

Average of most common interest rates paid on various categories of time and savings deposits, IPC, at insured commercial banks on October 31, 1975

Bank location and size of bank (total deposits in millions of dollars)	Savings and small-denomination time deposits	Savings	Time deposits in denominations of less than $100,000						
			Total	Maturing in—					
				Less than 1 year	1 up to 2½ years	2½ up to 4 years	4 up to 6 years	6 years and over—	
								Negotiable deposits	Nonnegotiable deposits
All banks:									
All size groups	5.54	4.90	6.28	5.46	5.99	6.49	7.21	7.44	7.47
Less than 10	5.75	4.90	6.20	5.48	5.99	6.50	7.21	7.47	7.49
10–50	5.66	4.93	6.28	5.47	5.99	6.49	7.21	7.49	7.47
50–100	5.55	4.93	6.31	5.47	5.99	6.49	7.22	7.31	7.50
100–500	5.47	4.88	6.29	5.46	5.99	6.50	7.21	7.45	7.50
500 and over	5.42	4.89	6.29	5.42	5.98	6.48	7.21	7.42	7.46
Banks in—									
Selected large SMSA's[1]:									
All size groups	5.44	4.90	6.29	5.44	5.98	6.49	7.22	7.39	7.46
Less than 10	5.56	4.89	6.22	5.47	5.99	6.49	7.20	7.49	7.47
10–50	5.50	4.93	6.32	5.48	5.99	6.49	7.21	7.47	7.50
50–100	5.49	4.93	6.30	5.47	5.98	6.50	7.23	7.14	7.49
100–500	5.44	4.90	6.27	5.47	5.98	6.50	7.22	7.50	7.50
500 and over	5.47	4.90	6.29	5.41	5.97	6.48	7.22	7.41	7.45
All other SMSA's:									
All size groups	5.54	4.87	6.30	5.47	5.99	6.49	7.19	7.47	7.48
Less than 10	5.67	4.89	6.32	5.48	6.00	6.50	7.19	7.50	7.50
10–50	5.66	4.91	6.35	5.49	5.99	6.50	7.22	7.50	7.45
50–100	5.56	4.92	6.27	5.45	5.98	6.48	7.19	7.50	7.50
100–500	5.47	4.85	6.30	5.47	5.99	6.49	7.20	7.43	7.49
500 and over	5.44	4.81	6.22	5.50	6.00	6.50	7.11	7.50	7.50
Banks outside SMSA's:									
All size groups	5.72	4.93	6.25	5.47	5.99	6.49	7.22	7.48	7.48
Less than 10	5.78	4.90	6.18	5.48	5.99	6.50	7.21	7.47	7.50
10–50	5.73	4.93	6.25	5.47	5.99	6.49	7.21	7.50	7.48
50–100	5.66	4.93	6.36	5.49	6.00	6.50	7.23	7.50	7.50
100–500	5.61	4.91	6.32	5.43	5.98	6.49	7.22	7.39	7.50
500 and over	5.75	5.00	6.36	5.50	6.00	6.50	7.25	7.50	....

[1] The selected large Standard Metropolitan Statistical Areas, as defined by the Office of Management and Budget and arranged by size of population in the 1970 Census, are as follows:

New York City	Minneapolis–St. Paul	San Jose	Albany–Schenectady–Troy	Richmond
Los Angeles–Long Beach	Seattle–Everett	New Orleans	Akron	Jacksonville
Chicago	Milwaukee	Tampa–St. Petersburg	Hartford	Flint
Philadelphia	Atlanta	Portland	Norfolk–Portsmouth	Tulsa
Detroit	Cincinnati	Phoenix	Syracuse	Orlando
San Francisco–Oakland	Paterson–Clifton–Passaic	Columbus	Gary–Hammond–E. Chicago	Charlotte
Washington, D.C.	Dallas	Rochester	Oklahoma City	Wichita
Boston	Buffalo	San Antonio	Honolulu	West Palm Beach
Pittsburgh	San Diego	Dayton	Ft. Lauderdale–Hollywood	Des Moines
St. Louis	Miami	Louisville	Jersey City	Ft. Wayne
Baltimore	Kansas City	Sacramento	Salt Lake City	Baton Rouge
Cleveland	Denver	Memphis	Omaha	Rockford
Houston	San Bernardino–Riverside	Ft. Worth	Nashville–Davidson	Jackson, Miss.
Newark	Indianapolis	Birmingham	Youngstown–Warren	

NOTE.—The average rates were calculated by weighting the most common rate reported on each type of deposit at each bank by the amount of that type of deposit outstanding. Christmas savings and other special funds, for which no rate information was collected, were excluded.

CONSUMER-TYPE TIME AND SAVINGS DEPOSITS

During the August–October period, inflows of savings deposits slowed sharply from the extremely rapid pace earlier in the year, increasing \$2.3 billion or only 1.5 per cent. The spring and summer surge in such deposits had been strengthened by massive payments of tax rebates, tax refunds, and special social security payments. With the ending of these exceptional Treasury disbursements and with savers adjusting their financial portfolios to the higher money market yields that had developed since late June, the growth of savings returned to a more normal rate. The yields on 3-month Treasury bills, though well below those prevailing in 1974, ranged from 1 to 1½ per cent above the 5 per cent ceiling rate payable on savings accounts at commercial banks. Meanwhile, the proportion of banks paying the maximum rate on such deposits increased slightly to nearly 88 per cent.

Outstanding small-denomination time deposits in all maturity ranges also grew at slower rates during the August–October period than during the three previous months. Taken together, such time deposits rose 2.2 per cent, the lowest 3-month increase since the survey on October 31, 1974. Regulation Q ceiling rates—graduated according to maturity—continued to encourage depositors to substitute longer-maturity time deposits for short-maturity deposits. Specifically, the outstanding volume of small-denomination time deposits maturing in less than 2½ years declined absolutely despite a modest increase in the proportion of banks paying ceiling rates. In contrast, such deposits maturing in 2½ years or more expanded substantially—although at reduced rates compared with those earlier in the year. Typically, the most rapid rates of increase occurred among deposits with maturities of 6 years or more; such time deposits pay rates up to 7.5 per cent, and more than 90 per cent of issuing banks were paying maximum permissible rates.

LARGE-DENOMINATION TIME DEPOSITS

After having fallen for seven consecutive months, the level of large-denomination time deposits outstanding increased 3.6 per cent between the end of July and the end of October. Although not large compared with inflows in the early 1970's, this increase—combined with the availability of other funds—proved sufficient to satisfy the still sluggish loan demands faced by banks, despite the decline in the rate of growth of consumer-type time and savings deposits. Rates offered by most banks competing for large-denomination deposits at the end of October remained near the levels paid in July. Survey results for both months indicate that banks paying rates of 6.5 per cent held the largest dollar volume of negotiable and nonnegotiable CD's and large-denomination open account deposits. However, rates paid near the two survey dates do not reflect the higher rates paid to attract funds during the September–early October interval when market rates were rising and a substantial portion of the build-up in outstanding CD's occurred. □

APPENDIX TABLES

1. Savings deposits

Most common interest rates paid by insured commercial banks on new deposits, October 31, 1975

Group	Total	Most common rate paid (per cent): 4.00 or less	4.50	5.00	Memo: ceiling rate[3]	Total	Most common rate paid (per cent): 4.00 or less	4.50	5.00	Memo: ceiling rate[3]
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**14,214**	**841**	**896**	**12,477**	**12,474**	**154,282**	**6,982**	**15,809**	**131,491**	**131,124**
Size of bank (total deposits in millions of dollars):										
Less than 10	4,586	483	99	4,004	4,004	5,304	426	115	4,763	4,763
10-50	7,557	259	605	6,693	6,693	39,729	1,238	3,161	35,330	35,330
50-100	1,211	41	100	1,070	1,070	18,034	498	1,622	15,914	15,914
100-500	685	43	65	577	575	34,214	2,269	3,497	28,448	(2)
500 and over	175	15	27	133	132	57,001	2,551	7,414	47,036	(2)

2. Time deposits, IPC, in denominations of less than $100,000—Maturing in less than 1 year

Most common interest rates paid by insured commercial banks on new deposits, October 31, 1975

Group	Total	Most common rate paid (per cent): 5.00 or less	5.50	Memo: ceiling rate[3]	Total	Most common rate paid (per cent): 5.00 or less	5.50	Memo: ceiling rate[3]
	NUMBER OF BANKS				MILLIONS OF DOLLARS			
All banks	**13,718**	**819**	**12,899**	**12,791**	**37,262**	**3,174**	**34,088**	**33,780**
Size of bank (total deposits in millions of dollars):								
Less than 10	4,345	325	4,020	4,009	1,628	77	1,551	1,550
10-50	7,314	338	6,976	6,898	11,041	528	10,513	10,422
50-100	1,199	101	1,098	1,089	4,642	277	4,365	4,307
100-500	686	42	644	639	8,563	619	7,944	7,882
500 and over	174	13	161	156	11,388	1,673	9,715	9,619

3. Time deposits, IPC, in denominations of less than $100,000—Maturing in 1 up to 2½ years

Most common interest rates paid by insured commercial banks on new deposits, October 31, 1975

Group	Total	Most common rate paid (per cent): 5.50 or less	6.00	Memo: ceiling rate[3]	Total	Most common rate paid (per cent): 5.50 or less	6.00	Memo: ceiling rate[3]
	NUMBER OF BANKS				MILLIONS OF DOLLARS			
All banks	**14,003**	**305**	**13,698**	**13,516**	**35,397**	**737**	**34,660**	**34,248**
Size of bank (total deposits in millions of dollars):								
Less than 10	4,498	98	4,400	4,369	5,219	83	5,136	5,087
10-50	7,447	117	7,330	7,207	15,343	219	15,124	14,984
50-100	1,205	74	1,131	1,117	3,180	79	3,101	3,075
100-500	679	11	668	657	4,883	65	4,818	4,704
500 and over	174	5	169	166	6,772	291	6,481	6,398

For notes to Appendix Tables 1-8, see p. 319.

4. Time deposits, IPC, in denominations of less than $100,000— Maturing in 2½ years up to 4 years

Most common interest rates paid by insured commercial banks on new deposits, October 31, 1975

Group	Total	Most common rate paid (per cent)			Total	Most common rate paid (per cent)		
		6.00 or less	6.50	Memo: ceiling rate[3]		6.00 or less	6.50	Memo: ceiling rate[3]
	NUMBER OF BANKS				MILLIONS OF DOLLARS			
All banks	12,659	228	12,431	12,367	20,318	276	20,042	19,864
Size of bank (total deposits in millions of dollars):								
Less than 10	3,642	38	3,604	3,600	1,769	8	1,761	1,761
10–50	7,014	71	6,943	6,889	8,498	58	8,440	8,323
50–100	1,173	105	1,068	1,067	2,222	34	2,188	(2)
100–500	665	10	655	652	3,126	22	3,104	3,092
500 and over	165	4	161	159	4,703	154	4,549	(2)

5. Time deposits, IPC, in denominations of less than $100,000— Maturing in 4 years up to 6 years

Most common interest rates paid by insured commercial banks on new deposits, October 31, 1975

Group	Total	Most common rate paid (per cent)				Total	Most common rate paid (per cent)			
		6.50 or less	7.00	7.25	Memo: ceiling rate[3]		6.50 or less	7.00	7.25	Memo: ceiling rate[3]
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	12,188	215	2,022	9,951	9,902	34,553	358	3,570	30,625	30,456
Size of bank (total deposits in millions of dollars):										
Less than 10	3,516	67	770	2,679	2,679	1,525	3	249	1,273	1,273
10–50	6,697	95	1,010	5,592	5,553	11,155	36	1,474	9,645	9,555
50–100	1,147	37	157	953	949	4,413	27	502	3,884	3,882
100–500	660	10	71	579	573	7,382	71	724	6,587	6,510
500 and over	168	6	14	148	148	10,078	221	621	9,236	9,236

6. Time deposits, IPC, in denominations of less than $100,000— Maturing in 6 years or more: negotiable and nonnegotiable deposits

Most common interest rates paid by insured commercial banks on new deposits, October 31, 1975

Group	Total	Most common rate paid (per cent)				Total	Most common rate paid (per cent)			
		6.50 or less	7.00	7.50	Memo: ceiling rate[3]		6.50 or less	7.00	7.25	Memo: ceiling rate[3]
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	6,919	40	79	6,800	6,499	4,050	40	119	3,891	3,717
Size of bank (total deposits in millions of dollars):										
Less than 10	1,472	....	24	1,448	1,386	138	....	1	137	124
10–50	3,851	19	44	3,788	3,593	1,020	3	13	1,004	973
50–100	875	11	3	861	841	470	26	(1)	444	441
100–500	559	6	6	547	528	931	(2)	(2)	917	890
500 and over	162	4	2	156	151	1,491	(2)	(2)	1,389	1,289

For notes to Appendix Tables 1-8, see p. 319.

7. Negotiable CD's, IPC, in denominations of $100,000 or more

Most common interest rates paid by insured commercial banks on new deposits, October 31, 1975

Group	Total	Most common rate paid (per cent)						Total	Most common rate paid (per cent)					
		6.00 or less	6.50	7.00	7.50	8.00	More than 8.00		6.00 or less	6.50	7.00	7.50	8.00	More than 8.00
	NUMBER OF BANKS							MILLIONS OF DOLLARS						
All banks	**3,960**	**999**	**1,226**	**854**	**650**	**165**	**66**	**64,895**	**19,216**	**24,001**	**12,163**	**4,907**	**718**	**3,890**
Size of bank (total deposits in millions of dollars):														
Less than 10	728	104	240	231	126	4	23	245	28	77	87	48	31	2
10–50	2,328	560	673	488	447	150	10	2,553	473	943	667	346	121	3
50–100	440	140	141	72	56	6	25	2,004	522	440	284	514	29	215
100–500	312	132	121	37	12	3	7	5,991	2,156	2,611	873	203	(2)	(2)
500 and over	152	63	51	26	9	2	1	54,102	16,037	19,930	10,252	3,796	(2)	(2)

8. Nonnegotiable CD's and open account deposits, IPC, in denominations of $100,000 or more

Most common interest rates paid by insured commercial banks on new deposits, October 31, 1975

Group	Total	Most common rate paid (per cent)						Total	Most common rate paid (per cent)					
		5.50 or less	6.00	6.50	7.00	7.50	More than 7.50		5.50 or less	6.00	6.50	7.00	7.50	More than 7.50
	NUMBER OF BANKS							MILLIONS OF DOLLARS						
All banks	**5,230**	**619**	**1,098**	**1,732**	**900**	**661**	**220**	**27,346**	**1,187**	**9,474**	**10,521**	**4,763**	**980**	**421**
Size of bank (total deposits in millions of dollars):														
Less than 10	573	68	16	156	89	144	(1)	171	19	17	45	60	30	(1)
10–50	3,208	338	522	1,130	592	427	199	3,428	162	479	1,612	542	458	175
50–100	794	106	243	264	132	44	5	2,585	217	787	928	570	79	4
100–500	504	76	179	140	65	31	13	6,104	275	2,093	2,342	965	228	201
500 and over	151	31	38	42	22	15	3	15,058	514	6,098	5,594	2,626	185	41

NOTES TO APPENDIX TABLES 1–8:

[1] Less than $500,000.
[2] Omitted to avoid individual bank disclosure.
[3] See p. A-8 for maximum interest rates payable on time and savings deposits at the time of each survey. Note that the ceiling rate is included in the rate interval in the column to the left.

NOTE.—Data were compiled from information reported by a probability sample of member and insured nonmember commercial banks. The data were expanded to provide universe estimates.

Figures exclude banks that reported no interest rate paid and that held no deposits on the survey dates, and they also exclude a few banks that had discontinued issuing these instruments but still had some deposits outstanding on the survey date. Dollar amounts may not add to totals because of rounding.

In the headings of these tables under "Most common rate paid (per cent)" the rates shown are those being paid by nearly all reporting banks. However, for the relatively few banks that reported a rate in between those shown, the bank was included in the next higher rate.

NOTES TO TABLE 2:

[1] Less than .05 per cent.
[2] See p. A-8 for maximum interest rates payable on time and savings deposits at the time of each survey. Note that the ceiling rate is included in rate interval in the line above.

NOTE.—The most common interest rate for each instrument refers to the basic stated rate per annum (before compounding) in effect on the survey date that was generating the largest dollar volume of deposit inflows. If the posted rates were unchanged during the 30-day period just preceding the survey date, the rate reported as the most common rate was the rate in effect on the largest dollar volume of deposit inflows during the 30-day period. If the rate changed during that period, the rate reported was the rate prevailing on the largest dollar volume of inflows from the time of the last rate change to the survey date.

While rate ranges of ¼ or ½ of a percentage point are shown in this and other tables, the most common rate reported by most banks was the top rate in the range; for example, 4.00, 4.50, etc. Some deposit categories exclude a small amount of deposits outstanding in a relatively few banks that no longer issue these types of deposits and are not included in the number of issuing banks.

Figures may not add to totals because of rounding.

Statements to Congress

Statement by Philip C. Jackson, Jr., Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer Affairs of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, March 17, 1976.

I am pleased to have this opportunity to present the views of the Board of Governors of the Federal Reserve System on S. 3008, dealing with rule-making procedures under the Equal Credit Opportunity Act, and on a draft proposal for a new form of private enforcement remedy for violations of the Truth in Lending Act.

S. 3008 would require the Board to follow special rule-making procedures, beyond those already imposed upon it by the Administrative Procedure Act, in adopting regulations under the Equal Credit Opportunity Act. Specifically, the bill would prescribe three new procedures. First, it would require the Board to hold oral hearings in connection with any rule-making proceeding under the Act unless the rule-making involved solely a "nonsubstantive amendment" to an existing regulation. Second, the bill would require the Board to provide any person interested in a proposed regulation an opportunity to cross-examine any other interested person who has made an oral presentation, as well as any employee of the United States who has made either a written or an oral presentation. Such cross-examination would be limited to "disputed issues of material fact," and the Board would be given authority to impose limits on cross-examination and to conduct the cross-examination itself on behalf of any person who may be entitled to cross-examine. Further, any regulations adopted by the Board under the Equal Credit Opportunity Act would be subject to direct review in a U.S. Court of Appeals within 60 days after the regulation is promulgated, and the reviewing court would not be permitted to sustain the regulation unless it were to find that the regulation is supported by "substantial evidence."

I can assure the committee that the Board is quite sensitive to the need for rule-making procedures that afford all interested parties a full opportunity to express their views. Our rule-making actions can have a significant impact on both businesses and consumers, and we are acutely aware of the need to be well informed when we act. However, we firmly believe that the procedures we have been following are eminently fair to all interested parties, and we do not believe that the new procedures proposed in S. 3008 would improve the quality of our rule-making. Furthermore, we fear that such new procedures would significantly impede our ability to implement promptly the congressional purpose underlying consumer protection legislation.

When the Congress adopted the Administrative Procedure Act in 1946, it imposed a general requirement that before an administrative agency could adopt substantive regulations it must give public notice and offer interested members of the public an opportunity to submit comments. However, the Congress did not see fit in that Act to impose a requirement for oral hearings in connection with the promulgation of regulations, and the great preponderance of administrative rule-making has been carried on solely on the basis of written submissions.

Nonetheless, it has been the practice of the Board of Governors in complex rule-making proceedings, particularly such as those arising under recent consumer legislation, to afford interested members of the public an opportunity to present their views both in writing and orally in public sessions, generally conducted by members of the Board. For example, during the years following the 1970 Amendments to the Bank Holding Company Act, the Board has held extensive public hearings in considering proposed regulations defining permissible nonbanking activites for holding companies. During 1975 the Board held public hearings in connection with its rule-making under the Equal Credit Opportunity Act and under the Fair Credit Billing Act, during which it received testimony from 38 witnesses. On the basis of the comments received at the Equal Credit hearings, the Board revised its proposed regulation and republished it for additional written comments before adopting a final regulation.

In any future rule-making of similar magnitude, such as will be called for under the Equal Credit Opportunity Act Amendments passed by the Congress last week, the Board would expect to follow the same practice. In fact, in connection with such Equal Credit rule-making, it is the Board's intention to hold a public hearing prior to promulgating any proposed regulations simply to elicit suggestions as to how we might proceed in this area. When proposed regulations have been drafted, we will then schedule a second hearing to provide an opportunity for comment on those specific proposals.

The Board believes, however, that it is not necessary to make oral presentations mandatory for all future rule-making under the Equal Credit Opportunity Act, or even for all future "substantive" amendments to rules adopted under that Act. The Board frequently has occasion to make relatively minor substantive changes in its rules in order to strengthen their enforcement or to correct deficiencies that have come to light, and the amendatory process could be unduly encumbered and delayed if an oral presentation were required in every such case. While S. 3008 would relieve the Board from the mandatory oral hearing requirement in the case of any "nonsubstantive" amendment, it is often extremely difficult to draw the line between "substantive" and "nonsubstantive" actions. The drawing of such distinctions is a lawyer's delight, and to make the hearing requirement turn on such a distinction would, we fear, simply encourage litigation over relatively minor aspects of procedure.

There is great danger, we believe, of "overjudicializing" rule-making procedures, particularly in the area of consumer protection legislation. It is too easy for "due process" to become a means for delay, and those who have the greatest interest in obstructing new regulations and the greatest willingness and ability to bear the costs of litigation are likely to be the ones who will benefit most from highly formalized procedures. It is principally for this reason that the Board opposes the provisions in S. 3008 that would give a right of cross-examination to any party to a proposed rule-making. Even though the bill provides some safeguards against protracted cross-examination by private parties, the creation of a right of cross-examination in proceedings in which there may be literally dozens of parties eligible to exercise that right is in itself likely to lead to significantly more lengthy rule-making. We are particularly concerned that the provision of S. 3008 that would permit cross-examination of Government employees could be interpreted to require public interrogations of Board staff members who have helped to develop proposed regulations. We do not think this was the intent of the bill, and we think it would significantly inhibit the freedom of communication within the Board if staff members were subject to public questioning on their recommendations to Board members.

Furthermore, we believe that cross-examination in proceedings of this sort is unnecessary for several reasons. First, the judgments that the Board must make in rule-making proceedings will very rarely turn upon narrow issues of fact, of a sort particularly susceptible to cross-examination. Rather, the Board's judgment will normally be formed on the basis of its understanding of congressional intent, on broad policy considerations, economic data, and more general information about industry and consumer practices. While cross-examination can serve a very valuable function in adjudicatory proceedings, where the Board must decide the rights of specific parties based upon the narrow facts of a particular case, it is of much less importance in broadly applicable rule-making. Second, in our oral hearings interested parties will always have an opportunity to rebut factual assertions made by others with whom they disagree. It is our practice to keep the hearing record open for a reasonable period following the close of the hearing for the submission of additional data and views, so that any party who takes issue with a factual assertion made during the hearing will have a chance to contest that assertion.

On the subject of judicial review of the Board's Equal Credit rules, we seriously question the desirability of imposing stricter standards than are applicable in the case of other types of rule-making. Generally, rules promulgated by an administrative agency are reviewable under the "rational basis" test—that is, they must be sustained by the reviewing court if they are not arbitrary and there is any rational basis to support them. This standard of review recognizes that there is necessarily a range in which agency discretion may be exercised in adopting substantive rules to effectuate the intent of the Congress. Under a given set of circumstances an agency may reasonably elect any one of a number of approaches—in fact, it may reasonably be able to choose either of two alternatives that are in direct conflict with one another.

Under the "substantial evidence" test proposed in S. 3008, however, much more compelling support for the regulation would have to be shown in the record. A reviewing court would be required to weigh all the evidence in the record, and to set aside the Board's judgment if it were not supported by the weight of the evidence—even though the Board's action may have a rational basis in the record. Under this standard the range in which Board discretion could operate would thus be significantly more limited than it is at present.

Undoubtedly there are some groups affected by our regulations who would like to see the Board's discretion limited. But the Congress has entrusted rule-making authority under the Equal Credit Opportunity Act to the Board, as it has with respect to a number of other consumer protection measures, presumably because it has confidence in the Board's ability to make reasoned judgments in this area. We at the Board value that confidence, and we trust that the results of our efforts in this area have demonstrated it was not misplaced. The Congress has not given us reason to believe that more strict judicial review of our rule-making efforts is warranted by our performance. Accordingly, we do not believe that any need has been demonstrated for special judicial review procedures under the Equal Credit Opportunity Act.

Let me now turn to the draft proposal to amend the civil liability provisions of the Truth in Lending Act. This interesting proposal would create a new form of enforcement action that could be instituted by private parties. The idea derives from the ancient concept of an action *qui tam*—that is, an action brought by an "informer" under a statute that provides for the recovery in a civil action of a money penalty for violation of a particular law, with a portion of the penalty going to the person who brings the action and the remainder to the state or to some other institution. The Board believes this idea is worthy of further discussion and consideration by the Congress, but we have some concerns about the impact it could have on the volume of Truth in Lending litigation.

Under Section 130(a) of the Truth in Lending Act, as it was amended in Public Law 93-495, consumers can bring individual or class actions against creditors who violate the Act's provisions and recover actual damages plus court costs and reasonable attorney's fees. In addition, in an individual action, a plaintiff is entitled to recover twice the applicable finance charge but not less than $100 nor more than $1,000. In a class action, members of the class are entitled to recover such additional sums as the court may allow without regard to any minimum amount for each member of the class. However, under a measure passed by the Congress last week, the total statutory recovery may not exceed the lesser of $500,000 or 1 per cent of the creditor's net worth.

Under the *qui tam* proposal a creditor who violates a Truth in Lending requirement may be liable to an individual for the greater of $500 or any actual damage sustained by the individual, but in a class action the recovery would be limited to actual damages sustained by members of the class. In addition, any obligor, or any "bona fide consumer protection organization," would be permitted to institute an action in a Federal court alleging that a creditor has engaged in a course of conduct in violation of Truth in Lending requirements. If the plaintiff in such an action prevailed, the court could issue a declaratory judgment or enjoin the course of conduct, and could impose a civil penalty upon the creditor of not less than $15,000 nor more than $500,000, of which not less than $5,000 nor more than $10,000 would be awarded to the prevailing plaintiff with the balance going to the United States. Attorney's fees and costs would also be awarded. At the time the *qui tam* suit was instituted, the plaintiff would be required to notify both the Board and the Attorney General of the pendency of the case, and the Government would have the option of intervening as coplaintiff if it so elected.

While this proposal merits further study, the Board is not presently convinced that the *qui tam* proposal would strengthen enforcement of Truth in Lending, nor do we see a need for this remedy in order to protect creditors from exposure to extraordinary liabilities. The present limitations upon class action recoveries in these cases, it seems to us, not only provide a significant deterrent to violations but also guard against potentially crippling liabilities. There is some danger, moreover, that by holding out the prospect of a reward to the successful plaintiff of up to $10,000, in addition to attorney's fees and costs, this proposed remedy could encourage frivolous litigation that might not otherwise be brought. In every such case the Board and the Department of Justice would be obliged to assess the case and to decide whether to intervene. Where the suit is successful the plaintiff will enjoy a windfall—far in excess of the statutory penalties presently permitted—while other obligors who may have been equally wronged by the same creditor will receive nothing. Indeed, while it is not clear in the bill, it may well be that the rights of such other obligors would be extinguished by the *qui tam* recovery.

There is no question that the subject of remedies for Truth in Lending violations is an extremely important one—particularly in view of the growing amount of litigation involving Truth in Lending issues. In one Federal court in Georgia, for example, more than one-fourth of the cases on the docket are Truth in Lending cases. The Board endorses the basic concept that enforcement of Truth in Lending should be principally through the actions of private parties, and while the *qui tam* proposal is an innovative one, we believe caution is advisable in creating new rights of action, so that the ends of justice are not disserved by a clogging of the judicial and regulatory processes. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions Supervision, Regulation, and Insurance of the Committee on Banking, Currency, and Housing, U.S. House of Representatives, March 18, 1976.

I am pleased to have the opportunity to present the views of the Board of Governors of the Federal Reserve System on the proposed Financial Reform Act of 1976.

The scope of the proposed Act is awesome, its provisions are complex, and its implications far-reaching. The members of the Board and our staff have already devoted many days to the study of the proposed legislation, but I am bound to say at the outset that we as yet have a very imperfect understanding of some parts of the Committee Print. If our experience is at all indicative, I would urge this committee to proceed cautiously, as it has been doing, and to avoid the temptation of legislating change for the sake of change.

I shall confine my testimony today to matters that relate directly to the Federal Reserve System. Other parts of the proposed legislation are not escaping our attention, and I want to assure you that we at the Federal Reserve shall render all the help we can to this committee in dealing with them.

The most dramatic change proposed by this legislation is the creation of a Federal Banking Commission. This proposal would eradicate the Office of the Comptroller of the Currency and would divest from the Federal Reserve System the bank regulatory functions it has performed for over 60 years. In the Board's judgment, such radical surgery would weaken bank regulation at a time when the banking system needs firm, experienced, and responsible regulatory guidance. Beyond that, it would be a serious blow to the public interest if, in the name of "reform" of the regulatory structure, the Congress were to cripple the one agency of Government that has rather consistently had the courage to resist the inflationary forces that have wrought so much havoc and anguish in our country.

There is a need for some reform in Federal bank regulation, but it is not of the kind called for in the proposal before the committee. Indeed, there is some danger that the excited cry for "reform" of the regulatory structure may itself unjustifiably shake public confidence in the banking system, weaken our Nation's economic prospects, and cast doubt on the future of the dollar in both domestic and international markets.

The Board's position on regulatory reorganization can be summarized briefly.

First, under the present regulatory structure, our banks have met satisfactorily the critical test of adversity. Despite some isolated points of weakness, the banking system as a whole has emerged from the severest business recession since the 1930's in thoroughly good condition. To scrap the present regulatory structure now, in favor of a completely new and untried scheme, would run the risk of weakening both bank regulation and the banking system.

Second, the proposal to lop off the Board's bank regulatory role would—whether by intent or inadvertence—drastically diminish the ability of the Federal Reserve to perform its monetary policy mission. Monetary policy and bank regulation are organically intertwined. Over the years, the Congress has consistently rejected attempts to diminish the effectiveness of the Federal Reserve. If there is to be any move now to emasculate the Federal Reserve, the public interest requires that this be argued explicitly rather than in the name of "reform" of the bank regulatory structure.

Third, not only have the proponents of "reform" failed to make a factual case for restructuring the agencies, but the proposal before the committee will not cure the defects with which the present system is charged. If the present system cannot easily be understood, if it has overlapping authorities, and if it promotes "competition in laxity," the new system proposed in the Committee Print is subject to the same charges.

I would like now to expand on the Board's position that the proposed Federal Banking Commission could, either deliberately or inadvertently, frustrate monetary policy and destroy the effectiveness of the Federal Reserve in seeking to achieve the economic goals set by the Congress.

At present, our national policy is to encourage economic expansion even as we attempt to unwind the inflation, so more jobs may be created and the rolls of the unemployed may be reduced. This objective requires a moderately active lending policy on the part of banks, including a willingness to take reasonable risks. But the banking community's willingness to expand credit could easily be inhibited by a Federal Banking Commission that had no responsibility for over-all economic policy and that looked only to its own special concerns—such as loan-quality standards, adequacy of bank capital, and the state of bank liquidity.

This is not mere speculation. The rigid bank examination standards used by Federal regulators during the Great Depression of the 1930's—when the interdependence of monetary and supervisory policy was not well understood—unquestionably retarded the process of economic recovery. Indeed, the issue became so critical to the Federal Reserve and so divisive within the Government that it was only after a Presidential initiative that the regulators agreed with the Board that examination standards were too exacting. Finally, in 1938 an accord was reached among the bank regulatory agencies that set forth new examination standards to prevent further frustration of monetary policy.

It must be clearly understood that even an aggressive monetary policy would have difficulty in overcoming bank supervisory standards of undue strictness. The Federal Reserve might indeed pump up bank reserves in an effort to encourage credit expansion. But in the face of an overly strict regulator, banks may react by avoiding the risks of lending and devote their resources largely to buying Government securities; in other words, banks might turn themselves into warehouses of Treasury paper while businesses around the country languish. In such circumstances, the Federal Reserve's plan to expand credit would obviously be frustrated. Businessmen, farmers, homebuyers—all those who rely on banks for credit—would be pinched despite massive reserves supplied by the Federal Reserve.

The same result could occur if a Federal Banking Commission applied restrictive standards in an untimely fashion to bank capital or bank liquidity. Credit expansion could be thwarted if an overly cautious supervisor insisted that banks improve their capital or liquidity positions before they used any increased liquidity provided by the Federal Reserve for expanding loans. In the real world, there must be a balance between economic and regulatory concerns so that the one will not stifle the other.

In another area, as many of you know, it is possible for one bank to lend its excess reserves to another bank through the Federal funds market. At present, in order to implement its monetary policy, the Federal Reserve is always involved in increasing or decreasing the availability of funds in that market. A Federal Banking Commission, however, would have the power to set limits on the use of the Federal funds market and thus could frustrate any given monetary stance. The same would apply to bank borrowings from the Euro-dollar market, which has at times been an important source of funds to the American banking system.

I have thus far suggested how inappropriate supervisory policies of a Federal Banking Commission could thwart economic stimulation. Now, let us imagine a period during which the economy has developed a strong momentum and the Federal Reserve decides that monetary restraint is needed. This could be accomplished only if the Federal Banking Commission had in preceding years paid adequate attention to commitments by banks to make future loans. If it had not done so, the Federal Reserve's ability to take counterinflationary steps would be severely limited. For, as a practical matter, unless the Federal Reserve made sufficient funds available to enable the banks to fulfill their commitments, a wave of bankruptcies could be set off among businesses. In effect, therefore, the Banking Commission will have made the Nation's monetary policy.

But that is by no means the whole of this sorry tale. Apart from its open market operations, the Federal Reserve has the responsibility—and this is central to the stability of our financial system—of providing temporary assistance through the discount window to banks whose liquidity has been reduced as a result of an unexpected outflow of deposits or an unforeseen expansion in loan demand.

Our ability to carry out this function prudently depends on the backlog of knowledge that we have built up about individual banks as well as the entire banking system. At present, we have direct knowledge concerning the quality of management and the problems faced by member banks and bank holding companies. Under a Federal Banking Commission our direct contacts with the institutions that may need to borrow from us would be lost. We would then have to rely on reports from another Government agency in assessing the need for borrowing and the ability of the institution to repay. These reports might be furnished promptly upon request, or they may not be. They might be prepared with care, or they may not be. Indeed, it is conceivable that the information provided to us could be slanted in order to induce the Federal Reserve to provide liquidity for a purpose unrelated to the functions of the discount window.

Splitting off the Board's bank regulatory functions could also have a profound effect on our ability to interpret the behavior of the monetary aggregates that we are charged with controlling. We live in a world of very rapid change in financial technology. New financial practices have been spreading rapidly through our markets for the past 20 to 30 years. Of late, moreover, the innovative process has been accelerating, and it appears that the amount of money needed during the past year or two to finance a given dollar volume of economic activity has been substantially smaller than would have been the case in earlier years.

One very recent development that has had a considerable impact on the behavior of demand deposits was the regulation, issued by the banking agencies last November, which enabled partnerships and corporations to open savings accounts at commercial banks in amounts up to $150,000. When this regulatory change was made, the Federal Reserve was acutely aware of its possible impact on the monetary aggregates. A special survey was therefore immediately undertaken; it showed that within 2 months after the regulatory action, some $2 billion had been placed in savings accounts of this type. Had we not monitored bank activity in this area so promptly, misunderstandings could have resulted, and we might have reacted erroneously to the decline of demand deposit balances by increasing bank reserves and thus rekindling inflationary pressures.

In short, there is no escape from the conclusion that the proposed Federal Banking Commission would frequently be in a position of making, diluting, or frustrating monetary policy. The role of the Federal Reserve, its ability to promote the Nation's industry and commerce, its ability to protect the domestic and international value of the dollar, might well be weakened to a point where continued discussion about the cherished independence of the Federal Reserve System would be entirely pointless. For the Federal Reserve would be left with only a vestige of its authority and power to carry out monetary policy. Prompt and bold action to prevent a crisis, such as the Federal Reserve took in June 1970 when the Penn Central went into bankruptcy, would then no longer be possible.

Even if conflicts with the Federal Banking Commission were avoided, I doubt that we could discharge our obligations in a manner that would be satisfactory to the Congress and the American people. Knowing less and less about banks, we at the Board would end up living in an ivory tower. As our understanding of the real relationship between the world of finance and the world of business withered away, we would probably concern ourselves increasingly with esoteric, theoretical issues. Life at the Federal Reserve might become more pleasant for some of us, as we debate the merits of M_1 over M_5 or M_7, or whether a new variant of M_7 should not be immediately constructed; but it is not clear that the stability of our financial system or international respect for the dollar would be enhanced thereby.

Since the proposal for restructuring the Federal bank regulatory agencies would have such far-reaching effects upon the Board's activities, there should be compelling reasons for advancing it. What good, one may ask, does this measure seek to accomplish? What advantage does it hold out to compensate for the destructive thrust that I have delineated? I submit that when the case in favor of the proposal is analyzed, it simply does not stand up.

One argument offered in support of the proposed restructuring is that the present system is much too confusing. I have no doubt that if we were setting out today to create a system of bank regulation where none existed before, we would arrive at something other than the present structure. Much of our present regulatory framework can be understood only by reference to historical developments in our country. True, the system is complex, but we live in a complex world and the bank regulatory system is part of it. Simplification of governmental structure is certainly a desirable objective, but the simplification must be of a kind that serves the public interest.

Granted that the present system is in some respects confusing, the proposal before the committee would create a regulatory scheme that may be no less confusing. According to the Committee Print, national banks would be regulated by the Federal Banking Commission while State banks would be regulated by the Federal Deposit Insurance Corporation. But if a State bank happened to be a subsidiary of a bank holding company, it would be removed from FDIC jurisdiction and become subject to the Federal Banking Commission. To be more precise, if 24 per cent of the bank's stock were owned by a corporation, the bank would be regulated by the FDIC; but if 26 per cent were owned by the same corporation, the bank would be regulated by the Federal Banking Commission. Thus, regulatory jurisdiction could change at the whim of a minority shareholder. If our citizens have difficulty understanding the present structure of regulation, they will not be significantly enlightened by this new proposal.

It is also argued that the agencies perform overlapping functions. This, too, is true to a degree. There are undoubtedly some common functions that could be handled more efficiently. But the new proposal does not eliminate overlaps. Indeed, it purposely continues two Federal agencies having many identical functions.

In some respects, the Committee Print creates more overlapping than exists in present law. For example, Title I empowers the Federal Banking Commission to enforce against any insured bank the prohibitions of Sections 22 and 23A of the Federal Reserve Act, dealing with loans to affiliates and executive officers. Yet under Title III, identical authority is vested in the Federal Deposit Insurance Corporation again with respect to any insured bank. In addition, the bill assigns to both the Commission and the Corporation the power to issue cease-and-desist orders against banks under their respective jurisdictions to remedy *any* violation of law—including presumably, Sections 22 and 23A of the Federal Reserve Act. The bill thus creates confusion and overlap in an area where none existed before.

Another argument advanced in favor of regulatory reform is that the present system inspires "competition in laxity." This criticism has been made for many years. Indeed, I have made the same point in public statements. There is, of course, a danger that our present tripartite system may encourage banks to play one agency off against another. But the proper remedy for this consists, first, in a determination by the agencies not to allow themselves to be so used, and, second, in proper oversight by the banking committees of the Congress.

Absolute consistency in bank regulation is not necessarily a virtue. On the contrary, some diversity of viewpoint among the banking agencies can be healthy for the banking system. For example, I think that a good case can be made for the proposition that banking has benefited from some of the provocative and innovative policies that were first advanced during the tenure of Comptroller Saxon in the early 1960's.

In any event, the Committee Print does little to eliminate "competition in laxity." It reduces the number of Federal banking agencies from three to two, but it still offers ample opportunity for the banks to play the agencies off against one another. Banks will still have the opportunity to choose between State and national charters, and by that choice may elect one of two Federal regulators. And even if a State charter is elected, the bank will still be able to choose between two Federal regulators by deciding whether or not to do business as a holding company subsidiary. Thus, even under this "reformed" structure, many of the old tensions will remain.

The committee should also consider carefully what may be lost with this restructuring. The Federal Banking Commission will be a brand new agency. It will have no tradition, no history, no body of precedent to bring to bear upon its judgments. How it will develop, whether or not it will deal at arm's length with the banks being regulated, cannot be predicted. The Federal Reserve, on the other hand, is a known quantity as a bank regulator. It has a record of accomplishment, a distinguished tradition, and a reputation for integrity and thoughtful decision-making. The fact that the Congress has repeatedly seen fit to assign the Board of Governors the task of developing industrywide regulations in the increasingly important consumer protection area must mean that the Congress, if not also the country at large, has confidence in the Board's objectivity and judgment.

Some have argued also that the condition of the banking system, particularly the fact that the number of banks on the so-called problem bank list has increased, constitutes proof that the present system has failed. The implicit assumption underlying such an argument is that bank supervisors can practically assure that problems will not arise. But this assumption is utterly unrealistic. No matter how strict the system of supervision, managerial misjudgments or outright fraud will occur at times. Supervisors cannot guarantee that bad loans will never be made, or that banks will never fail. Nor can they foresee with any precision what effects a business recession may have on many individual borrowers. They can, however, identify weaknesses that turn up, and they certainly can take steps to correct them and minimize the chances of their repetition. The problem bank list is thus simply a tool to direct supervisory attention where it is most needed. The very existence of a problem bank list—indeed, a list that keeps changing—indicates that the bank regulators are attending to their job.

The recent furor over the condition of banks and the so-called problem bank list has been based on massive exaggeration and misunderstanding. It is true, of course, that some of our banks—particularly the larger banks—participated in the euphoria of the early 1970's. But they have learned their lesson, and they are again emphasizing careful appraisal of risk and the maintenance of adequate return on assets. Today's bankers are a chastened and prudent lot; they reject the goal of growth for growth's sake.

One aspect of this change of attitude is the increased liquidity of commercial banks. Holdings of liquid assets at large banks rose 33 per cent during 1975. At the same time, these banks sharply reduced their reliance on volatile sources of funds.

With greater attention to the precepts of sound financial management, commercial banks improved their profits last year despite the negative impact of increased loan loss provisions and a reduction in the size of their loan portfolios. The 50 largest bank holding companies, for example, reported a 7½ per cent increase in net income during 1975; if loan loss provisions had been the same as in 1974, the increase would have amounted to 42 per cent.

A large share of these improved earnings was used to build up the capital position of banks. The total capital of all insured commercial banks rose to $75 billion in June of 1975 from less than $72 billion at the end of 1974. Furthermore, the ratio of capital to assets, which had declined steadily during the early 1970's, rose appreciably during the first half of 1975; and we can be quite sure that once data for the second half of the year become available, they will reveal additional improvement.

Further strengthening of the capital position of some of our banks would undoubtedly be prudent and wise. Fortunately, the stock and bond markets are more receptive to new bank issues today than they were last year, and this has occurred despite the adverse publicity regarding so-called "problem" banks and other sensational stories in the press. The fact is that bank stock prices have risen significantly since late 1975. Apparently, the abler market analysts have read the dramatized reports about banking difficulties as stale news that, taken as a whole, had little relevance to the current situation.

In sum, our commercial banking system today is basically sound and is well prepared to provide the credit needed to support the economic expansion that is again under way in our country.

Let me now turn to some alternative courses of action that this committee might wish to consider. While the Board sees no clear need for a major restructuring of bank supervision, it does recognize that improvements in bank regulation can and should be made. To this end, the Board has recommended several remedial measures to the Congress over the past year, which we are glad to see incorporated in the Committee Print. These measures would bring U.S. offices of foreign banks under Federal supervision, permit more expeditious handling of problem bank cases, strengthen penalties for violation of cease-and-desist orders, place limits on insider loans, permit easier removal of bank officers for unsound practices, and enable the Board to require a bank holding company to divest an unsound subsidiary.

In addition, over the past 18 months, the Board has conducted an intensive review of its regulatory and supervisory function and has introduced a number of measures to improve bank examination, supervision, and regulation. These include efforts to identify problems in their early stages through a stronger computerized surveillance system. The other bank regulatory agencies have likewise been engaged in improving their regulatory capability.

Several weeks ago, I proposed a program for congressional oversight of the bank examination function because the Board believes that the Congress should take a more active role in the regulatory process. The essence of this proposal is to provide the banking committees with statistical information and analyses that would relate to the conduct of the examination process and the condition of the banks.

I have in mind that such data would include, for example, information as to trends of capital, liquidity, earnings, classified loans, and portfolio losses. These data could be set forth in appropriate categories relating to such factors as the size and regional location of the banks. In addition, information could be provided on the examination process itself—that is, on the number and duration of examinations, the size of the examination force, the costs incurred, and the nature and promptness of remedial efforts.

The Board believes that data and analyses of this sort would provide a meaningful factual basis for the banking committees to evaluate the effectiveness of bank supervision. Moreover, we would further propose that such data and analyses be furnished to the Congress regularly, perhaps once or twice a year, so as to enable the banking committees to carry out their oversight responsibilities in this area on a continuing basis.

The Board has also considered at great length over the past year the additional steps that might be useful in helping to achieve the goal of more efficient and uniform bank examination and surveillance. No one proposal for reform has developed the support of a strong majority within the Board, but we believe that two proposals have significant promise.

The first of these calls for the creation of a Federal Bank Examination Council to focus on the most critical need—namely, modernized bank examinations and vigorous follow-up procedures to cure weaknesses that are uncovered. The Examination Council would have authority to set standards and procedures that would apply to all the Federal banking agencies. It would also review significant problem cases, when and as they develop. All three agencies would be represented on the Council.

It is entirely possible that experience with such a Council will in time support a conclusion that some further consolidation of banking supervision and regulation would be desirable. If that turns out to be the case, the decision would be based on actual experience and a greater practical awareness of the difficulties to be overcome and the advantages to be reaped.

The second proposal is to consolidate the functions of the office of the Comptroller of the Currency within the Federal Reserve. This change would accomplish in a constructive manner what the draft legislation seeks to accomplish through the Federal Banking Commission.

There is logic in this proposal since all national banks are required by law to be members of the Federal Reserve System and are thus already subject to many of our regulations. At present, however, their primary examination and supervision rests with the Comptroller. Also, the Board has supervisory responsibility for all bank holding companies, yet many of the major subsidiaries of these holding companies are national banks. In addition, the Board must approve the opening of foreign branches of national banks, but the supervision of these branches rests with the Comptroller. Similarly, the Board authorizes Edge Act corporations, but many of the banks that control them are supervised by the Comptroller.

The examination and supervision of national and State member banks could be integrated efficiently through this proposal. At the same time, the continued existence of the FDIC—together with the additional congressional oversight that I have outlined—would enable another Federal banking agency to check or stimulate the supervisory and regulatory actions of the Federal Reserve.

The Board firmly believes that alternatives such as these should be explored thoroughly before the creation of an entirely new agency is given serious consideration.

Let me now touch on some of the provisions of Title V of the Financial Reform Act of 1976 that have a special interest to the Board. The attached Appendixes spell out the Board's views in some detail.

The Board believes that the Congress should continue to hold oversight hearings on monetary policy as provided by House Concurrent Resolution 133, but we see no need to make this a permanent part of the law. Each Congress should have an opportunity to decide for itself just how it wants to participate in this essential interchange.

Because circumstances change and the thrust of policy necessarily changes with them, the Board believes it would be especially unwise to legislate in detail how monetary policy objectives should be set forth and therefore, by implication, the terms under which policy should be conducted. One provision of the Committee Print would require the Federal Reserve to specify the interest rate levels that are intended or expected over the succeeding 12 months. But no one has yet developed the expertise to predict the course of interest rates. If the central bank is forced to announce interest rate intentions or expectations, the result could only be misleading. Interest rate movements depend basically on many factors outside the control of the Federal Reserve, including the expectations of borrowers and lenders about the future rate of inflation.

The Board also believes it would be a serious mistake to require the Federal Reserve to describe monetary policy in terms of its expected effects on statistical measures of employment, production, and the price level. There is a looseness in the relationship between monetary policy and economic developments that makes projections of this type exceedingly imprecise. Our experience has been that economic projections require continuous updating. Publication of one projection, and then another 2 weeks or a month later, would be highly confusing to the public and might well feed back adversely on business and consumer attitudes.

On another provision, the Board opposes the proposal that would require Presidential appointment and Senate confirmation of Federal Reserve Bank presidents. Since the term of office for a Reserve Bank president is only 5 years, these positions could be turned into political plums to be dished out by the party that happens to be in power at any given time. The Federal Open Market Committee could then become a focal point for partisan political activity since the Reserve Bank presidents also serve on that body. The position of Reserve Bank president is a career post in the Federal Reserve System, and we have been extremely fortunate in being able to attract people of outstanding ability to serve in these jobs. These positions should not be brought into the political arena.

In conclusion, we see no compelling need to legislate fundamental changes in the structure of bank regulation at this time. The fact that only a handful of banks failed during the recent recession is a triumph for bank regulation in this country. During the Great Depression, literally thousands of banks failed. But the Congress in its wisdom adopted several laws in the 1930's that reshaped bank regulation and gave us the strongest banking system in the world. The Congress can be proud that the measures it adopted in the 1930's—including a strengthening of the Federal Reserve and creation of the Federal Deposit Insurance Corporation—have worked so well and withstood the test of time.

The remedial legislation we have proposed to the Congress will provide the regulatory agencies with authority they need for more effective supervision. If some structural changes are also believed to be necessary, the adoption of either of the two proposals that I have sketched—moving the Comptroller's office to the Federal Reserve or establishing a Federal Bank Examination Council—deserves thoughtful consideration.

Because of the strong feelings among members of the Board concerning Title I of this legislation, I have devoted most of my testimony to that section of the Committee Print. I should point out, however, that there are major principles embodied in this legislation—particularly those relating to uniform reserve requirements, regulation of foreign banks, and additional supervisory authority over domestic banks—that the Board warmly supports. We will be glad to work with the committee on perfecting amendments to these important sections.

I again urge the committee to avoid precipitous action on the complex and comprehensive piece of legislation that is before you. This committee should not let itself be stampeded by dramatic headlines to adopt legislation that will effect major changes in Government. To do otherwise would be out of line with the careful procedures that have been so wisely observed by this committee over the years.

The Appendixes to this statement follow.

APPENDIX I

SUPPLEMENTAL STATEMENT OF THE BOARD OF GOVERNORS ON SECTION 503 OF TITLE V OF THE COMMITTEE PRINT

The Board believes that Section 503 of the proposed bill, which legislates oversight hearings on monetary policy and specifies the topics to be covered in such hearings, is unnecessary and does not serve a constructive purpose. During the past year, the Federal Reserve Board has regularly accounted to the Congress for its conduct of monetary policy through the quarterly hearings resulting from House Concurrent Resolution 133. These procedures have worked reasonably well. It is the Board's expectation that oversight hearings would be continued, whether or not a new Resolution is passed by the next Congress. The Board therefore believes that the provision of Section 503 concerning quarterly hearings is not needed and also, for reasons to be given below, is unwise in its particulars.

It would be especially unwise to legislate in detail how monetary policy should be described and therefore, by implication, the terms under which it should be conducted. Circumstances change, and the thrust of policy necessarily changes with them. In that respect, the provisions of the Concurrent Resolution are reasonably flexible—and therefore more realistic than those of Section 503. First of all, the Resolution refers to the specification of policy aims in terms of credit flows as well as monetary aggregates. Second, it notes that account may need to be taken of international flows of funds and conditions in international money and credit markets. Third, and most important, the Resolution explicitly recognizes the great merit of flexibility by indicating that the ranges of growth or diminution in the monetary and credit aggregates specified in advance in the oversight Hearings are not required to be achieved "if the Board of Governors and Open Market Committee determine that they cannot or should not be achieved because of changing conditions."

Section 503 carries the process of advance specification of unknown factors a giant step further by requiring the Federal Reserve to announce "ranges within which the levels or rates of change" not only of monetary aggregates but also of interest rates are intended or expected to vary over the next 12 months. However, if the central bank is forced to announce interest rate intentions or expectations—imprecise as these guesses must be—it would be misleading to the public and the effectiveness of monetary policy would be impaired, with harmful consequences for the economy and the Nation.

The announcement of interest rate intentions or expectations by the Federal Reserve would lead many borrowers and lenders to believe that the System could—and in practice would—guarantee particular interest rate levels. But the Federal Reserve does not have the power to do this because interest rates depend basically on many factors outside the control of the central bank. Fundamentally, interest rate movements reflect the interaction of changing demands for credit with the available supply of funds from a wide variety of institutional and other lenders. Interest rates are influenced not only by the strength of the economy and by the public's willingness to defer current consumption and save for the future, but also—and this has been especially important in recent years—by the expectations of borrowers and lenders about the rate of inflation.

If the Federal Reserve nevertheless attempted to keep particular interest rates at some specified level, this might well lead to inappropriate rates of growth in bank reserves and money. If, for example, interest rates came under upward pressure because of rising demands for funds, System efforts to prevent, or limit, interest rate increases could result in unduly rapid monetary expansion, thereby feeding inflationary pressures. If, on the other hand, interest rates came under downward pressure because of slackening business activity and declining demands for funds, System efforts to prevent or slow down the declines could result in monetary growth rates below those needed to reinvigorate the economy.

Thus, the announced interest rate intentions or expectations may well prove to be inconsistent with stated objectives in terms of monetary growth rate ranges. Efforts to maintain interest rate levels would have harmful effects on the economy and would in the end fail.

The Board also strongly believes that it would be a mistake for the Congress to require the Federal Reserve to describe monetary policy "in terms of its expected effects on statistical measures of employment, production, and purchasing power (price stability), as contrasted with the effects which could be expected from alternative policies." Economic activity, prices, and employment depend on many powerful influences apart from instruments under the control of the Federal Reserve. Fiscal policy is one. Labor market policy is another. The state of public confidence—the willingness to spend freely from income and accumulated savings—is still another. Thus, there is a looseness in the relationship between monetary policy and economic developments that makes projections of the effects that different policy postures might produce exceedingly imprecise. The sorry track record of most projections during the past year or two makes that clear.

Thrusting economic projections by the Federal Reserve into the public arena would surely lead many to exaggerate the influence that monetary policy has on the economy and would not enhance understanding of monetary policy or of the objectives of policy-makers. Moreover, our experience has been that economic projections require continuous re-evaluation and updating if they are to serve a useful purpose in policy-making. But publication of first one projection and then another 2 or 4 weeks later, soon followed by yet a third, would be highly confusing to the public and might well feed back on business and consumer attitudes.

Because the Federal Reserve is aware that the linkages between monetary policy actions and the economy are extremely loose, the Federal Open Market Committee has never officially attempted to reach agreement on specific projections of economic magnitudes. Our staff does present projections that aid in Committee deliberations. But staff projections do not necessarily represent the expectations held by the policy-makers of the likely course of economic activity. Different individuals may well have different evaluations of the economic outlook, and all have learned from experience the necessity of remaining flexible in their views in order to take account of the stream of incoming evidence. Therefore, we believe that a requirement calling for the adoption and publication of specific economic projections by the Federal Reserve would seriously mislead the public about the likelihood of a particular economic outcome, would adversely affect policy discussions within the Federal Open Market Committee by introducing concerns of a public relations nature, and would inevitably politicize the policy-making process.

APPENDIX 2

Supplemental Statement of the Board of Governors on Sections 504 and 505 of Title V of the Committee Print

I have indicated the Board's strong reservations about the wisdom of the part of Title V dealing with the appointment of presidents of Federal Reserve Banks. In addition, however, there are certain other provisions in Title V that are troublesome. These provisions have to do, first, with the composition, terms, methods of selection, and responsibilities of boards of directors of Federal Reserve Banks; and secondly, with membership and holding of capital stock in Reserve Banks.

Before any changes are enacted in the above areas, they should be subjected to a fundamental test—namely, will such changes improve the effectiveness and efficiency of the Federal Reserve System? If not, no public advantage will be derived from their enactment.

Let me state briefly some of the benefits the System receives from Reserve Bank directors. First, they make an important contribution to our economic intelligence system, through a detailed knowledge of the state of business and consumer psychology and through a "feel" for prospective developments in their particular sphere of activity. This "grass roots" input from directors serves as an important complement to the work of our economic research staffs. Secondly, many of our directors bring to us important management skills and "know-how" in their oversight responsibilities for efficient operation of Federal Reserve Banks. It is important, therefore, to secure knowledgeable, effective, and highly motivated persons to serve in such capacities. With those thoughts in mind, I submit the following comments.

1. Repeal of Section 4(6) of the Federal Reserve Act, which now provides that "every Federal Reserve Bank shall be conducted under the supervision and control of a board of directors" is undesirable. This

responsibility of Reserve Bank directors is discharged subject to the statutory provision for general supervision by the Board of Governors, which is a sound and sensible arrangement.

2. Removal from boards of directors of the authority to appoint Reserve Bank presidents, subject to approval of the Board of Governors, would undermine the role of the directors in overseeing the efficient and effective performance of the Reserve Banks.

3. Limiting directors to a single 3-year term (as opposed to the present practice of two 3-year terms) would create more turnover, less continuity, and perhaps lead to greater difficulty in recruiting qualified directors. Also, one 3-year term would limit their effectiveness because of the time necessary for a new director to understand the range of activities and responsibilities.

4. Elimination of "membership" as such in the Federal Reserve System and making the holdings of Federal Reserve Bank stock optional could in time lead to the disappearance of Reserve Banks as a constructive influence at the regional level. In our judgment, all financial institutions that hold their reserves with the Reserve Banks and are thus entitled to use their services should be required to hold at least a nominal amount of stock in Reserve Banks.

5. Removal of the right of member institutions in the Federal Reserve System to elect any directors of Reserve Banks is undesirable. In order to maintain a strong interest by member institutions in the effective and efficient performance of central bank services by the Reserve Banks, the member institutions should continue to elect some of the directors of Reserve Banks. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on the Budget, U.S. Senate, March 22, 1976.

I am glad to represent the Board of Governors of the Federal Reserve at these hearings on the budget for fiscal year 1977. For many years, I have urged a reform of Federal budgetary procedures. The Congressional Budget and Impoundment Control Act of 1974, which this committee is implementing, was a gigantic stride in that direction. Your efforts to bring order to our budgetary affairs can play a vital role in the restoration of confidence in our Nation's future.

My comments today will be directed, first, to the condition of the national economy, and second, to the implications of prospective economic and financial developments for public policy.

A year ago, when this committee began to consider the fiscal 1976 budget, our economy was in the final stages of the most severe recession of the postwar period. But an upturn in business activity soon got under way, and we have experienced since last spring a substantial economic recovery. During the second half of 1975, the physical volume of our Nation's total production rose at an annual rate of 8 per cent, and another substantial gain is being recorded in the current quarter.

In the industrial sector of our economy, the advance of production was initially most prominent in the textile, leather, paper, and chemical industries. The scope of recovery broadened during the fall and winter months and now includes a wide range of durable and nondurable goods. Since last April the combined output of factories, mines, and power plants has increased at an annual rate of 11 per cent.

As production rose, the rate of utilization of our industrial plant increased and the demand for labor strengthened. Employment across the Nation has risen by more than 2 million since last spring, and the average factory workweek has lengthened by 1½ hours. Meanwhile, the unemployment rate has come down from about 9 per cent to 7½ per cent. The number of individuals out of work is still deplorably high; but the new entrants or re-entrants into the labor force account for a larger part of the unemployed total now than 6 or 9 months ago, while job losers account for a much smaller part.

As the recovery has proceeded, the state of confidence has improved, and significant further increases in production and employment can be expected over the remainder of this year. Of late, consumers have been buying more liberally. Over the past 3 months, retail sales have risen at an annual rate of 16 per cent. Sales of new automobiles during February rose to the highest level since August 1974; the sales rate moved up still further in early March, and there are even some signs of revived interest in more expensive cars.

In view of this marked strengthening of consumer spending, businessmen have been reassessing the adequacy of their inventories. The ratio of inventories to sales is low at most retail outlets, and also at manufacturing establishments producing nondurable goods. Vendors in many lines are less able to meet demands from existing stocks, and delivery times are lengthening. Businessmen therefore are increasing orders and production in an effort to rebuild inventories to levels consistent with the improved pace of consumer buying. Inventories of goods rose in January, and further needed accumulation should act as a significant stimulus to recovery throughout most of this year.

Prospects for residential construction also have improved. Prices of new homes remain exceedingly high, and this has limited the recovery in homebuilding. Nevertheless, the inventory of unsold units has declined, rental vacancy rates have fallen sharply, and mortgage credit is now readily available in practically all parts of the country. In February housing starts rose to the highest level in 2 years, and homebuilding activity is likely to move upward over the course of 1976.

Exports, too, will probably register further improvement this year. Economic recovery is now under way in other industrial countries, and as it gathers momentum the demand for our exports should intensify. However, the foreign trade balance is likely to narrow because our own economic expansion has given rise to an enlarged demand for imports—including products, such as petroleum and industrial supplies that fell off sharply during the recession.

Business capital spending is likely to contribute significantly to economic expansion this year. True, this sector of demand has yet to evidence a solid upturn. Also, the Commerce Department's recent survey suggests that businessmen plan only a moderate increase in the dollar value of their expenditures for plant and equipment this year. On the other hand, new capital appropriations of large manufacturing firms rose sharply during the final quarter of 1975, and production of business equipment has risen over the past several months. With rates of capacity utilization increasing, corporate profits moving up strongly, business confidence gaining, and the stock and bond markets much improved, we can reasonably expect considerable strengthening this year in business plans for buying new equipment and building new facilities—as normally happens in the course of a business-cycle expansion.

The precise magnitude of the recovery in business investment outlays will depend to a large degree on the vigor of consumer markets. While the recent improvement in consumer buying has been encouraging to the business community, the present, more optimistic mood of consumers could be destroyed by a new burst of inflation. Any resurgence in the pace of inflation this year would pose a threat to consumer and business confidence, and thus to the further recovery of economic activity that is so urgently needed.

Our Nation made notable progress last year in reducing the rate of inflation. The rise in consumer prices came down to 7 per cent, well below the rate recorded in 1974. The rise in wholesale prices slowed even more. Much of this improvement, however, stemmed from the absence of powerful special factors—such as the quadrupling in prices of imported oil, short supplies of agricultural commodities, and the termination of wage and price controls—all of which drove up prices in 1974.

Furthermore, most of the improvement in price performance during 1975 occurred in the first half of the year. During the second half, consumer prices rose at a somewhat more rapid pace than in the first 6 months, and wholesale prices accelerated sharply during the summer and early fall. Since late autumn declining prices of food and fuel have attenuated the rate of inflation. Prices of other goods and services, however, have continued to rise at a disconcerting pace, and wages are still increasing much faster than the long-term rate of growth of productivity.

Thus, despite the calmer pace of over-all price indexes in recent months, the menace of inflation is by no means behind us. As the recovery proceeds, it is of critical importance that our Government manage economic policies so that a new burst of inflation is avoided.

Our country is now confronted with a serious dilemma. Over 7 million people are still unemployed, and many of them have been seeking work for an extended period. More jobs are clearly needed—not only for workers who are now unemployed but also for those who will soon be entering the labor force.

In the current inflationary environment, however, expansionist policies of the traditional type cannot be counted on to restore full employment. Recent experience in both our own and other industrial countries suggests that once inflation has become ingrained in the thinking of a nation's businessmen and consumers, highly expansionist monetary and fiscal policies do not have their intended effect. In particular, instead of fostering larger consumer spending, they may intensify inflationary expectations and lead to larger precautionary savings and sluggish consumer buying. The only sound course for fiscal and monetary policy today is one of prudence and moderation.

One of the urgent tasks facing our Nation is to end the Federal deficits that have been a major and persistent source of our inflation. Since 1960 the Federal budget has been in deficit every year but one. The cumulative deficit in the unified budget over the past 10 years, including the official estimate for the current fiscal year, comes to $217 billion. If the spending of off-budget agencies and Government-sponsored enterprises is taken into account, the aggregate deficit for the 10 years amounts to almost $300 billion.

This sorry record of deficit financing means, of course, that we as a people have been unwilling to tax ourselves sufficiently to finance the recent sharp increases of governmental spending. In this bicentennial anniversary of our Nation's independence, we would do well to reflect on the fact that it took all of 186 years for the annual total of Federal expenditures to reach the $100 billion mark. This occurred in fiscal year 1962. Only 9 years later, in fiscal 1971, expenditures already exceeded $200 billion. Four years from that date, in fiscal 1975, the $300 billion mark was passed. And unless expenditures are held under a very tight rein, Federal spending will easily exceed the $400 billion level in fiscal 1977.

One aspect of the sharply rising curve of expenditures is that Government has been assuming an ever larger role in the economic life of our people. In 1929 Federal expenditures amounted to less than 3 per cent of the dollar value of our total national output, and expenditures at all levels of government—Federal, State, and local—amounted to about 10 per cent of the national product. Last year, Federal expenditures alone were about 25 per cent of the dollar value of our national output, and the combined expenditures of all governmental units reached almost 40 per cent.

Much of this increase in the role of government in our economy was made necessary by the rapid growth of population in recent decades, the increasing complexity of modern urban life, the explosion of military technology, and the enlarged responsibilities of the United States in world affairs. However, the trend of Federal spending has also been significantly influenced by strong intellectual currents, both in our country and elsewhere, that keep nourishing the belief that practically all economic and social problems can be solved through the expenditure of public funds.

Where the line can best be drawn between governmental and private use of resources is, in the final analysis, a matter of social or philosophic values and of political judgment. But regardless of how this question is resolved, it should be clear to everyone that Federal spending, whatever its level, must be soundly financed. The large budgetary deficits that have persisted since the mid-1960's—and in good years as well as bad years—added little to our capacity to produce, but they added substantially to aggregate monetary demand for goods and services. They were thus largely responsible for the 10-year stretch of accelerating inflation that culminated in the deep recession from which we are now emerging.

The President's budgetary program for the coming fiscal year, taken on an over-all basis, would go far toward breaking the spiral of Federal spending and bringing order to our fiscal affairs. The proposed budget would limit the rise of spending in fiscal 1977 to 5½ per cent, compared with an average yearly increase of 12 per cent over the previous 5 years. The Federal deficit is projected to decline from $76 billion in the current fiscal year to $43 billion in the next, with a balanced budget finally in view by fiscal 1979.

Some well-meaning citizens are now urging the Congress to provide added fiscal stimulus in the interest of speeding the return to full employment. I would warn this committee that still larger Federal expenditures and a bigger deficit may fail of their purpose. A deeper deficit would require the Treasury to rely more heavily on credit markets, thus drawing on funds badly needed for homebuilding and for business capital formation. Worse still, a significantly larger deficit would revive fears of accelerating inflation and weaken the confidence of businessmen and consumers that is essential to the return of general prosperity.

Moderation in monetary policy is also needed to bolster confidence in the economic future. That is why the Federal Reserve has been so diligently seeking to foster a financial climate conducive to a satisfactory recovery but at the same time to minimize the chances of rekindling inflationary fires.

Since last spring growth rates of the major monetary aggregates—while varying widely from month to month—have generally been within the ranges specified by the Federal Reserve in its periodic reports to the banking committees of the Congress. On a seasonally adjusted basis, the quarterly-average level of M_1—that is, currency plus demand deposits held by the public—rose over the last three quarters of 1975 at an annual rate of 5.7 per cent. M_2, which also includes time and savings deposits at commercial banks other than large certificates of deposit, rose at a rate of 9 per cent. A still broader monetary composite, M_3, which also includes deposits at thrift institutions, rose at a rate of 12 per cent.

These increases in the monetary aggregates were accompanied, as we expected, by a sharp rise in the turnover of money balances. The rising velocity of money has not, however, been associated with higher rates of interest or developing shortages of credit—as some critics of Federal Reserve policy had predicted. On the contrary, conditions in financial markets have eased materially and are more comfortable now than at any time in the past 2 years.

There is a striking contrast between the movement of interest rates during the current recovery and their behavior in past cyclical upswings. Short-term interest rates normally begin to move up at about the same time as a recovery in general business activity gets under way, although the degree of rise varies from one cycle to another. In the current economic upswing, a vigorous rebound of activity, a continuing high rate of inflation, and a record volume of Treasury borrowing might well have been expected to exert strong upward pressures on short-term interest rates. In fact, after some run-up in the summer months of last year, short-term rates turned down again last fall, and since then they have declined to the lowest level since late 1972. Long-term rates have also moved down; yields on high-grade new issues of corporations are at their lowest level since early 1974.

Conditions in financial markets thus remain favorable for economic expansion. Interest rates are generally lower than at the trough of the recession. Savings flows to thrift institutions are still very ample, and commitments of funds to the mortgage market are continuing to increase. Mortgage interest rates are therefore edging down.

Moreover, the stock market has been staging a dramatic recovery. The average price of a share on the New York Stock Exchange at present is about 60 per cent above its 1974 low. A large measure of financial wealth has thus been restored to the millions of individuals across our land who have invested in common stocks. Besides this, the advance in stock prices has made it considerably easier for many firms to raise equity funds for new investment programs or for restoring their capital cushions.

In general, the liquidity position of our Nation's financial institutions and business enterprises is now much improved. Since the beginning of 1975, corporations have issued a record volume of long-term bonds, and they have used the proceeds to repay short-term debts and to acquire liquid assets. Commercial banks have reduced their reliance on volatile funds and added a large quantity of Federal securities to their asset portfolios. The liquidity position of savings banks and savings and loan associations has likewise been strengthened.

The market for State and local government securities was, of course, adversely affected by the New York City financial crisis. Even in this market, however, interest rates are now well below their 1975 highs, and the volume of securities issued has remained relatively large. The difficulties of New York City, moreover, have had a constructive influence on the financial practices of State and local governments—as well as on the other economic units—throughout the country. The emphasis on sound finance that is now under way enhances the chances of achieving a lasting prosperity in our country.

These notable accomplishments in financial markets indicate, I believe, that the course of moderation in monetary policy pursued by the Federal Reserve over the past year has contributed to economic recovery. The Board was pleased to learn that the Senate banking committee, in its recent "Report on the Conduct of Monetary Policy," agrees with this view.

Last spring, when the Federal Reserve first announced its projected growth ranges for the monetary aggregates, concern was expressed by some economists, as well as by some members of the Congress, that the rates of monetary growth we were seeking would prove inadequate to finance a good economic expansion. Interest rates would rise sharply, it was argued, as the demand for money rose with increased aggregate spending, and shortages of money and credit might soon choke off the recovery.

We at the Federal Reserve did not share this pessimistic view, and our judgment has been borne out by events. We knew that the turnover of money is apt to increase rapidly with a return of confidence. We knew also that financial technology has been changing, that the innovative process has accelerated of late, and that significant economies in the handling of cash balances were therefore being effected.

The developments that have recently fostered economizing on the sums held as currency or demand deposits include the spread of overdraft facilities at banks, increased use of credit cards, the growth of negotiable order of withdrawal (NOW) accounts in New Hampshire and Massachusetts, the emergence of money market mutual funds, the development of telephonic transfers of funds from savings to checking accounts, and the growing use of savings deposits to pay utility bills, mortgage payments, and other obligations. One very recent development that has had a considerable downward influence on the level of demand deposits was the regulation issued by the banking agencies last November, which enabled partnerships and corporations to open savings accounts at commercial banks in amounts up to $150,000.

The relatively slow rate of growth in demand deposits since last summer has been watched carefully by the Federal Reserve. In view of the rather rapid pace of economic expansion, the relative ease of financial markets, and the absence of any evidence of a developing shortage of money and credit, we have been inclined to view the sluggish rate of expansion in M_1 as reflecting the influence of various factors that are reducing the amount of narrowly defined money needed to finance economic expansion. However, since it is practically impossible to project the scale on which further economies may be realized, we have taken steps to ensure that the rate of monetary expansion does not slow too much or for too long.

During recent months, open market policies have therefore been somewhat more accommodative in the provision of reserves to the banking system. In January the discount rate was lowered from 6 to 5½ per cent. And on two occasions—in mid-October and again in late December—the Board reduced reserve requirements. These reductions were aimed principally at encouraging a further lengthening of the maturities of time deposits at member banks, but they also released nearly $700 million of reserves and thus enabled banks to support a higher level of money balances.

These actions appear to be bearing fruit. In

January and February, taken together, growth of M_1 moved up to an annual rate of about 4½ per cent, compared with 2 per cent in the fourth quarter of last year. The effect on broader monetary aggregates has been substantially greater. During the past 2 months, the annual growth rate of M_2 accelerated to over 12 per cent, compared with 6 per cent in the final quarter of 1975.

Our objective is to stay on a course of monetary policy that will continue to support a good rate of growth in output and employment, while avoiding excesses that would aggravate inflation and create trouble for the future. As I indicated in testimony before the House banking committee last month, the Federal Open Market Committee has projected growth ranges of the monetary aggregates for the year ending in the fourth quarter of 1976 that differ only a little from those announced previously.

We believe that the monetary growth ranges we have projected will prove adequate to finance a good expansion of economic activity in 1976. But the uncertainties that at present surround monetary developments, particularly the behavior of M_1, will require a posture of exceptional vigilance and flexibility by the Federal Reserve in the months ahead.

Before closing, I would remind this committee that fiscal and monetary policies alone cannot be expected to achieve our economic goals in the current economic and financial environment. It is not enough to ask what further fiscal stimulation, if any, or what further monetary stimulation, our economy requires. Nor is this even the basic question. We should rather be asking what governmental policies, covering as they might an enormous range of actions and even inactions, are most likely to strengthen the hope and confidence of our people. In the time remaining, let me briefly comment on some policies, outside the monetary and fiscal area, that can make a significant contribution to the restoration of full employment and also to correcting the long-run inflationary bias in our economy.

First, governmental efforts are long overdue to encourage improvements in productivity through larger investment in modern plant and equipment. This objective would be promoted by overhauling the structure of Federal taxation, so as to increase incentives for business capital spending and for equity investments in American enterprises.

Second, we should face up to the fact that environmental and safety regulations have in recent years run up costs and prices and have held up industrial construction across our land. Progress toward full employment and price stability would be hastened by stretching out the timetables for achieving our environmental and safety goals.

Third, a vigorous search should be made for ways to enhance price competition among our business enterprises. The Congress is to be commended for putting an end to the so-called fair trade laws. It would be desirable to go further and reassess the entire body of laws directed against restraint of trade by business firms and to improve the enforcement of such laws. We also need to reassess the highly complex governmental regulations affecting transportation and the many other laws and practices that impede the competitive process.

Fourth, governmental policies that affect labor markets have to be reviewed. There are grounds for thinking that the Federal minimum wage law is pricing many teenagers out of the job market, that the Davis-Bacon Act is serving to escalate construction costs, and that programs for income maintenance now provide benefits on such a generous scale that they may be blunting incentives to work. High unemployment and numerous job vacancies still exist side by side—perhaps because job seekers are unaware of the opportunities, or because the skills of the unemployed are not suitable, or for other reasons. Surely, better results could be achieved with more effective job banks, more realistic training programs, and other labor market policies.

Finally, we need to think through the appropriate role of a limited incomes policy in the present environment. Recent experience has emphatically demonstrated that lasting benefits cannot be expected from comprehensive or mandatory wage and price controls. However, a policy that would permit modest delay of key wage or price increases, thus providing opportunity for quiet governmental intervention or for public hearings and the mobilization of public opinion, may yet be of significant benefit in reducing abuses of private economic power and moving our Nation toward the goal of full employment and a stable price level.

Under current conditions, the return to full employment will have to depend rather heavily on structural policies that serve to reinvigorate competition and release the great energies of our people. Such policies are not, however, a substitute for responsible fiscal and monetary actions. In order to strengthen the confidence of people in their own future and the future of our country, we in government will need to work constructively on all three policy fronts—fiscal, monetary, and structural. □

Statement by Robert C. Holland, Member, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, March 26, 1976.

I am pleased to appear before this committee on behalf of the Board of Governors of the Federal Reserve System to discuss the Board's reasons for recommending the enactment of legislation embodied in S. 2304. Let me try to summarize the proposals and the Board's views thereon in rather general terms and then respond to any specific questions.

These proposals arise from a number of studies, which the Federal Reserve has conducted in the aftermath of the banking difficulties of recent years. One objective of those studies was to determine whether there were some feasible new measures that would decrease the incidence of specific banking difficulties or would increase the effectiveness of remedial regulatory action once a particular bank difficulty was identified. In fact, those studies have turned up a number of constructive suggestions for reducing banking problems without at the same time unduly interfering with the effective conduct of banking business.

Some of those suggestions involved changes in procedures or regulations that the Federal Reserve could introduce under its existing authority, and we have done so. But several suggested steps needed statutory authorization. We have refined those ideas, in coordination with the other Federal bank regulatory agencies, and they are now embodied in the present S. 2304, submitted jointly on behalf of all three agencies.

The legislative proposals in S. 2304 can be divided into three general categories: (1) proposals for *civil penalties* for violations of various provisions of Federal banking law that presently carry no penalties or carry only criminal penalties; (2) a proposal to *restrict dealings with insiders*; and (3) proposals to increase and streamline the ability of the agencies to take *remedial actions*.

An examination of the present restrictions on the operation of banks and actions of bank officers, directors, and employees indicates that in many instances violations of those restrictions carry either no penalties or solely criminal penalties. The Board's experience with the operations of the criminal penalty provisions under the Bank Holding Company Act is that the application of these provisions is a slow and tedious process. Furthermore, in order to obtain a conviction it must be established that the violation was willful. Courts in the past have read this as requiring a showing not only that the individual intended to take the action but that in so doing the individual intended to break the law. This is a very difficult matter to prove, and it is believed that these difficulties of proof have decreased the effectiveness of the criminal remedy as a deterrent to particular actions in violation of the Act.

There are other provisions of banking law for which there are either inadequate or no deterring penalties attached to any violation. For instance, Section 23A of the Federal Reserve Act places stringent limitations on transactions between affiliates. Violation of this provision, however, currently carries no civil or criminal penalties. In recent experience, two examples have come to the Board's attention that, in the Board's opinion, involved violations of Section 23A with respect to transactions between the banking and nonbanking affiliates of a holding company. In both instances, these transactions contributed heavily to the ultimate failure of the banking subsidiary. Once these transactions came to the attention of the appropriate regulatory authorities, the only available remedy would have been a cease-and-desist order under the Financial Institutions Supervisory Act of 1966 requiring reversal of the transaction. However, since the funds were no longer available to accomplish such a reversal, this represented a hollow remedy indeed.

The Board strongly believes that the existence of an expeditious civil penalty procedure will act as a deterrent to this kind of activity and should significantly decrease the incidence of it. For this reason, the Board has recommended in the proposed legislation that civil penalties be applied to violations of the Bank Holding Company Act, Section 23A of the Federal Reserve Act, Section 22 of the Federal Reserve Act relating to loans to officers and directors (as proposed to be amended), violations of final cease-and-desist orders, and certain other provisions. In order to help insure that these penalties would only apply in an appropriate and equitable manner, the proposed bill provides that, in assessing the amount of the penalty, the responsible agencies must take into account the financial resources and good faith of the person or organization charged with the violation, the gravity of the violation, and the history of previous violations. Any penalty so assessed may be collected by court action and would be subject to judicial review.

The second area covered by this bill is the establishing of appropriate limitations on banking transactions with insiders. The history of banking difficulties over the last few years indicates that, in numerous instances, banks have encountered difficulties by virtue of having incurred excessive risks through a high concentration of loans to "related persons." The Board recognizes that, in the banking industry as a whole, major abuses by insiders are not common. The Board further recognizes that the board of directors of a bank or bank holding company typically includes a number of community leaders, not the least of whom are officials of various businesses in the area. Lending to such insiders and their enterprises follows naturally and, in the case of smaller financial institutions in smaller communities, is almost inevitable. Such lending, to the extent it is made on an arm's-length basis to creditworthy borrowers, is not objectionable in and of itself, and in fact such loans may well help the community and at the same time benefit the bank.

If an insider is prepared to abuse his banking connections, however, and the bank is compliant, he may effectively pyramid the resulting risks to the bank by exploiting his position to obtain credit for or through firms he controls. Accordingly, the Board has concluded that on balance it would be wise to place aggregate limits on the amount of lending on behalf of any insider by his bank in order to prevent the incurring of excessive risk through such lending. The proposed legislation would therefore place a limitation on loans to any officer, director, or shareholder who owns more than 5 per cent of the stock of the lending bank. This limitation would aggregate all loans or extensions of credit to such an officer, director, or shareholder and his controlled corporations and provide that the aggregate may not exceed the statutory limit on loans to any one borrower established by Federal or State law. I should alert the committee that, among the three kinds of insiders I have just mentioned, officers, directors, and important shareholders, public policy considerations weigh least heavily toward adoption of these restrictions when it comes to aggregating loans of all interests of an "outside director." Such restrictions might well discourage some individuals from serving as directors who would otherwise provide valuable experience and advice for the bank. On balance, however, the Board believes that the establishment of such a limitation for each of these insiders is a prudent step.

The third problem area that this bill addresses is a strengthening of supervisory power to take remedial actions once difficulties have been discovered in a financial institution. We see a particular need to strengthen the remedial powers provided in the Financial Institutions Supervisory Act of 1966, and we have recommended a number of changes in that Act.

The most important of these changes relates to the ability of the banking agencies to remove an officer or director or prohibit a shareholder from participating in the conduct of the affairs of a bank when such an individual's conduct is causing or is likely to cause substantial financial harm to the bank. Under present law, in order to take such action the agencies must establish that the individual (1) has participated in a violation of law or of a final cease-and-desist order, breaches of fiduciary duty, or unsafe and unsound practices, (2) that his action is seen as causing substantial financial loss to the bank or damage to depositors and, further (3) that the acts complained of constitute personal dishonesty on the part of such an individual. The Board believes that, if an individual is grossly negligent or inept in the operation of a banking institution, and the findings set forth in (1) and (2) above are made, he should be removed regardless of whether his actions constitute personal dishonesty.

Accordingly, we recommend the adoption of the proposed provisions, which would authorize the appropriate regulatory agencies to remove the offending individuals in such circumstances. We believe that the present hearing and judicial review provisions of the Act are sufficient to shield innocent individuals from arbitrary and capricious agency action.

We have also recommended a number of other technical changes to the Financial Institutions Supervisory Act that we believe would increase its effectiveness. I would be happy to answer questions about any of them at the conclusion of my statement.

Another urgent remedial power requested for the Board is that it be given the power under the Bank Holding Company Act to order the divestiture of a banking or nonbanking subsidiary whenever it has reasonable cause to believe that the continuation of that nonbanking activity or ownership of a banking or nonbanking activity constitutes a serious risk to the financial safety, soundness, or stability of a bank holding company's subsidiary banks.

We recognize that such a remedy is an extreme one. However, we believe that a key function of a bank holding company is to contribute to, rather than detract from, the financial stability of its subsidiary banks. Several instances have come to the Board's attention in which adverse developments and publicity with respect to a bank holding company's nonbanking activities have had a very adverse impact upon, and even caused the failure of, a banking subsidiary. We therefore believe that it is important for the Board to have such legislation available in order to protect banking subsidiaries in appropriate instances. The proposed legislation provides for due notice and opportunity for hearing. It provides that the divestiture may be by sale or by *pro rata* distribution and, in order to assure that the activity threatening the bank is terminated as rapidly as possible, sets a relatively short time frame within which this is to be accomplished.

A final remedial provision that I would call to your attention lies outside the bill presently before the committee. That is our proposal to allow a failing bank to be acquired by an out-of-State holding company when no satisfactory alternative for preserving the bank's services exists. This proposal was earlier introduced as part of S. 890, but it has generated some opposition from observers concerned with breaching the traditional bar to interstate banking. Yet since that bill was introduced, two significant instances have arisen requiring sale of a failing bank when the communities involved might have been better off if an emergency interstate acquisition of that size had been permissible. I urge this committee to consider and act favorably on this proposal, even as it already has on the companion bill to eliminate the statutory 30-day delay in emergency bank holding company acquisitions. I believe the people in the few unfortunate communities affected would be well served.

We realize that each one of the proposals I have mentioned this morning can be said to involve certain costs or burdens as well as benefits. We have tried to aim only at demonstrated problems, not hypothetical ones. We have designed the proposed legal powers so as to minimize unwanted side effects, and we have included provisions that give protection or room for accommodation to legitimate business needs. The remaining inconveniences or inefficiencies that this legislation may cause we believe are justified by the added protection it affords to banks and the banking system.

In conclusion, we believe that these proposals zero in on specific identified weaknesses in the regulation and supervision of bank holding companies and banks. Adoption of these proposals would, in the Board's opinion, have a deterrent effect and thus decrease the number of occasions on which supervisory action would be necessary in order to correct problems existing in banking institutions. Furthermore, in those instances where the problems do occur, these provisions would increase the effectiveness of agency response. We urge favorable consideration of these proposals by this committee. □

Statement by Henry C. Wallich, Member, Board of Governors of the Federal Reserve System, before the Committee to Investigate a Balanced Federal Budget of the Democratic Research Organization, Washington, D.C., March 26, 1976.

I welcome this opportunity to appear before the Committee to Investigate a Balanced Federal Budget of the Democratic Research Organization to present my personal views on the outlook for an adequate supply of capital.

I believe that there is a serious danger of a capital shortage, not today, but later as the economy approaches full employment. The role of the Federal budget will be crucial. The Federal Government today is a heavy borrower, that is, a user of the Nation's savings. If by the time we approach full employment the Federal Government has shifted its position and has become a net saver and supplier of capital, the probability of capital shortages will be much reduced. If, however, the budget then is still in heavy deficit, a shortage, in my opinion, is very likely.

You have asked me to focus on a number of studies that seek to evaluate the prospects of a capital shortage, and this topic will be the main focus of this presentation. To begin with, however, I would like to comment briefly on what I mean by capital shortage. For it is only too easy, by appropriate use of the terminology and technique of economics, to arrive at the conclusion that there can be no question of a capital shortage.

In an economy in which prices, including interest rates, are free to move, rising demand for anything will normally raise the price until supply and demand are once more in balance. By this definition, there cannot long be a shortage of capital or of anything else. But, of course, that is a tautological solution. If the demand for capital could be met only at rates of interest that are excessively high—after making allowance for the rate of inflation, which tends to raise interest rates—one would not regard that as a satisfactory solution.

Our national income accounting system, too, may lead us into an erroneous belief that a capital shortage is being avoided when, in a meaningful sense, that would not be the case. Our national income accounts are so set up that saving always turns out to be equal to investment. That is true simply because of a convention that defines saving as the difference between consumption and income, and investment as the difference between consumption and production, while simultaneously treating income and production as opposite sides of the same coin. Any consistent set of estimates of future saving and investment, therefore, necessarily arrives at the conclusion that the two are equal in an ex post sense. This does not mean that the level of investment is satisfactory. If investment has been held down by inadequate savings to such a degree that reasonable economic objectives cannot be met, we have, to my way of looking at the matter, a capital shortage.

I would suggest three tests of what it means to meet reasonable economic objectives. One would be the maintenance of sufficient capacity in critical industries to avoid bottlenecks that would lead to shortages or sharp price increases, even before the economy as a whole began to reach full operating potential. We experienced severe bottlenecks in 1973, though somewhat exaggerated by duplication of orders. Investment since has been relatively low, and I doubt that many of these bottlenecks have been removed. In the major materials area for instance, the Federal Reserve index of capacity utilization in major materials industries reached a minimum of 67.9 per cent in March 1975. It has since risen to about 80 per cent, which still seems to leave a good margin. But breaking this down between durable and nondurable goods, the index shows that capacity utilization for nondurables is already up to around 83 per cent, while that for durables stands at only about 69 per cent. If investment is not sufficient to remove bottlenecks before we approach full employment, I would consider the result as a kind of capital shortage.

A second test of capital inadequacy would be an over-all insufficiency of our capital stock to employ fully and efficiently our rising labor force, after allowance is made for its changing composition. I cannot provide data to demonstrate whether or not we can count, at the time we approach full employment, on having enough plant and equipment in place to absorb the entire labor force. Considering, however, that the growth of the labor force, which reflects the birth rates after World War II and increased participation rates for women, has been high by historical standards, while investment has been relatively low for the past 2 years by such standards and seems likely to remain relatively low for most of this year, I think that there is reason to fear that a disproportion between the capital stock and the labor force is developing, to the disadvantage of labor.

There is a third, and rather different, standard by which the adequacy of the supply of capital can be assessed, which happens to be frequently employed these days in business circles. It relates to the ability of American business to obtain the financing needed to effect the desired amount of capital spending. It could turn out that conditions could arise in which households supplied enough savings and government made no excessive demands, but in which the state of corporate finances made it inadvisable or impossible for business to incur heavy debts, while a low level of profits—or of the stock market—made equity financing difficult. Such a situation could arise if corporations feel, as they seem to feel currently, that they have too much debt relative to equity, while an adverse climate or inflation or poor prospects were depressing the stock market. Even if the savings were available, there might be no way of transforming them into productive investment.

In addition, what would constitute an adequate supply of capital by each of the three foregoing tests by no means promises the American economy a high rate of growth. Capital adequacy in all three tests noted above might mean that we could continue to grow at about the same rate as in the past—when we were relatively free of capital shortages—or perhaps a little more slowly, given the higher cost of energy and other new burdens imposed upon the economy. In that event, we would be growing at a rate inferior to that of many of the other major industrial economies. They would gradually catch up and eventually surpass us, if we project their and our growth at post-World-War-II historic rates. But that prospect cannot be deemed a capital shortage.

STUDIES OF CAPITAL ADEQUACY

A number of studies on the problem of capital adequacy have been done in the past year and a half, and I would like to review these for you this morning.[1] These studies unfortunately do

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[1] The studies are the following:

Barry Bosworth, James S. Duesenberry, and Andrew S. Carron. *Capital Needs in the Seventies* (Brookings Institution, 1975).

Council of Economic Advisers. "Will Capital Requirements for the Remainder of this Decade Be Met?" *Economic Report of the President, 1976*, pp. 39–47.

Robert Dennis, *Clambering Into the Eighties*, Report Number 74–N–1 (National Planning Association, Dec. 1974).

Michael K. Evans, *Long-Term Forecast: The Next Ten Years, Inflation, Recession, and Capital Shortage* (Chase Econometric Associates, Inc., Aug. 1975).

Benjamin M. Friedman, "Financing the Next Five Years of Fixed Investment," *Sloan Management Review* (Spring 1975).

Gary Fromm, *Investment Requirements and Financing: 1975–1985*, National Bureau of Economic Research, Working Paper (Oct. 1975).

continued

not always span the same years. Also, there are important differences in assumptions regarding tax laws, monetary and fiscal policy, and other factors that complicate comparison. Appended to this text are two tables from the study by Gary Fromm. One of the tables delineates some of the principal differences in assumptions and also summarizes the major findings of the studies.[2]

In spite of the differences, there is sufficient agreement in terms of basic methodology to make a comparative discussion worthwhile. For purposes of the presentation, the dollar figures in the various studies have been expressed as percentages of gross national product (GNP). This permits us, at once, to avoid being misled by the very large sums involved and to put the problem in perspective. I shall consider first the prospects for gross private domestic investment and then the outlook for total savings.

THE DEMAND FOR CAPITAL

Most but not all of the studies provide projections, either year by year or for an average of years, of each of the three subcategories of gross private domestic investment: nonresidential fixed business investment, inventory accumulation, and residential construction. These projections are shown in Table 1 as percentages of GNP. Several important points emerge from the comparison.

First, the authors of these studies almost unanimously envision prospective fixed business investment to be greater than the 10-year historical average. Even those studies that place this figure at the low side expect this part of investment to be greater than it has been over the past decade. The reason for this is the anticipation, in varying degrees, of substantially larger increases in investment for environmental protection, energy independence, electricity generation, and occupational health and safety.

In evaluating the excess of the projections over the historical average, the following facts need to be taken into account. The historical average contains years of unusually high business fixed investment as well as some low years. It reflects the average level of investment over a period of years in which full employment was not always attained. Most of the projections also contain some years of relatively low investment, since some of them include the recession year of 1974, and almost all include 1975, the year of incipient recovery. Thus, for years approaching full employment, one must assume for most of these studies a projection of business fixed investment implicitly or explicitly above

TABLE 1

Range of investment rates[1]

Study	Nonresidential fixed business	Inventory	Residential
Bureau of Economic Analysis (1975-80)	12.0	n.a.	n.a.
Bosworth, Duesenberry, Carron (1973–80)	10.9	.7	4.0
Benjamin M. Friedman (1977–81)	11.5	.8	3.5
Data Resources, Inc. (1975–85)	10.6	.7	4.0
Special Study Group (1975-85)	11.2	.9	3.3
General Electric (1974–85)	10.7	.5	3.7
National Planning Assn. (1974-85)	12.3	.7	3.5
Chase (1975–84)	10.6	.7	3.1
NYSE (1974-85)	[2]9.4	[3]3.1	4.0
Average (except NYSE)	11.0	.7	3.6
Historical (1965–74)	10.4	1.0	3.7

[1] From Gary Fromm, *Investment Requirements and Financing: 1975–1985*, National Bureau of Economic Research, Working Paper (October 1975), quoted with modifications.

[2] Plant and equipment only.

[3] Inventory and other nonresidential fixed business investment.

n.a. not available.

General Electric, *Economic Prospects: 1975–85* (March 1975) and supplementary materials.

New York Stock Exchange, *The Capital Needs and Savings Potential of the U.S. Economy: Projections Through 1985* (Sept. 1974).

Allen Sinai and Roger E. Brinner, *The Capital Shortage: Near-Term Outlook and Long-Term Prospects*, Economic Studies Series No. 18 (Data Resources, Inc., 1975).

U.S. Department of Commerce, Bureau of Economic Analysis, *A Study of Fixed Capital Requirements of the U.S. Business Economy* (Dec. 1975).

U.S. Department of Labor, Economic Policy Board Special Study Group, unpublished materials partially based on *The Structure of the U.S. Economy in 1980 and 1985*, BLS Bulletin 1831 (1975).

[2] The Appendix tables are available on request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

the average. It is during these periods of high employment, however, when the maximum pressure of investment on savings is likely to be felt and when the issue of capital shortage will be most seriously posed. Thus, most of the projections tend to understate the probability of shortage during the crucial years.

I would like to draw particular attention to the study done by the Bureau of Economic Analysis (BEA) of the Department of Commerce, which examines nonresidential fixed investment by a different methodology and in much greater detail than the others. The BEA study concludes that, because of the anticipated cyclical and secular changes in industry mix, future capital spending for fixed business investment of the historical kind could represent a smaller fraction of GNP than in the past. But the needs imposed upon us by the new investment demands noted above bring the BEA projections of business fixed investment for 1975–80 to 12 per cent, compared with an average of 11.0 per cent for the bulk of the studies and an historical 10.4 per cent for the years 1965–74 (Table 1).

It should be noted that one major area of uncertainty involves the future of investment in the electric utilities industry especially since the future role of highly capital-intensive nuclear power remains unknown. It seems fair to say nevertheless that there is a considerable amount of agreement among the projections of business fixed investment, given the difficulties of the exercise, but that their average probably is somewhat on the low side for years approaching full employment.

Inventory investment, to the extent that it appears separately in the projections, is universally expected to drop slightly below its historical average, from 1 per cent of GNP to an average for the studies of 0.7 per cent. This provides a partial but insufficient offset to the projected increase in business fixed investment.

Residential construction is particularly difficult to estimate. In contrast to the two other areas, there is little agreement about the future course of housing investment. Over the past decade, this type of investment has accounted for 3.7 per cent of GNP. The mean of the studies puts this at 3.6 per cent of GNP, with some of the studies coming in well above this figure and some, well below.

THE SUPPLY OF SAVINGS

Personal saving, corporate retention of profits, and business depreciation allowances are the principal sources of supply of capital within the private sector, if we abstract from the possibility of net capital imports. Projections here are more difficult to make, in my view, than on the investment side. The personal saving rate for the studies shown in Table 2 averages 5.1 per cent of GNP, which comes very close to the historical average from 1965 to 1974 of 5.0 per cent. But the range of the individual estimates is wide, running from 4.0 to 6.2 per cent.

Household saving has increased of late, probably reflecting job insecurity and other risks created by inflation as well as, more enduringly perhaps, a desire to restore wealth holdings eroded by inflation to a more acceptable relationship to income. As wealth/income ratios once more approach satisfactory levels, household savings may well decline. The increasing degree of protection by social security, as well as medicare, may also push personal saving rates downward. This conclusion is indicated by at least one careful piece of research.[3] It should be noted, furthermore, that since social security is on a pay-as-you-go basis at best, it does not lead to an accumulation of capital as does private saving. Thus, its net effect is to reduce the total supply of saving and to increase the threat of capital shortage.

Corporate savings, including depreciation allowances, have been severely distorted by inflation. Inventory profits do not add to investible funds. Neither do profits resulting from low depreciation based on original cost when inflation raises replacement costs. These unproductive profits, while they improve the appearance of balance sheets and income statements, deprive corporations of liquidity because they raise tax liabilities. A widespread view holds that

[3] Martin Feldstein, "Social Security, Induced Retirement, and Aggregate Capital Accumulation," *Journal of Political Economy*, September-October 1974.

capital's share of GNP has been trending down for a number of years. Certainly the share of corporate investment financed from internal cash flow had declined for many years until very recently.

Since the Congress has made an effort to improve corporate finances by providing for accelerated depreciation and an investment tax credit, it is important to note that these measures have sufficed only to slow down adverse trends in corporate balance sheet structure and financial flows. For instance, external financing has increased relative to internal. Within external financing, the share of debt has risen relative to the share of equity financing, and within the total of debt financing, short-term debt has risen relative to long-term debt. Some improvement has occurred in these relationships during the recent recovery, owing partly to the low level of corporate capital spending, and partly to better profits, a higher stock market, and some long-term funding of short-term debt. In the face of uncertainties surrounding the appropriate calculation of, and the outlook for, corporate profits and cash flows over a longer period, too much weight should not be attached to the projections concerning the level of business savings. The projections average out at 10.8 per cent of GNP—exactly equal to the historical record—but with a range of 10.2 to 11.2 per cent.

TABLE 2

Range of savings rates[1]

Study	Personal	Business	Government
Bosworth, Duesenberry, Carron (1973–80)	4.6	10.6	.2
Benjamin M. Friedman (1977–81)	4.9	10.8	-.1
Data Resources, Inc. (1975–85)	5.4	11.0	.8
Special Study Group (1975–85)	4.7	11.2	-.4
General Electric (1974–85)	5.8	10.9	1.4
National Planning Assn. (1974–85)	4.8	11.2	.1
Chase (1975–84)	6.2	10.2	2.0
NYSE (1974–85)	4.0	10.6	.3
Average	5.1	10.8	-.5
Historical (1965–74)	5.0	10.8	.5

[1] From Gary Fromm, *op cit.*, quoted with modifications.

TABLE 3

A comparison of investment and Government savings rates[1]

Study	Investment rate	Government savings rate
Bosworth, Duesenberry, Carron (1973–80)	15.6	.2
Benjamin M. Friedman (1977–81)	15.8	-.1
Data Resources, Inc. (1975–85)	15.3	.8
Special Study Group (1975–85)	15.4	-.4
General Electric (1974–85)	14.9	1.4
National Planning Assn. (1974–85)	16.4	.1
Chase (1975–84)	14.5	-2.0
NYSE (1974–85)	16.4	.3
Average	15.5	-.5

[1] From Gary Fromm, *op cit.*, quoted with modifications.

This leaves the government sector in a key position as the marginal supplier—or user—of savings. At a time of low investment, a large deficit can be accommodated. Under conditions of high investment—such as would reflect an approach to full employment—the prospective adequacy of private savings seems to me very much in doubt. The studies do not directly reveal this because, as noted before, the use of averages over low and high periods tends to understate the volume of savings required near full employment. The studies show a projected government sector deficit (Federal plus State and local government) averaging 0.5 per cent of GNP, with a range from a deficit of 2.0 per cent to a surplus of 0.3 per cent. On average, therefore, these projections seem to imply that a small deficit in the public sector would be consistent with a balance of supply and demand for saving. In my view, however, this would be a misleading interpretation.

In the first place, as shown in Table 3, there is present in the projections a clear correlation between the findings of the respective authors about capital investment needs and their conclusions about the public sector deficit or surplus. Studies that have high estimates of investment needs tend to assume a surplus or a small deficit. Studies showing low investment rates tend to project a larger deficit. One way of interpreting this coincidence of high investment with low deficits (or surpluses) and that of low investment with higher deficits is that investment determines income and therefore the size of the deficit. But another way is to consider that a high deficit may discourage and depress investment and thereby create a fictitious justification for itself. If the deficit were smaller, investment would be larger in this interpretation.

Secondly, the projection of a small deficit over a period containing some years of very large deficits implies that for some other years balance or even a substantial surplus will be attained. This, in my view, is the crucial point. The adequacy of the supply of capital implied in most of these studies is plausible only if one assumes that as we approach full employment the public sector will come into surplus. This conclusion is most clearly borne out by the Bosworth-Duesenberry-Carron study that for its terminal year 1980 requires a Federal surplus of $13.2 billion on the assumption of 4 per cent unemployment and a Federal surplus of $18.7 billion on the assumption of 5 per cent unemployment.

A small element of comfort can be derived from the circumstance, perhaps worth noting because it is not always recognized, that inflation causes the Government to overstate the size of its deficit. Of the $23 billion paid as interest on the publicly held Government debt instruments in fiscal-year 1975, some fraction possibly exceeding one-half must properly be regarded as an inflation premium. This premium, the purpose of which is to preserve intact the purchasing power of the investor, is not added to the principal of a Government bond but rather, is paid to the investor currently. As a result, while the nominal value of the bond represents lower purchasing power at maturity, the investor has received back an amount corresponding to the shrinkage in the value of his principal. The inflation premium, or that excess of interest paid over what would be an inflation-free rate, is, in an economic sense, not interest but a repayment of principal. One may surmise, also under such conditions, that the typical holder of Government debt does not treat the entire interest as spendable income but accumulates part of it to protect the value of his savings. Adjusted for this inflation premium factor, the Government deficit is somewhat smaller than it appears. Of course, there are other factors, such as off-budget financing, that should be included in the deficit and that would make it correspondingly larger. □

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Manpower, Compensation, and Health and Safety of the Committee on Education and Labor, U.S. House of Representatives, April 8, 1976.

I appreciate the opportunity to present the views of the Board of Governors of the Federal Reserve System on H.R. 50, the "Full Employment and Balanced Growth Act of 1976." This bill would amend the Employment Act of 1946, which requires the Federal Government to utilize all of its resources in order "to promote maximum employment, production and purchasing power."

The Board fully recognizes its responsibility under the 1946 Act and has reported regularly to the Congress on its efforts to further the objectives of the law. The central question facing the Congress as it considers H.R. 50 is whether or not the proposed amendments will help advance the goals of the original Act. I am sorry to say that we do not believe they will. The bill is both too rigid and too inflationary and, on balance, would likely prove to be inconsistent with the long-term economic well-being of the Nation.

Unemployment has been a very serious problem recently in the United States, as in many other countries. But this condition is mainly a product of the recession, which in turn was caused by the excesses and imbalances that had developed earlier in the economy. With economic recovery, good progress is being made in restoring jobs, and the unemployment rate has dropped 1½ percentage points over the past year.

Substantial further progress is necessary in creating new job opportunities, thereby reducing unemployment and providing for the absorption of a steadily growing labor force. This must be a primary objective of governmental economic policy. It is also of crucial importance, however, that we avoid recreating the conditions that led to the past recession and, which could do so again. This means that continued attention must be directed to questions of economic structure and balance, including avoidance of the extremely injurious effects of rapid inflation.

We at the Board are gravely concerned that the net effect of H.R. 50 would be to add substantially to the inflationary bias already evident in the performance of the Nation's economy, without generating a lasting increase in productive employment opportunities. Surely, the events of recent years have demonstrated that rapid inflation can undermine prosperity and exacerbate unemployment. The inflation of 1973 and 1974, with its adverse effects on real incomes, attitudes, and the quality of economic decision-making, was a major force contributing to the subsequent deep economic recession. It should be clear from this experience that such conditions exact their toll in terms of economic inequity and social discontent. The American people have become painfully aware of the costs of inflation and of the need to control it.

It is of the utmost importance, we believe, that the containment of inflation be recognized explicitly as an important national priority inseparable from the goals of maximum employment and production. Indeed, a principal flaw in the 1946 Act is its failure to identify clearly price stability as a long-run economic goal. H.R. 50 shares and extends this shortcoming. In the Board's judgment, the anti-inflation provisions of the bill are too weak and too vague to be satisfactory. Nowhere are there workable safeguards against inflation. Instead, the bill has many provisions that would contribute further to conditions and practices that would likely result in an intensification of upward price pressures.

Certainly one inflationary feature is the bill's objective of 3 per cent adult unemployment to be reached and sustained within 4 years following enactment. This is a most arbitrary target. Historically, a 3 per cent adult unemployment rate is very low. Over the past 30 years, the jobless rate for those 18 and over has been in the neighborhood of 3 per cent only during 1952–53 and 1968–69, years in which the number of men in the armed forces was over 3½ million—half again as high as the present level. Moreover, both of these periods of heightened economic activity were characterized by demand-pull inflation and were followed eventually by major recessions. Thus, our postwar experience suggests that achievement of 3 per cent unemployment typically is accompanied by substantial inflation and followed by economic decline rather than by sustained full employment.

In addition, the setting of a rigid unemployment goal ignores the dynamic character of the American labor force. The jobless rate of a decade or so ago does not have the same meaning as the current rate, principally because of the shifting composition of the labor force and the more liberal nature of our Federal income-support programs. Today's labor force has relatively more new entrants and re-entrants—chiefly the young, and married women—than it did then. These groups typically have higher rates of joblessness as they search—often intermittently and through trial and error—for a satisfactory job. It is reasonable to think that this fact has had an upward bias on the official jobless rate.

Indeed, the fact that the bill sets forth an unemployment target while making no mention of a comparable specific objective with regard to inflation is illustrative of its uneven treatment of these two economic problems. I would not urge that any fixed target for short-run price behavior be set; the meaning of an inflation rate, in its own way, can be as changeable as the meaning of a jobless rate. My purpose simply is to point out the bias of H.R. 50 in favor of one important national goal at the expense of another.

Some of the countercyclical and structural programs of H.R. 50 are likely to introduce important new elements of inflationary bias into our economic system. A significant problem of many past stabilization programs has been timing. Although the bill calls for the establishment of triggers and allocation formulas, I believe it still unlikely that we would avoid the pitfall of applying the aid too late in an economic downturn and continuing it too far into a recovery, when the effect on price pressures can be most pronounced. Experience has shown that such defects in timing have been particularly marked in programs of accelerated public works—one of the bill's recommended options. The inflationary implications of some of the other suggested programs—including those to stabilize State and local government budgets over the cycle and to extend unemployment insurance—also require careful evaluation.

The major inflationary thrust from the countercyclical programs, however, would come from the specific provisions of this bill that make the Federal Government the employer of last resort. While worthy in principle, the program as specified in H.R. 50 has a critical flaw. It requires the payment of prevailing wages, defined where applicable as the highest of the following: the Federal minimum wage, the State or local minimum wage, the prevailing wage in State or local government, or the prevailing wage in construction as specified by the Davis-Bacon Act.

This program--and these wages--would have profound inflationary consequences for several reasons. First, the program would result in substantial cost-push pressures. Private labor markets would be tightened, and this would cause private employers to bid up wage rates in order to obtain and retain workers. Also, by making public jobs available at attractive wages as a matter of right, the program would encourage workers now employed in the private sector to press for even larger wage gains, or to transfer to governmental jobs. As an example, any construction project under this bill would pay the going union rate; but since a large proportion of building in the United States is nonunion, this wage would be higher than many construction workers now receive and would provide an alternative preferable to their existing jobs.

Second, the employer-of-last-resort program, as specified, would very likely come to generate significant demand-pull pressures on prices. Given our demonstrated national reluctance to raise taxes sufficiently to cover increases in government spending, the financing of the program would tend to add to the Federal deficit—very substantially so, at some points in time. This year, for example, the Federal Government will spend close to $3 billion to support some 320,000 public service employment jobs in State and local government. The program proposed by H.R. 50 has the potential of being many times larger than this. Its attractive wage provisions would draw not only from the unemployed but also from those working part time or at less desirable jobs, and from those not presently in the labor force, including retired persons, housewives, and students. The upper bound of potential participation cannot be estimated with any degree of accuracy. But it seems quite possible that several million jobs might come to be needed to employ all of those seeking these positions at the relatively attractive rates of pay that would be offered. Such a program might therefore involve $30 billion or more in outlays at current average pay scales.

I might note also that we have learned from the existing public service employment programs that cost offsets in terms of reduced transfer payments under other programs may not be as large as is often thought. Only about one-fourth of the public service enrollees in 1975 had been receiving unemployment insurance or public assistance prior to participation in the program.

Far and away the most significant defect of the bill as far as inflation is concerned, however, results from the limitations it places on the exercise of monetary and fiscal policy. If I interpret H.R. 50 correctly, such policies are to be directed solely to the achievement of the 3 per cent unemployment goal until this target is reached. Only when that rate is below 3 per cent can macroeconomic tools be directed in any degree to the problems of inflation and economic instability. Instead, these fundamental techniques of demand management—used throughout the world in governmental efforts to combat inflation as well as unemployment—are to be supplanted in the bill by a series of specific program initiatives. The list of these substitute measures includes the following: a comprehensive information system to monitor inflationary trends; programs to encourage greater supplies of goods, services, and factors of production; export licensing; establishment of stockpile reserves of food and critical materials; encouragement to labor and management to raise productivity through voluntary action; and proposals to increase competition.

Whatever the individual merits of these programs—and some are worthy of careful consideration—one fact is abundantly clear. They do not constitute an effective policy of inflation control. We believe that it would be a most serious mistake to discard the use of monetary and fiscal policy without first finding some effective alternative means of constraining inflation on an enduring basis.

Moreover, the bill's adoption of a trigger point with regard to economic goals simply does not provide a workable basis for employing accumulated knowledge about the behavior of the economy. It would not be practicable, in my view, to focus macroeconomic policies exclusively toward a full employment goal and then, at a given point, abruptly shift attention to the containment of inflation. That is analogous to approaching a stoplight at top speed and then applying the brakes with equal vigor; the momentum would be sure to carry one into the intersection, or the deceleration to send one through the car's windshield, or more probably both. There needs to be the latitude to modulate and balance policy objectives to changing economic circumstances if we are to have any hope of achieving a lasting economic prosperity.

The changes required by the bill would go considerably beyond narrowing the options for modulating macro-policy objectives in accord with the perceived needs of the economy. They would also alter dramatically the features of the existing process for review and oversight of the monetary policy function. In this regard, I would like to direct my comments to two specific provisions. First, the President is required to recommend a particular plan for monetary policy and to submit it annually to the Congress along with his numerical goals for employment, production, and purchasing power. Second, within 15 days of the President's report, the Federal Reserve Board is required to submit its intended policies for the coming year to the Congress, indicating the extent to which its plans support the goals of H.R. 50 and providing justification for any variation from the President's recommendations.

The Federal Reserve Board strongly objects to these proposed new procedures on two grounds: (1) they would alter the traditional relationship between the Congress, the Federal Reserve, and the Executive Branch in a way that could well prove detrimental to the economic well-being of the Nation, and (2) the procedures specified would seriously impair the current operational flexibility needed in the formulation and conduct of monetary policy.

The Federal Reserve Act was carefully drawn to specify a relationship between the Congress and the Federal Reserve System that would serve to insulate the monetary authority from short-run political pressures. This feature of the Act stemmed from a well-founded concern that excessive government spending could be aided and abetted if the executive were granted the authority to control a nation's money supply. It is a fact of economic history that governments everywhere have come under great pressure to engage in massive deficit spending, at one time or another, even though this patently jeopardized the longer-run health of the economy. History also is replete with the inflationary consequences that have followed when governments have given in to such temptations and have then simply run the printing presses in order to supply the money needed to finance their deficits.

The need to turn to private financial markets in order to finance public deficit spending performs an important function. The process of financing shifts purchasing power from private savers to the Government, thus neutralizing much of the potential inflationary effect of deficit financing, while the necessity of finding willing investors imposes a market discipline on the scale of such deficits. But even in the United States, where this discipline has largely prevailed, the Federal budget has been in deficit every year but one since 1960. There is nothing in this record that suggests that we can relent in the battle to avoid excessive deficit financing. But instead, H.R. 50 proposes to weaken one key safeguard against inflationary public finance by introducing the Executive Branch explicitly and publicly into the making of monetary policy. And were the Congress to mandate these new procedures, it also would significantly dilute its pre-eminent role in the oversight of the monetary policy process.

Moreover, the proposed procedures for the planning and evaluation of monetary policy are, for operational reasons, inferior to those now in place. Under House Concurrent Resolution 133, the Federal Reserve Board presently reports quarterly on economic and financial developments and specifies its current expectations for a variety of monetary aggregates to the appropriate oversight committees of the Congress. The great advantage of this reporting procedure is that it permits the Federal Reserve the flexibility necessary to adapt monetary policy to changing economic conditions. The procedures proposed in H.R. 50 would sharply curtail such flexibility.

There are two major changes in the existing process required by the bill: (1) policy planning is moved from a quarterly to what would effectively be a 12- to 15-month reference period, and (2) there would appear to be an unalterable commitment to longer-term plans for monetary policy in support of specified numerical national economic goals. On the basis of experience, the Board is convinced that these changes would make the proposed planning and evaluation process too rigid to be workable. In the first place, the ability of economists to forecast economic events for a year or more into the future with any high degree of reliability simply does not exist. Two rather notable recent illustrations of forecasting imprecision come quickly to mind: the extraordinarily high rates of inflation that developed in 1973 and 1974 that virtually no one foresaw, and the severity of the 1974–75 recession, which was also quite unexpected. In either case, it would have been a serious error to adhere to outdated plans based upon economic forecasts that proved to be wide of the mark.

In addition, the current state of knowledge about the relationship between movements in the monetary aggregates and real economic activity is not nearly so precise as the comments of some economists would have you believe. In recent quarters, for example, there appears to have been a dramatic reduction in the amount of money needed to finance the rise in gross national product (GNP).

Under these circumstances, holding to a course of monetary expansion that might have been suggested by historical money stock/GNP relationships could have been quite damaging. Speculative activities would have been encouraged, thus sowing the seeds for future economic instability, and the monetary base might well have been laid for a renewal of intense inflationary pressures.

Technical and financial innovations, accompanied by regulatory changes, undoubtedly have accounted in part for the slower growth in the narrowly defined money stock. For example, the spread of overdraft checking account credit privileges, increased use of credit cards to facilitate transactions, and the introduction of savings accounts at commercial banks for business firms all have tended to encourage greater economizing in the use of currency and checking account balances. These effects could not have been estimated with any accuracy in advance, however, and in any event, I do not think that they provide a complete explanation. The fact is that there is a potential for short-run volatility in monetary relationships that can make economic forecasts based on monetary inputs very treacherous indeed.

These uncertainties about monetary and economic relationships—uncertainties that are particularly marked at present—will require vigilance and flexibility by the Federal Reserve in the months ahead and serve to point out the need for flexibility as a characteristic of the monetary policy process. Ours is an extraordinarily complex and dynamic economy; its linkages and responses are still imperfectly understood and probably always will be. Thus, in order to accomplish the objectives of economic stabilization, the formulation and conduct of monetary policy need to retain their flexibility to adapt to unforeseen developments in our economic and financial system. For these reasons we believe the provisions of H.R. 50 with respect to the monetary policy planning process would serve to reduce the contribution the Federal

Reserve can make in helping to achieve our national economic goals.

Let me turn now to what this bill has to offer by way of improving the trade-off between unemployment and inflation.

We have all painfully learned that the unemployment–inflation trade-off—which is generally thought to be shaped by our endowment of human and material resources, our economic institutions and processes, and our social practices and aspirations—has grown distinctly more unfavorable in recent years. A simple but useful illustration of this deterioration is the so-called discomfort index, which adds together the unemployment rate and the rate of increase in consumer prices. Last year, that index was 15.6, while a decade ago it was 6.4 and two decades ago, 4.8.

High unemployment side by side with high rates of inflation presents the most difficult problem facing economic policy-makers, not only in the United States but throughout the world. The sources of this problem are far from fully understood, but an important part appears to be structural in nature and, therefore, relatively immune to monetary and fiscal policy. A look at the composition of the unemployment figures illustrates some of the structural impediments in labor markets. Groups experiencing the greatest barriers—discrimination, marginal skills, location in depressed areas—have jobless rates well above the national average, even when the economy is not in a recession. For example, in 1973, when the average unemployment rate nationally was 4.9 per cent, black joblessness was 8.9 per cent, while 14.5 per cent of all teenagers in the labor force were unemployed.

The bill properly recognizes the importance of structural problems and suggests a variety of programs to alleviate them. There are many such programs that might prove beneficial, but I believe that two broad areas deserve special emphasis.

First, are programs that would help to increase competition in product and factor markets. There is need to reassess the effectiveness of our antitrust legislation—with regard to both business and labor practices—and the anti-competitive effects of Federal regulation of all kinds. We need also to re-examine the costs and benefits of such Federally mandated programs as the Davis-Bacon Act, the minimum wage for teenagers, and extended unemployment insurance.

Second, are programs that would serve to increase over time the employability of the jobless. We need better and more imaginative training programs and an improved labor market information system that would match job vacancies with available people, perhaps on a national basis.

Other programs are worthy of consideration. We should seek out ways to encourage more investment in productive plant and equipment through stronger incentives and perhaps some revisions in the tax laws. We should stress programs to improve efficiency in both the private and public sectors. In this regard, the Board would endorse the principle of zero-base budgeting, which appears to be contemplated by the feature of H.R. 50 requiring an annual review of one-fifth (by dollar value) of all Federal Government programs.

A new emphasis on structural programs such as these, together with prudent monetary and fiscal policies, will provide our best hope for achieving the goals of the Employment Act of 1946. But the Board believes that H.R. 50, while reasserting these goals, would in the end be counterproductive in the effort to achieve them. The bill would release a powerful combination of demand–pull and cost–push pressures on prices. As has been demonstrated by the experience of many other countries—and, to a degree, by our recent experience here at home—rapid inflation can breed economic instability and ultimately retard—not promote—the growth of productive jobs. If we are truly to commit ourselves to the broad goals of the 1946 Act, we need programs and policies that achieve a greater balance among our economic objectives than is recognized in H.R. 50. □

Additional statement follows.

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Currency, and Housing, U.S. House of Representatives, April 9, 1976.

I wish to thank the Chairman of the committee for scheduling a meeting on short notice to accommodate the desire of the Board of Governors of the Federal Reserve System to testify on the proposed Federal Reserve Reform Act of 1976.

When I appeared here on March 18 to testify on the Committee Print of the Financial Reform Act of 1976, I devoted my statement mainly to the proposal for a Federal Banking Commission. I expressed the Board's opposition to the portions of that massive document that would have weakened the Federal Reserve System, and I urged the committee to avoid the temptation of legislating hastily. At the same time I pointed out that there were major principles embodied in the Committee Print that the Board warmly endorses.

The bill now before your committee—H.R. 12934—is more modest in its scope than even Title V of the earlier proposal. It again bears the label of "reform" legislation, but it omits the one reform that the Board has repeatedly advised the Congress is most needed to improve the precision of monetary policy—namely, provision for broader application of reserve requirements. Such a provision was wisely included in the earlier Committee Print. It is now inexplicably removed. Nor is this all. H.R. 12934 actually takes a contrary course on reserve requirements by repealing the provision in present law that makes membership in the Federal Reserve System mandatory for national banks. Such a repeal can only weaken the execution of monetary policy. We were pleased to learn yesterday that this change was unintentional; but the very fact that an error of this magnitude was made emphasizes a need for caution and care by all of us.

The principal explicit provisions of the proposed Act deal with the manner of appointment and terms of Reserve Bank presidents and of the Chairman and Vice Chairman of the Board of Governors, as well as with the size and composition of Reserve Bank directorates. It is not at all clear why these features of the Federal Reserve System have become the focal point for "reform." In all candor, this bill seems to me and my colleagues on the Board to propose change for the sake of change.

Before turning to the specific provisions of H.R. 12934, I want to invite your attention to its basic premises—as set forth by Chairman Reuss when he introduced the bill. The premises appear to be as follows: First, the Nation needs a "better balanced" monetary policy; second, the Federal Reserve does not have sufficiently in mind the objectives of the Employment Act of 1946; third, the Federal Reserve discriminates against women and minorities; and fourth, the Federal Reserve is controlled by the commercial banks.

We see no validity whatever in these premises. I must, add, however, that if sufficient evidence is ever adduced to persuade members of the Congress that there is truth in such charges, then far more drastic remedies will be required than the so-called "reforms" proposed in this bill.

As to the first two premises, we believe that our Nation is benefiting from a monetary policy that, besides being well balanced, is faithful to the objectives of the Employment Act. The Federal Reserve has been providing reserves to the banking system at a sufficient rate to facilitate a vigorous economic expansion, and at the same time we have been mindful of the need to prevent a new wave of inflation.

This policy has been marked by considerable success. The economy is again expanding at a good pace, the burden of inflation is subdued, and conditions in financial markets strongly favor continuance of expansion in output and employment. Interest rates are generally lower than at the trough of the recession. Savings flows to thrift institutions are very ample, and commitments of funds to the mortgage market are continuing to increase. Mortgage interest rates are edging down. The stock market has staged a dramatic recovery. The liquidity position of our Nation's financial institutions and business enterprises is much improved. Medium-sized firms of less than the highest standing again have reasonable access to the public market for securities. And interest rates have come down even in the troubled market for State and local government securities, while the volume of new municipal issues has remained relatively large.

These facts indicate, I believe, that the course of moderation in monetary policy pursued by the Federal Reserve has significantly contributed to economic recovery. Our present objective is to stay on a course that will continue to support a good rate of growth in output and employment, while avoiding excesses that would aggravate inflation and create trouble for the future. It is our judgment that this represents a balanced monetary policy, and that the objectives of the Employment Act are being well served by that policy.

If I may digress for a moment, one of the curious arguments put forth in support of this bill is that in 1972 the Federal Reserve "unnecessarily opened the monetary floodgates" for partisan purposes, and that "catastrophic inflation" followed. This charge is so shopworn and has been so thoroughly discredited that it should suffice to recall that early in 1973 the distinguished Chairman of this committee congratulated the Federal Reserve System on the monetary policy it had pursued during 1972.

As to "catastrophic inflation," the fact is that the inflation started in the mid-1960's and was mainly caused by the large deficits, continued year after year, in the Federal budget. As a result of the excess demand created by a persistently loose fiscal policy, a spiral of wages and prices got under way in the private sector, and the rate of inflation began to quicken. During the period 1972–74, moreover, the underlying forces of inflation were augmented by special factors—the devaluation of the dollar, shortages of agricultural products, and soaring energy prices, all of which pushed up the general price level.

The third premise underlying the legislation before us is that women and minorities "have been badly discriminated against" by the Federal Reserve. Again, this charge is not based upon fact. The representation of women and minorities in the Federal Reserve System is significantly larger than in the Federal civilian service. We fully recognize a moral as well as a legal commitment to the principle of equal employment opportunity.

We have tried hard in recent years to appoint qualified women and minority group members to the boards of directors of the Reserve Banks. We have achieved some but not enough success in these efforts. We now have six women serving as members of Reserve Bank Branch Boards, including one—at the San Antonio Branch—who chairs the board. There are also thirteen directors in the System drawn from minority groups, including two who serve on boards of head offices. I can assure the committee that our efforts to add women and members of minorities to our highest posts are thoroughly sincere, that they will be pursued energetically, and that we would welcome suggestions of the names of highly qualified individuals.

The final premise of H.R. 12934 is that the Federal Reserve is so dominated by bankers that it is a "wholly owned subsidiary" of the commercial banks. I trust that serious observers of the Federal Reserve will dismiss this charge for what it is—an empty slogan. It is perfectly true, of course, that the Federal Reserve is in some of its functions a bankers' bank. Indeed, the Congress created it for just that reason—that is, to serve as a source of liquidity for our Nation's banking system and to hold the reserves of member banks. It is also true that the member banks elect six of the nine directors of each Reserve Bank. But the charge that these relationships result in control of the Federal Reserve System by bankers is absurd.

The control of the Federal Reserve resides firmly with the Board of Governors. The Federal Reserve Act empowers the Board to exercise supervision over the Federal Reserve Banks and to suspend or remove any officer or director of a Reserve Bank. The Board has exclusive responsibility for changes in reserve requirements, margin requirements, and banking regulations. True, changes in the discount rate originate at the Reserve Banks; but they require explicit approval by the Board of Governors, and we examine every discount rate proposal with utmost care. Open market decisions are made by the Federal Open Market Committee (FOMC), which consists—as you know—of the seven members of the Board and five Reserve Bank presidents. This structure of the FOMC avoids complete centralization of monetary policy decisions in Washington, but the Board members are plainly in the majority on that body and the Chairman of the Board serves also as Chairman of the FOMC. Thus, responsibility for decision-making rests preponderantly with the seven members of the Board of Governors.

So much for the underlying premises of H.R. 12934. I would like now to turn to the specific proposals of this bill for "reforming" the Federal Reserve—and presumably for curing its alleged shortcomings.

This committee is already aware of the Board's position on the proposal that Reserve Bank presidents be appointed for a 6-year term by the President of the United States, subject to confirmation by the Senate. The Board believes that this provision would turn these offices into political plums, and that an atmosphere of partisanship would thus be injected into the formulation of monetary policy. It is erroneous to compare these appointments either to those of Board Members or, as some have done, to Federal judgeships. Federal judges hold lifetime appointments, and their independence from transitory political considerations is thus assured.

Board Members are appointed for a 14-year term, which provides them a substantial measure of independence. Moreover, the Board functions as a deliberative, collegial body in an atmosphere in which partisan considerations are shunned. This has a very significant leavening effect even though Board Members are appointed by the President and confirmed by the Senate. A like remark could not be applied to Reserve Bank executives who are geographically separated and who would hold office for a much shorter term under the proposed bill.

Furthermore, the provision of H.R. 12934 regarding the appointment of Reserve Bank presidents would weaken, perhaps to the point of nullifying, the ability of the Board of Governors to fulfill its statutory responsibility of exercising guidance and control over the Federal Reserve Banks. Under present law a Reserve Bank president who does not manage his bank satisfactorily may be removed from office through action taken by the Board of Governors. Under the method now proposed for appointing Reserve Bank presidents, it would be extremely difficult for our Board to remove a Presidential appointee. The practical effect would therefore be to exempt these positions from the strict supervisory controls that we at the Board have developed over the years. The net result might be to limit the improvements of productivity that our Banks have been steadily achieving in handling currency, clearing checks, carrying out fiscal functions in behalf of the Treasury, and in their other activities.

It should also be noted that while the Reserve Bank boards of directors play a part in choosing Bank presidents, in actual practice the Board of Governors has the decisive voice in their selection. In filling vacancies of Reserve Bank presidencies, the Board of Governors has frequently turned down recommendations of Reserve Bank boards. But we do not merely wait for recommendations by the Bank boards. On the contrary, we typically make thorough evaluations of possible candidates on our own.

I have already commented on the charge that the Federal Reserve has been guilty of discrimination. To write into the Federal Reserve Act a provision that Class C Reserve Bank directors are to be selected "without discrimination" is to imply that the Federal Reserve has refused, solely on the basis of race or sex or national origin, to accept particular candidates for directorships who otherwise were fully qualified. We resent any such implication, and we cannot believe that it conveys the true sentiment of the Congress. If the Congress as a whole had any doubt about the Board's commitment to equal opportunity, it would not have assigned to us in 1974 the responsibility to write regulations prohibiting discrimination in the granting of credit—a responsibility that was enlarged just 2 weeks ago.

We see no difficulty in the provision for increasing the number of Class C directors from three to six. But with respect to the requirement that the Board of Governors give "due consideration to the interests of labor, education and consumers," we are concerned that singling out certain favored interests may have the effect of excluding others. Why, for example, should not due consideration also be given to the interests of retired persons, or investors, or professional men and women, or the clergy?

In my earlier testimony I commented on the proposal to make the quarterly hearings on monetary policy a matter of statute. The Board welcomes these oversight hearings on monetary policy, and we have actually proposed additional oversight hearings on bank regulation and supervision; but we see no need to write such provisions into law.

In this connection, we object to the requirement that the expected impact of monetary policy be expressed in terms of effects "on statistical measures of employment, production and purchasing power." As I have indicated on earlier occasions, such a formulation assumes a procedure by the Federal Open Market Committee that does not now exist and that could not be brought into existence in any meaningful way.

And we especially object to the provision that we try to forecast interest rates over a 12-month period. Such a requirement could cause investors and consumers to act to their detriment on the assumption that such forecasts had some measure of validity. I must warn this committee that any effort by the Federal Reserve to carry out such a provision might well cause a dangerous boom on the stock exchanges if we forecasted a decline of interest rates, or a collapse of both the stock and bond markets if we forecasted a rise of interest rates.

I have already alluded to the proposal requiring monetary policy to be governed by the objectives of the Employment Act. Need I say again that we fully observe the Employment Act in formulating our policies? This is what we work at every day. All of our energies are devoted to it. We could not be more mindful of it. Moreover, the statement of policy in the Employment Act already covers the Federal Reserve; it is carefully worded, and there is no need to repeat it in summary form in new legislation.

In summary, the Board opposes the provision for Presidential appointment and Senate confirmation of Reserve Bank presidents. We oppose also the narrow criteria for selection of Class C Reserve Bank directors, and the requirement that the System provide explicit projections of employment, production, the price level, and interest rates.

We have no objection, however, to making the term of the Chairman and Vice Chairman of the Board of Governors roughly coterminous with that of the President, or to Senate confirmation of the Chairman, or to enlargement of Reserve Bank directorates from 9 to 12 members, or to broader representation on those boards, or—for that matter—to reaffirming the objectives of the Employment Act.

I noted at the beginning—and I feel the point deserves emphasis—that if the members of the Congress should find that the premises underlying H.R. 12934 are valid, then far more drastic remedies than any proposed by this legislation would be necessary. But I also find it hard to believe that the members of the Congress or the members of this committee really think that the Federal Reserve is unmindful of congressional objectives, or that we are responsible for the havoc wrought by inflation and recession, or that we are a racist organization, or that we are dominated by commercial bankers. Certainly no facts have been advanced to support such notions, and anyone who is familiar with the Federal Reserve should know these charges are untrue.

In conclusion, although the Board sees no difficulty with some parts of the legislation under discussion, we also see no clear need to adopt any of it. Indeed, as I have indicated, there are strong reasons for the committee to reject some of its key provisions. Your predecessors in the Congress acted wisely in providing a design for the Federal Reserve that insulated it from politics. This committee has already rejected efforts to weaken a structure that has stood so well the test of time and experience, and we urge you not to begin a process of erosion by adopting legislation for which no need has been demonstrated. □

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON FEBRUARY 17–18, 1976[1]

1. Domestic Policy Directive

The information reviewed at this meeting suggested that output of goods and services—which had increased at an annual rate of 5.4 per cent in the fourth quarter of 1975, according to preliminary estimates—was continuing to expand at a moderate pace in the current quarter and that the rise in prices was near the fourth-quarter rate. Staff projections for the second quarter of this year suggested that growth in output would remain moderate and that the rate of increase in prices would change little.

In January retail sales had remained close to the high level reached in December, according to the advance report. Reflecting widespread gains—especially among nondurable goods—industrial production was estimated to have recovered further. Nonfarm payroll employment—which had increased appreciably in December—expanded even more in January. In manufacturing, gains in employment were sizable and the average workweek, which had lengthened considerably in December, increased a little further. The unemployment rate dropped from 8.3 to 7.8 per cent.

The index of average hourly earnings for private nonfarm production workers rose sharply in January, but a significant part of the rise reflected an increase in the minimum wage as of the first of the month. Increases in wholesale prices of industrial commodities were again pervasive, but the rise in the average was somewhat less than in November and December; average prices of farm products and foods declined appreciably further. In December the consumer price index had risen slightly less than in the preceding 2 months, reflecting smaller increases in prices of foods and energy.

Staff projections for the first half of 1976 suggested that growth in real output would be somewhat stronger than had been suggested

[1]This meeting was held over a 2-day period, beginning on the afternoon of February 17.

4 weeks earlier. The greater strength was attributed in large part to a sizable shift in nonfarm business inventories from liquidation in the fourth quarter of 1975 to accumulation in the first half of this year and to somewhat larger gains in personal consumption expenditures. It was still anticipated that residential construction and business fixed investment would continue to recover but that exports of goods and services would rise less than imports.

The trade-weighted value of the dollar had changed little over the 4 weeks since the January meeting of the Committee. Foreign exchange markets had been unsettled at times, but the disturbances had affected primarily the Italian lira, the French franc, and a few other European currencies—some of which moved considerably. In December merchandise imports rose considerably more than exports, reflecting recovery in imports of industrial supplies; the foreign trade surplus, although not so large as in most other months last year, was still substantial. Bank-reported private capital movements shifted to a net outflow in December.

Total loans and investments at U.S. commercial banks—after having declined appreciably in December—increased somewhat in January, reflecting for the most part another large increase in bank holdings of Treasury securities. Outstanding loans to businesses rose slightly while the outstanding volume of commercial paper issued by nonfinancial corporations expanded substantially. In late January most banks reduced the prime rate applicable to large business borrowers from 7 to 6¾ per cent.

M_1, which had declined in December and grown at an annual rate of 2.5 per cent from the third to the fourth quarter, increased at an annual rate of about 1.5 per cent in January. However, M_2 and M_3 expanded at annual rates of about 11 per cent in January, after having grown from the third to the fourth quarter at annual rates of about 6 and 9 per cent, respectively. At commercial banks and nonbank thrift institutions, inflows of time and savings deposits other than large-denomination CD's expanded substantially in January; inflows into savings accounts were especially large, as short-term market interest rates continued to decline early in the month and fell below Regulation Q ceiling rates on such accounts.

System open market operations in the inter-meeting period had been guided by the Committee's decision to maintain the bank reserve and money market conditions prevailing at the time of the January meeting, provided that monetary aggregates appeared to be growing at about the rates then expected. Data that became available week by week suggested that in the January–February period M_1 would grow at a rate near the lower limit of the range of tolerance that had been specified by the Committee but that M_2 would grow at a rate near the upper limit of its range of tolerance. Therefore, operations were directed toward maintaining the Federal funds rate close to 4¾ per cent, the level prevailing at the time of the January meeting. Throughout the inter-meeting period, the rate was close to 4¾ per cent.

Short-term market interest rates—which had declined appreciably from mid-December to mid-January—drifted down somewhat further in late January, when market participants apparently anticipated further easing in money market conditions. When the easing failed to develop, however, most short-term rates returned to about the levels prevailing at the time of the January meeting. For example, the rate on 3-month Treasury bills was around 4.85 per cent at the time of this meeting, compared with around 4.80 per cent 4 weeks earlier.

In longer-term markets, interest rates also changed little over the inter-meeting period. In part because of declines that had occurred in rates earlier, the volume of publicly offered corporate bonds expanded in January. Mortgage interest rates declined somewhat, in response to the earlier decreases in other rates and to the strong inflows of deposits to thrift institutions.

On January 27 the Treasury announced that it would sell $6.9 billion of notes and bonds to refund $4.3 billion of publicly held notes that were to mature on February 15 and to raise $2.6 billion of new cash. In auctions on February 5 the Treasury sold $3 billion of 3-year notes and $0.4 billion of 29-year 3-month bonds at average prices to yield 7.05 per cent and 8.09 per cent, respectively. For the remaining $3.5 billion, the Treasury offered 7-year, 8 per cent notes at par. However, subscriptions for these notes—which had a yield somewhat higher than that on outstanding issues of similar maturity—amounted to $29 billion, and on February 4 the Treasury accepted $6 billion of them. On February 13 the Treasury announced that it would auction $2.5 billion of 21-month notes to raise new cash from the public.

At its January meeting, the Committee had agreed that growth in the monetary aggregates on the average over the period from the fourth quarter of 1975 to the fourth quarter of 1976 at rates within the following ranges appeared to be consistent with its broad economic aims: M_1, 4½ to 7½ per cent; M_2, 7½ to 10½ per cent; and M_3, 9 to 12 per cent. The associated range for growth in the bank credit proxy was 6 to 9 per cent. It was understood that the longer-term ranges, as well as the particular list of aggregates for which such ranges were specified, would be subject to review and modification at subsequent meetings. It also was understood that, as a result of short-run factors, growth rates from month to month might well fall outside the ranges contemplated for annual periods.

In the discussion of current policy at this meeting, the Committee took note of a staff analysis suggesting that in the period immediately ahead transactions demands for money—at current levels of short-term interest rates—might be expected to pick up in association with expansion in economic activity. Moreover, growth in M_1 might be temporarily bolstered by refunds of Federal income tax payments—which, beginning in the latter part of February, were expected to be even larger than a year earlier. At the same time, however, growth in time and savings deposits other than large-denomination CD's might moderate from the rapid pace in January, as payments were made for the new 7-year note being issued by the Treasury.

During the discussion it was noted that the economic situation and outlook had improved in recent weeks, and almost all Committee members indicated that they favored essentially no change in policy. The Committee decided that operations in the period immediately ahead should be directed toward maintaining the bank reserve and money market conditions now prevailing, characterized by a Federal funds rate of about 4¾ per cent, provided that monetary aggregates appeared to be growing at about the rates currently expected. The members concluded that growth in M_1 and M_2 over the February–March period at annual rates within ranges of tolerance of 5 to 9 per cent and 9 to 13 per cent, respectively, would be acceptable. Mainly because the outstanding volume of large-denomination CD's was projected to decline substantially over the 2-month period, it was expected that these growth rates for the monetary aggregates would be associated with an annual rate of decline in reserves available to support private nonbank deposits (RPD's) between ½ and 4½ per cent.

The members agreed that, should the aggregates appear to be deviating significantly from the midpoints of their specified ranges, the weekly-average funds rate might be expected to vary in an orderly fashion within a range of 4¼ to 5¼ per cent. The Committee decided that, in assessing the behavior of the aggregates, approximately equal weight should be given to M_1 and M_2.

The following domestic policy directive was issued to the Federal Reserve Bank of New York:

> The information reviewed at this meeting suggests that output of goods and services is continuing to expand at a moderate rate in the current quarter. In January retail sales remained at an advanced level and recovery in industrial production continued. Gains in nonfarm employment were large and widespread and the unemployment rate dropped from 8.3 per cent to 7.8 per cent. Average wholesale prices of industrial commodities increased somewhat less than in the preceding 2 months, and average prices of farm products and foods declined appreciably further. The index of average wage rates advanced substantially in January, but a significant part of the rise reflected an increase in the minimum wage on the first of the month.
>
> The trade-weighted value of the dollar has changed little over the past 4 weeks. There have been disturbances in foreign exchange markets affecting primarily European currencies, and rates for several currencies have moved considerably. In December the foreign trade surplus was substantial, although not as large as in other recent months, and bank-reported private capital movements shifted to a net outflow.
>
> M_1, which had declined in December, increased only a little in January, but M_2 and M_3 rose considerably. At commercial banks and nonbank thrift institutions, inflows of time and savings deposits other than large-denomination CD's expanded substantially. Inflows into savings accounts were especially large in January, as short-term market interest rates continued to decline early in the month and fell below Regulation Q ceiling rates on such accounts. In recent weeks, interest rates on both short- and long-term securities have changed little, while mortgage interest rates have declined somewhat.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions that will encourage continued economic recovery, while resisting inflationary pressures and contributing to a sustainable pattern of international transactions.

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to maintain prevailing bank reserve and money market conditions over the period immediately ahead, provided that monetary aggregates appear to be growing at about the rates currently expected.

Votes for this action: Messrs. Burns, Volcker, Baughman, Coldwell, Eastburn, Holland, Jackson, MacLaury, Mayo, Partee, and Wallich. Votes against this action: None. Absent and not voting: Mr. Gardner.

2. Amendment to Authorization for Foreign Currency Operations

At this meeting the Committee amended paragraph 6 of the authorization for foreign currency operations in order to create a new Foreign Currency Subcommittee, to which the Committee would delegate special duties in the foreign currency area. Previously, the Committee had delegated such duties to a standing Subcommittee, designated in the Committee's rules of procedure, consisting of the Chairman and Vice Chairman of the Committee and the Vice Chairman of the Board of Governors. The amendment creating the new Subcommittee provided for the same membership, with the addition of such other member of the Board as the Chairman might designate. It was contemplated that the Chairman would designate the member of the Board having particular responsibilities for international matters. With this amendment, paragraph 6 read as follows:

6. The Foreign Currency Subcommittee is authorized to act on behalf of the Committee when it is necessary to enable the Federal Reserve Bank of New York to engage in foreign currency operations before the Committee can be consulted. The Foreign Currency Subcommittee consists of the Chairman and Vice Chairman of the Committee, the Vice Chairman of the Board of Governors, and such other member of the Board as the Chairman may designate

(or in the absence of members of the Board serving on the Subcommittee, other Board Members designated by the Chairman as alternates, and in the absence of the Vice Chairman of the Committee, his alternate). All actions taken by the Foreign Currency Subcommittee under this paragraph shall be reported promptly to the Committee.

> Votes for this action: Messrs. Burns, Volcker, Baughman, Coldwell, Eastburn, Holland, Jackson, MacLaury, Mayo, Partee, and Wallich. Votes against this action: None. Absent and not voting: Mr. Gardner.

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Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's *Annual Report*, are released about 45 days after the meeting and are subsequently published in the BULLETIN.

Law Department

Statutes, regulations, interpretations, and decisions

Interpretation of Regulation B

Modification of Equal Credit Opportunity Act Notice pursuant to State law. Section 202.4(d)(1) requires creditors to provide applicants with a notice explaining the Act's general rule prohibiting discrimination in credit on the basis of sex or marital status. This notice contains a specific reference to the "Federal Equal Credit Opportunity Act" and to the "Federal agency" responsible for enforcing the Act.

Certain States have adopted, or intend to adopt, statutes prohibiting discrimination in credit that are similar to the Federal law. In some cases, State law or regulation requires that creditors provide applicants with a notice regarding a State Equal Credit law. The Board has been asked whether the statement prescribed by section 202.4(d)(1) may be modified to include a reference to a State law and enforcement agency immediately following the reference to the Federal law and agency.

In these circumstances, a creditor may add to or modify the notice prescribed in section 202.4(d)(1) to refer to the relevant State law and/or to provide the name and address of the appropriate State enforcement agency. This modification may take the following form:

> The Federal Equal Credit Opportunity Act and the (insert the name of the State law) prohibit creditors from discriminating against credit applicants on the basis of sex or marital status. The Federal agency which administers compliance with the Federal Act concerning this (insert appropriate description—bank, store, etc.) is (name and address of the appropriate Federal agency). The State agency which administers compliance with the State law is (insert name of the State agency).

Bank Holding Company and Bank Merger Orders Issued by the Board of Governors

Orders Under Section 3 of Bank Holding Company Act

CU Bank Shares, Inc.,
Dallas, Texas

Order Approving Formation of Bank Holding Company

CU Bank Shares, Inc., Dallas, Texas, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 99 per cent or more of the voting shares (less directors' qualifying shares) of Town North National Bank, Farmers Branch, Texas ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant is a recently formed corporation organized for the purpose of becoming a bank holding company through the acquisition of Bank.[1] Bank has total deposits of approximately $12.1 million, representing 0.1 per cent of total deposits in commercial banks in the relevant banking market,[2] and is the 74th largest banking organization in the market.[3]

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[1] All of Applicant's shares are currently owned by the Texas Credit Union League ("TCUL"), an association of Texas credit unions. As part of the proposed transaction, Applicant will issue an additional 3,500,000 shares. Over 150 State and Federal credit unions in Texas have committed themselves to acquiring Applicant's shares if this application is approved. After the additional shares of Applicant are issued, neither TCUL nor any credit union will own more than 5 per cent of the voting shares of Applicant.

[2] The relevant banking market is approximated by the Dallas RMA, which consists of Dallas County and portions of six adjacent counties.

[3] All banking data are as of June 30, 1975.

Since Applicant has no present operations or subsidiaries, consummation of the proposed transaction would not have any adverse effect on existing or potential competition, nor would it increase the concentration of banking resources or have an adverse effect on other banks in the relevant market. Thus the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources of Applicant and Bank are regarded as satisfactory and the future prospects for each appear favorable. Applicant will not incur debt incident to the subject proposal. Following consummation of this proposal, Applicant proposes to enable Bank to offer trust services. Moreover, as a result of the proposal, credit unions that share in the ownership of Applicant would be able to expand and improve their services. Accordingly, considerations relating to the convenience and needs of the communities to be served lend some weight toward approval of the application. It is the Board's judgment that the proposed acquisition is in the public interest and should be approved.

On the basis of the record, the application is approved for the reasons set forth above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors, effective March 17, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Holland, Wallich, Coldwell, Jackson, and Partee.

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

P.B.C., Inc., Pine City, Minnesota

Order Denying Formation of Bank Holding Company

P.B.C., Inc., Pine City, Minnesota, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisition of 48.9 per cent or more of the voting shares of The First National Bank of Pine City, Pine City, Minnesota ("Bank"). Applicant has also applied, pursuant to § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to retain the general insurance agency business ("Agency") (in a town with a population of less than 5,000) presently operated by Applicant. The activities that Applicant proposes to engage in have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(9)(iii)(a)).

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with §§ 3 and 4 of the Act (41 Federal Register 824). The time for filing comments and views has expired, and the applications and all comments received have been considered in light of the factors set forth in § 3(c) of the Act, and the considerations specified in § 4(c)(8) of the Act.

Applicant was organized in 1970 and operates a general insurance agency business in Pine City, Minnesota. Bank, with deposits of approximately $16 million,[1] representing 0.1 per cent of the total commercial bank deposits in Minnesota, is the largest of five commercial banks operating in the Pine County banking market.[2] Bank holds approximately 48 per cent of the total commercial bank deposits in commercial banks located in this market. Two individuals that own 100 per cent of the outstanding shares of Applicant own 50.2 per cent of the outstanding shares of Bank. Inasmuch as the proposal represents merely a restructuring of Bank's ownership, the acquisition of Bank by Applicant would have no adverse effects on competition within the area served by Bank. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and prospects of Bank appear generally satisfactory. In regard to such considerations as they relate to Applicant, Applicant, as part of the instant proposal, would assume a portion of the debt that its principals incurred in their original acquisition of shares of Bank. Applicant's principals also own 62 per cent of the outstanding shares of another bank and 100 per cent of the assets of another

[1] All banking data are as of June 30, 1975.
[2] The Pine County banking market is approximated by Pine County.

insurance agency as a result of acquisitions made in 1974.[3] The 1974 acquisitions involved a substantial amount of personal debt on the part of these principals, most of which remains outstanding. Applicant itself plans to incur additional debt in the immediate future for the purchase of additional shares of Bank. It does not appear that Applicant and its principals will be able to service these various debts without impairing their ability to meet unforeseen financial problems that Bank might encounter in the future. In the Board's view, the debt position of Applicant and its principals and the limited financial flexibility that would result from consummation of the instant proposal indicate that Applicant would not be able to serve as a source of strength to Bank. Accordingly, on the basis of the facts of record, the Board concludes that considerations relating to the financial aspects of Applicant's proposal lend weight toward denial of the application.

Applicant indicates that banking services currently rendered the community by Bank will remain unchanged upon consummation of the proposal. Accordingly, considerations relating to the convenience and needs of the community to be served do not outweigh the adverse findings with respect to the financial factors involved in Applicant's proposal.

On the basis of all of the circumstances of this case and the facts of record, the Board concludes that the acquisition debt involved in this proposal presents adverse circumstances bearing on the financial condition and future prospects of Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits to the convenience and needs of the communities to be served. Accordingly, it is the Board's judgment that approval of the application to become a bank holding company would not be in the public interest and the application should be denied.[4]

On the basis of the record, the application is denied for the reasons summarized above.

By order of the Board of Governors, effective March 3, 1976.

Voting for this action: Vice Chairman Gardner and Governors Holland, Wallich, Coldwell, Jackson, and Partee. Absent and not voting: Chairman Burns.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

[3] Farmers State Bank of Waubun, Inc., Waubun, Minnesota, and the H & H Insurance Agency located on the premises of the bank.

[4] In view of the Board's action with respect to the application to become a bank holding company, consideration of the application to retain the agency becomes moot.

BancOhio Corporation, Columbus, Ohio

Order Approving Acquisition of Bank

BancOhio Corporation, Columbus, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares, less directors' qualifying shares, of the successor by merger to The Geauga County National Bank of Chardon, Chardon, Ohio ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the second largest banking organization in Ohio, controls 40 banks with aggregate deposits of approximately $2.5 billion, representing approximately 8.5 per cent of total deposits held by commercial banks in the State of Ohio.[1] Acquisition of Bank, which holds deposits of $14.9 million, would increase Applicant's share of deposits in commercial banks in the State by less than one-tenth of one per cent and would not result in any significant increase in the concentration of banking resources in Ohio.

Bank ranks 29th among the 38 banking organi-

[1] Banking data are as of June 30, 1975, and reflect holding company formations and acquisitions approved by the Board through December 31, 1975.

zations located in the Cleveland banking market[2] and controls approximately .16 of one per cent of total market deposits. Three banking subsidiaries of Applicant operate a total of 17 offices in the Cleveland market and Applicant's subsidiaries thereby hold approximately 1.3 per cent of the total market deposits: Applicant thus ranks as the eighth largest banking organization in the market. Consummation of the proposed transaction would not increase its rank in the market. Applicant's closest banking subsidiary to Bank is located approximately 17 miles from Bank. Bank does not derive a significant amount of deposits or loans from the service areas of Applicant's banking subsidiaries with offices in the Cleveland market; nor do those subsidiaries derive a significant amount of loans and deposits from Bank's service area. Accordingly, there is no significant existing competition between any of Applicant's subsidiaries and Bank, and it appears unlikely that any significant competition would develop in the future, particularly in view of Ohio's restrictive branching laws and Bank's small size. Therefore, on the basis of the record, the Board concludes that consummation of the proposal would not have significant adverse effects on existing or potential competition in any relevant area, and that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant, its subsidiaries and Bank are generally satisfactory. Accordingly, the banking factors are consistent with approval of the application. While it does not appear that the convenience and needs of the community to be served are not being adequately met, Applicant does propose to make equipment leasing and trust services available to Bank's customers. Accordingly, considerations relating to the convenience and needs of the community to be served are regarded as being consistent with approval of the application. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Cleveland pursuant to delegated authority.

By order of the Board of Governors, effective March 1, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Holland, Wallich, Coldwell, and Partee. Absent and not voting: Governor Jackson.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

[2] The Cleveland banking market is approximated by Cuyahoga, Lake, Geauga Counties, the northwestern quarter of Portage County, the northern third of Summit County, all but the southern-most tier of townships in Medina and Lorain Counties, and the City of Vermilion, which straddles the border of Lorain and Erie Counties.

Barnett Banks of Florida, Inc., Jacksonville, Florida

Order Approving Acquisition of Banks

Barnett Banks of Florida, Inc., Jacksonville, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 90 per cent or more of the voting shares of each of the following proposed new banks: Barnett Bank of Orange Park, National Association, Clay County, Florida ("Orange Park Bank"), and Barnett Bank of Gainesville, National Association, Alachua County, Florida ("Gainesville Bank").

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant is the second largest banking organization in Florida, controlling 58 banks with aggregate deposits of $1.9 billion, representing 8.2 per cent of the total deposits in commercial banks in the State.[1] Since each Bank is a proposed new bank, no existing competition would be eliminated nor would concentration be increased in any relevant area.

[1] All banking data are as of December 31, 1974, and reflect bank holding company formations and acquisitions approved as of January 31, 1976.

Gainesville Bank will represent Applicant's initial entry into the Gainesville banking market[2] and is located 45 miles from Applicant's closest banking subsidiary. Applicant's acquisition of Gainesville Bank should have a favorable competitive effect by introducing a new competitor into the Gainesville banking market in which four of the eleven banking organizations competing in that market control over 75 per cent of market deposits. Six of the competing banking organizations are multi-bank holding companies. Applicant's entry would not have any adverse effect on any competing bank.

Orange Park Bank will be located in the Orange Park area of Clay County, a rapidly growing part of the Jacksonville banking market.[3] Applicant is the third largest banking organization in the market and controls 20.4 per cent of market deposits. Already competing in the market are 16 banking organizations (42 banks), including the six largest banking organizations in Florida. Applicant's closest subsidiary banking office is about 10 miles north of Orange Park Bank. The projected area Orange Park Bank will serve is expected to continue to experience significant growth.[4] Moreover, this area is presently served directly by only one bank which is a subsidiary of the State's largest banking organization. It therefore appears that consummation of the proposal would not adversely affect the competitive situation nor increase the concentration of resources in the market. Furthermore, there is no evidence in the record that Applicant's proposal is an attempt to preempt a site before there is a need for a bank.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as generally satisfactory. Prospects for both Banks appear favorable since they would have capable and experienced management and would be adequately capitalized. Each Bank would be able to provide an additional source of full banking services for the community. Considerations relating to the convenience and needs of the areas to be served lend weight toward approval. It is the Board's judgment that the proposed acquisitions would be in the public interest and that the applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The transactions shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, and (c) Barnett Bank of Orange Park, National Association, Clay County, Florida, and Barnett Bank of Gainesville, National Association, Alachua County, Florida, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective March 29, 1976.

Voting for this action: Chairman Burns, Governors Gardner, Holland, Wallich, and Coldwell. Absent and not voting: Governors Jackson and Partee.

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

Commerce Bancshares, Inc., Kansas City, Missouri

Order Approving Acquisition of Bank

Commerce Bancshares, Inc., Kansas City, Missouri, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of Commerce Bank of Grandview, N.A., Grandview, Missouri, a proposed new bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those submitted on behalf of the Grandview Bank and Trust Company, Grandview, Missouri, and Bank of Belton, Belton, Missouri ("Protestants"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the third largest banking organization in Missouri, controls 31 banks with aggregate deposits of approximately $1.2 billion, representing 8.4 per cent of total deposits in commercial

[2] The Gainesville banking market consists of Alachua County.

[3] The Jacksonville banking market comprises Duval County, plus the Orange Park area in northern Clay County.

[4] Most of the past (42.7 per cent population increase from 1970 to 1974) and projected growth of Clay County is in the Orange Park area.

banks in the State. (All banking data are as of December 31, 1974, and reflect bank holding company formations and acquisitions approved by the Board through June 30, 1975.) Since Bank is a proposed new bank, its acquisition by Applicant would not increase the concentration of banking resources in Missouri nor change Applicant's rank among banking organizations in the State.

Bank is to be located near U.S. 71 in the city of Grandview, a residential community of approximately 23,000 in the south-central portion of the Kansas City market.[1] One of the Protestants (Grandview Bank and Trust Company) is the only bank presently located in Grandview. Applicant is the largest banking organization in the relevant market with five of its subsidiary banks holding 13.9 per cent of the deposits in the market; however, it does not appear that Applicant holds a dominant position in the market. The second and third largest banking organizations in the market are of comparable size to Applicant, and the market also includes subsidiaries of some of the State's largest banking organizations. Since Bank is a proposed new bank, consummation of the proposal would not eliminate any existing competition, nor does it appear that the proposal would have adverse effects on potential competition. Since Applicant's subsidiaries are now precluded from establishing offices in the city of Grandview proper because of Missouri's branching laws, the subject proposal represents the only means by which Applicant can extend its operations in that city. Moreover, it appears that the proposal may increase competition in this area through the introduction of another competitor. Accordingly, on the basis of the facts of record, the Board concludes that consummation of the proposal woul d not have significant adverse effects on existing or potential competition and that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and its subsidiary banks are regarded as satisfactory and consistent with approval of the application. Similarly, the financial and managerial resources and future prospects of Bank as a subsidiary of Applicant are satisfactory and consistent with approval of the application. Since Grandview is located in the Kansas City market, the residents of the area have a full range of banking services available to them from the banks in that market. However, as noted above, there is only one bank located in Grandview at the present time. Thus, consummation of this proposal would benefit the convenience and needs of the area by introducing an alternative source of a full range of banking services. The Board regards such a factor as lending weight toward approval of the application.

In its review of the subject application, the Board has given careful consideration to the comments submitted on behalf of Protestants, two banks that are located near the proposed site of Bank. In addition to requesting a hearing on the application and a delay in the processing, which requests the Board has denied,[2] Protestants contend, *inter alia*, that Bank's proposed affiliation with Applicant would offend Missouri law prohibiting branch banking, R.S. Mo. § 362.105(1). The facts of record indicate that Bank will be a separate corporation, with its own reserve requirements and capital stock and a loan limit based on such capital stock; that Bank will be managed by its own officers; that Bank's board of directors will be generally separate and independent from the boards of Applicant and of Applicant's subsidiaries; and that Bank will maintain its own separate books of account,[3] issue its own distinctive

[1] The relevant banking market is approximated by Clay, Jackson, and Platte Counties and the northern half of Cass County, Missouri, and Johnson and Wyandotte Counties in Kansas. Protestants have urged that the relevant market is Jackson County; however, economic and demographic considerations indicate that Jackson County is not a separate market insulated from the competitive influence of the other banks in the overall Kansas City area. Accordingly, the Board concludes that the relevant market is as hereinbefore described.

[2] Protestants requested that the Board hold a hearing on the application and that the Board delay acting on the application until a suit which Protestant, Grandview Bank and Trust Company, has filed against the Comptroller of the Currency is resolved. Under § 3(b) of the Act, the Board is required to hold a hearing when the primary supervisor of the Bank to be acquired recommends disapproval of the application (12 U.S.C. 1842(b)). In this case, after a hearing on the charter application, the Comptroller of the Currency issued preliminary charter approval to Bank on January 23, 1975, and he has not subsequently recommended that the subject application be denied. Thus, there is no statutory requirement that the Board hold a hearing. In view of the Board's conclusion that the record in this case is sufficiently complete to render a decision, the Board has denied Protestant's requests for a hearing and a continuance pending resolution of Protestant's action versus the Comptroller of the Currency.

[3] Applicant states, however, that one of its affiliates, Compac Services, Inc., may provide automated general ledger service to Bank.

checks, and use its own stationery. Applicant further states that Bank will be managed by its own local officers and that money deposited at Bank will not be credited to the account of a depositor at any other banking subsidiary of Applicant and, conversely, any money deposited at any other banking subsidiary of Applicant will not be credited to the account of a depositor at Bank.

The Board concludes, based upon the above and other facts of record, that Applicant is a "traditionally recognized bank holding company which, with its own capital, invests in or buys the stock of banks," *Whitney National Bank* v. *Bank of New Orleans*, 323 F. 2d 290 (D.C. Cir. 1963), *rev'd on other grounds*, 379 U.S. 411 (1965), and that, upon consummation of the proposed acquisition, a unitary operation will not exist between Bank and any of Applicant's other banking subsidiaries.

In view of the foregoing discussion and having considered the facts of record and all the comments of Protestants in light of the statutory factors the Board must consider under § 3(c) of the Act, it is the Board's judgment that consummation of the subject proposal would be in the public interest and that the application to acquire Bank should be approved.

Accordingly, on the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) Commerce Bank of Grandview, N.A., Grandview, Missouri, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, effective March 15, 1976.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, and Jackson. Absent and not voting: Chairman Burns and Governors Holland and Partee.

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

First Marine Banks, Inc., Riviera Beach, Florida

Order Approving Acquisition of Banks

First Marine Banks, Inc., Riviera Beach, Florida ("Applicant"),[1] a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire not less than 50 per cent plus one share of the voting shares of three banks located in the State of Florida: First Marine Bank of Boca Raton, Boca Raton ("Boca Raton Bank");[2] First Marine National Bank, Palm Springs ("Palm Springs Bank");[3] and First Marine Bank of Palm Beach Gardens, Palm Beach Gardens ("Palm Beach Gardens Bank")[4] (collectively referred to herein as "Banks").

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Although each of the applications has been separately considered by the Board, because of the facts and circumstances common to each, this Order contains the Board's findings and conclusions of law with respect to all three applications.

Applicant, the twenty-first largest banking organization in Florida, directly owns more than twenty-five per cent of the outstanding shares of each of four banks[5] with total deposits of $210.4 million, representing almost 0.9 per cent of the total deposits in commercial banks in the State of Florida.[6] Applicant currently owns 17.8 per cent

[1] Applicant was formerly named General Financial Systems, Inc. The change in corporate name occurred on March 1, 1976. Related to this change, effective March 15, 1976, are changes in the names of five banks in which Applicant has an ownership interest. These changes are denoted *infra*.

[2] Formerly, First Community Bank of Boca Raton, Boca Raton.

[3] Formerly, Congress National Bank, Palm Springs.

[4] Formerly, Tri-City Bank, Palm Beach Gardens.

[5] Applicant also directly owns interests ranging from 15.1 per cent to 24.9 per cent of the outstanding shares of each of six other banks in Florida, including Banks.

[6] All banking data are as of June 30, 1975 and reflect holding company formations and acquisitions approved through January 1, 1976.

of the outstanding voting shares of Boca Raton Bank, 20.9 per cent of the outstanding voting shares of Palm Springs Bank, and 24.9 per cent of the outstanding voting shares of Palm Beach Gardens Bank. Acquisition of additional shares of Banks, which hold aggregate deposits of $44.2 million, would not significantly increase Applicant's share of total deposits in commercial banks in Florida and would have no appreciable effect upon the concentration of banking resources in the State.

Boca Raton Bank, the fourth largest of six banks in the Boca Raton banking market,[7] holds deposits of approximately $10.3 million, representing 3.9 per cent of total market deposits. Palm Springs Bank and Palm Beach Gardens Bank are, respectively, the eighteenth and twenty-fifth largest of 38 banks in the West Palm Beach banking market.[8] Palm Springs Bank holds deposits totalling approximately $22.9 million, representing 1.8 per cent of market deposits; and Palm Beach Gardens Banks holds deposits of $11.1 million, representing approximately 0.9 per cent of market deposits. Other than by its investment in Boca Raton Bank, Applicant is not represented in the Boca Raton banking market. In the West Palm Beach banking market, however, Applicant is the largest banking organization, and, through its subsidiary banks, holds aggregate deposits[9] of approximately $209.5 million, representing 16.7 per cent of the total deposits in commercial banks in the market. However, it appears that consummation of the proposal would not eliminate existing competition, due to the close relationship that has existed between Applicant and Bank. Principals of Applicant were involved in the establishment of Banks; at present, and in addition to its minority interests in Banks, two directors of Applicant also serve as directors of Banks; and Banks share with Applicant similar management and operations policies and procedures. Furthermore, since Applicant's proposed acquisitions would merely formalize its existing close relationship with Banks, consummation would have no adverse effect on the development of competition in any market. Accordingly, on the basis of record, the Board concludes that consummation of the proposed acquisitions would not have significant adverse effects on existing or potential competition in the relevant banking markets, and that competitive considerations are therefore consistent with approval of the applications.

Considerations relating to the financial and managerial resources and future prospects of Applicant, its subsidiaries, and Banks are regarded as generally satisfactory and consistent with approval, particularly in view of Applicant's commitment to inject, within six months after consummation of the proposed transactions, $400,000, $750,000 and $300,000, respectively, into the capital accounts of Boca Raton Bank, Palm Springs Bank, and Palm Beach Gardens Bank.[10] Affiliation with Applicant would provide Banks with access to Applicant's financial and managerial resources. Thus, the considerations relating to convenience and needs of the residents of the communities to be served are consistent with approval of the proposal. It has been determined that the proposed acquisitions would be in the public

[7] The Boca Raton banking market, in the lower quarter of Palm Beach County, is the relevant market for the Boca Raton Bank application and is delineated by 67th Street (Highland Beach area) on the north, the Florida Turnpike on the west, and the Hillsboro Canal and Palm Beach County line on the south.

[8] The West Palm Beach banking market, the relevant market for the Palm Springs Bank and Palm Beach Gardens Bank applications, is approximated by the upper two-thirds of Palm Beach County's eastern coastal area. Its commercial and trade centers include West Palm Beach, Palm Beach, Palm Beach Gardens, Riviera Beach, Boynton Beach, and Delray Beach.

[9] These figures exclude deposits held by Palm Springs Bank and Palm Beach Gardens Bank.

[10] By Order dated November 6, 1973 (59 Federal Reserve BULLETIN 903), the Board approved Applicant's dual applications to acquire First Marine National Bank and Trust Co. of Lake Worth (then the First National Bank & Trust Co. of Lake Worth), Lake Worth, Florida ("Lake Worth Bank"), and First Marine National Bank and Trust Co., Jupiter/Tequesta (then the First National Bank & Trust Co., Jupiter/Tequesta), Tequesta, Florida ("Tequesta Bank"). In approving these acquisitions, the Board relied in part upon Applicant's commitment to make equity additions to the capital structures of Lake Worth Bank, Tequesta Bank and Applicant's lead bank, First Marine Bank & Trust Co., Riviera Beach, Florida ("Riviera Bank"). At the present time, the commitment regarding Lake Worth Bank is still outstanding. In the applications presently before the Board, Applicant makes reference to these prior commitments and now commits itself to improve the equity capital of certain of its subsidiary banks. As described above, approximately $1.5 million will be added to the capital accounts of Banks within six months after consummation of the instant proposed acquisitions. Applicant now proposes to improve the capital position of Lake Worth Bank through earnings retention rather than through direct capital injections. Based upon the facts in the record, the Board concludes that Applicant has acted in good faith in meeting its previous capital commitments for its subsidiary banks and that sufficient improvement has occurred in the capital position of Lake Worth Bank to sanction Applicant's modified proposal to improve the capital of Lake Worth Bank.

interest and that these three applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The transactions shall not be made (a) before the thirtieth calendar day following the effective date of this Order nor (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective March 31, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Holland, Wallich, Coldwell, Jackson, and Partee.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

First National Boston Corporation, Boston, Massachusetts

Order Denying Acquisition of Bank

First National Boston Corporation, Boston, Massachusetts, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of Blackstone Valley National Bank, Northbridge, Massachusetts ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).[1]

Applicant, the largest banking organization in Massachusetts, controls four banks, with aggregate deposits of approximately $3.4 billion, representing approximately 23.9 per cent of the total deposits in commercial banks in the State.[2] Acquisition of Bank would increase Applicant's share of total State deposits by .2 per cent and would not result in a significant increase in the concentration of banking resources in Massachusetts.

See opposite column for footnotes.

Bank, the 71st largest bank in the State, controls total deposits of $26.6 million representing 2.9 per cent of the total deposits in commercial banking institutions in the relevant market,[3] and is the 5th largest of eight commercial banks in the Worcester market. Three of Bank's five offices are located in the Worcester banking market and two are located on the western edges of the Boston and Providence banking markets, respectively. The closest office of any office of Bank to a subsidiary of Applicant is 17 miles away. Both of these offices are located on the fringes of the Boston banking market and consummation of the proposal would therefore eliminate a small amount of existing and potential competition involving these two offices. Applicant, while not having a subsidiary in the Worcester market, draws a significant amount of business from that area. While a good deal of this involves corporate and trust business, there is no question that consummation of the proposal will have some adverse effects on existing competition for such types of accounts. Furthermore, Applicant appears to be the most likely potential entrant into the Worcester banking market. While current economic prospects of the area may somewhat decrease the likelihood of Applicant's entry absent this proposal, it still appears that consummation of the proposal would have some adverse effects on existing and potential competition and that competitive considerations therefore weigh against approval of the application.

[1] In a letter dated October 27, 1975, the Federal Reserve Bank of Boston was informed that the Massachusetts Board of Bank Incorporation had voted to revoke the authority granted on May 28, 1974, to Applicant to acquire up to 100 per cent of the successor by merger to Blackstone Valley National Bank. Subsequently, in a letter dated November 4, 1975, the Board of Bank Incorporation informed the Federal Reserve Bank of Boston that ". . . the Board had voted to reinstate authority as previously voted on May 28, 1974, by rescinding the revocation of authority voted by the Board of October 27, 1975."

In a letter dated January 12, 1976, the Comptroller of the Currency expressed the views and recommendations of his office with respect to this application. That letter and the comments expressed in it are part of the record of this application upon which the Board based its decision. In addition, the record includes, and the Board has relied upon, consolidated financial statements of Applicant for the year ended December 31, 1975, which were forwarded to the Board on January 26, 1976, and Applicant's 1975 Annual Report, which was received on February 26, 1976.

[2] All banking data are as of June 30, 1975.

[3] The relevant banking market is approximated by the Worcester Ranally Metro Area, which is comprised of the city of Worcester and 26 towns in Worcester County.

In recent years, Applicant has expanded its activities on a broad front, both in the United States and abroad.[4] Applicant has management of recognized ability, and while it is soundly capitalized and has a favorable earnings record, such expansion must necessarily be accompanied by some dispersion of its financial and managerial resources. The facts of record show that approval of this acquisition would result in a cash expenditure by Applicant of approximately $3.8 million from general corporate funds. In addition, Applicant would commit to increase Bank's capital by at least $620,000 and to maintain Bank's capital on a par with other commercial banks in the State. The Board believes, as it has in a number of other applications involving leading banks, that at the present time, Applicant should direct its financial and managerial resources toward its existing structure and that considerations relating to financial and managerial factors lend some weight against approval of the application.

There is no evidence in the record that the banking needs of the community are not currently being adequately served. Applicant has proposed to implement a number of wholesale and retail banking services that would benefit some of Bank's customers. However, these considerations are not sufficient to outweigh the adverse considerations referred to above. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application should be denied.

On the basis of the record, the application is denied for the reasons summarized above.

By order of the Board of Governors, effective March 18, 1976.

Voting for this action: Chairman Burns and Governors Holland, Coldwell, Jackson, and Partee. Voting against this action: Governors Gardner and Wallich.

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

Dissenting Statement of Governor Gardner

It is my view that this application should be approved. The Applicant is a very large bank holding company with a national and international presence and its participation in regional banking in Massachusetts outside of metropolitan Boston is but a small part of its activities.

The Applicant has substantial depth in management and a strong capital position. It has been a leader in accepting community responsibilities in its service area. Rather than concluding that the proposal will have some adverse competitive effects as does the majority, I believe Applicant's willingness to inject capital and strengthen the management of Blackstone Valley National Bank would improve competition in the acquired bank's service area. Furthermore, additional benefits will accrue to the public in that service area due to the proposed expansion of the services offered by Bank. Therefore, I believe that the proposal is, on balance, in the public interest.

Dissenting Statement of Governor Wallich

I would approve this application. Although Applicant draws some business from the Worcester market, it involves primarily corporate and trust business that Bank is not presently pursuing and, therefore, the adverse effects of this acquisition upon existing competition are at most minimal. The economic prospects of the Worcester market would not encourage *de novo* entry by Applicant, and there would appear to be no significant adverse effects of this proposal on potential competition. Although this is a cash acquisition rather than a stock exchange, the proposal does not represent a significant demand upon the resources of Applicant. In light of the increased services Applicant proposes to provide through Bank, the convenience and needs factors would appear to outweigh any adverse effects that might result from approval of this application. Thus, I conclude that the proposal is in the public interest and that the application should be approved.

First New Mexico Bankshare Corporation, Albuquerque, New Mexico

Order Approving Acquisition of Bank

First New Mexico Bankshare Corporation, Albuquerque, New Mexico, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting shares (less directors'

[4] Since year-end 1972, Applicant has acquired three commercial bank subsidiaries, proposed to acquire three other banks, merged two banks, and refiled this application. Applicant has expanded its foreign banking activities through cash expenditures and currently has four proposals pending involving cash outlays.

qualifying shares) of Bank of Las Cruces, National Association, Las Cruces, New Mexico ("Bank"), a proposed new bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those submitted on behalf of Farmers and Merchants Bank, Las Cruces, New Mexico (hereinafter referred to as "Protestant"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the largest banking organization in New Mexico, controls nine banks with aggregate deposits of $678 million, representing approximately 24 per cent of total deposits in commercial banks in the State. (All banking data are as of June 30, 1975, and reflect all bank holding company formations and acquisitions approved through February 29, 1976.) Since Bank is a proposed new bank, its acquisition would neither eliminate any existing competition nor immediately increase Applicant's share of commercial bank deposits.

Applicant is seeking to make its initial entry into the Las Cruces banking market (the relevant banking market).[1] There are three banks presently in the Las Cruces market, the largest bank controlling approximately 58 per cent of market deposits and the second largest bank ("Protestant") controlling approximately 33 per cent of deposits. Applicant's closest subsidiary bank is located 101 miles west of Las Cruces in a separate banking market. Consummation of the transaction would not have an adverse effect on future competition between any of Applicant's banking subsidiaries and Bank in view of the distances involved and New Mexico's restrictive branching laws. On the other hand, Applicant's acquisition of Bank should stimulate competition in the market by introducing into this heavily concentrated market an additional banking alternative without having adverse effects on any competing bank. On the basis of the facts of record, the Board concludes that the competitive considerations of the transaction are consistent with, and lend some weight toward, approval of the application.

The financial and managerial resources and prospects of Applicant and its subsidiary banks are satisfactory. As a new bank, Bank has no operating financial history; however, its proposed capitalization, management and prospects appear satisfactory. These considerations relating to banking factors are consistent with approval of the application. Considerations relating to the convenience and needs of the community to be served lend weight toward approval as Bank will provide an additional source of full banking services.

During the course of its consideration of this application, the Board also considered the comments submitted on behalf of Protestant. Protestant alleges that affiliation of Applicant with Bank would contravene New Mexico law restricting branch banking (N.M. Stat. Ann. § 48-2-17 (1953)). In addition, Protestant has made several other arguments in opposition to the application, namely, that (1) Applicant's acquisition of Bank would have adverse competitive effects both within the State of New Mexico and on the three existing banks in the relevant market; (2) that the relevant banking market is not presently attractive for *de novo* entry; and (3) that there is no need for an additional bank in the market.[2]

With regard to the branching issue, the Board has stated that a State's restrictive branch banking laws are not automatically applicable to bank holding company operations. In a given case the Board examines the facts to determine whether a particular acquisition by a bank holding company would constitute an illegal branch under State law. If the Board determines that a violation of State law would result, it is required to disapprove the transaction. (*Whitney National Bank v. Bank of New Orleans*, 323 F. 2d 290 (D.C. Cir 1963), *rev'd on other grounds*, 379 U.S. 411 (1965); *Gravois Bank, et al. v. Board of Governors*, 478 F. 2d 546 (8th Cir. 1973).) The Board notes that the Office of the Comptroller of the Currency has granted preliminary approval for the charter of

[1] The Las Cruces banking market is approximated by Dona Ana County.

[2] Protestant also requested that the Board hold a hearing on the application. Under § 3(b) of the Act, the Board is required to hold a hearing only when the primary supervisor of the bank to be acquired recommends disapproval of the application (12 U.S.C. 1842(b)). In this case, the Comptroller of the Currency issued preliminary charter approval for Bank on July 15, 1975, and has recommended that the subject application be approved. Thus, there is no statutory requirement that the Board hold a hearing. Moreover, the Board is of the view that the record in this case is sufficiently complete to render a decision without the necessity for a hearing.

Bank, following a hearing, apparently concluding that Bank would not be an illegal branch under New Mexico law. The facts of record in this case indicate that Bank will be a separate corporation, with its own capital stock and a loan limit based on such capital stock; that Bank will have its own statutory limit on indebtedness and liability without any reference to the limits of any other banking subsidiary of Applicant; that Bank's operations will be conducted by its own officers; that Bank's board of directors will be generally separate from the boards of Applicant and of Applicant's subsidiaries and will exercise independent judgment with respect to the management of Bank; that Bank's customers will be able to deposit and withdraw their funds only with respect to accounts in Bank and will not be able to effect a deposit or withdrawal from Bank at any other subsidiary of Applicant; and that Bank's name will be completely separate and is different from the name of any other of Applicant's banking subsidiaries.

Accordingly, the Board concludes that Bank will not be operated in a unitary fashion with any banking subsidiary of Applicant and thus this proposal will not contravene New Mexico's restrictive branch banking law. Further, the Board concludes that Applicant is a "traditionally recognized bank holding company which, with its own capital, invests in or buys the stock of banks," *Whitney National Bank v. Bank of New Orleans, supra*.

With regard to the other issues raised by Protestant, the Board notes again that Applicant's initial entry into the Las Cruces area will be by means of a *de novo* acquisition which would not have any significant adverse effect on concentration or competition in New Mexico. With regard to the effect in the Las Cruces banking market, the Board notes that the market exhibits a high degree of concentration which has remained essentially unchanged over the past few years. Thus, it would appear that competition in the market would be enhanced by the entrance of a fourth banking alternative; furthermore, while approval of this proposal may moderate somewhat the rate of growth of the banks presently in the market, the Board is unable to conclude that Bank's entry into the market would have significant adverse effects on any bank therein or impair their ability to remain viable banking organizations.

In addition, Protestant contends that the Las Cruces area cannot support an additional bank. However, the Board notes that while the economic and population growth of the area for the past two years was not as dramatic as the growth experienced over the preceding two decades, the facts of record indicate that prospects for the area are favorable and that the market can support an additional banking alternative. Finally, Protestant asserts that there is no need for an additional bank in the area in that all banking needs are being served by the existing organizations. While it appears that Bank would not offer any new services to the area not currently available, consummation of the proposal would enable Bank to help satisfy the present strong market demand for Small Business Administration guaranteed loans and real estate financing. Therefore, it is the Board's judgment, upon consideration of all the facts of record, that the arguments raised by Protestant are not sufficient to warrant denial of the subject proposal.

In view of the foregoing discussion and having considered the facts of record and all the comments of Protestant in light of the statutory factors the Board must consider under § 3(c) of the Act, it is the Board's judgment that consummation of the subject proposal would be in the public interest and that the application to acquire Bank should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date and (c) Bank of Las Cruces, National Association, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, effective March 29, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Holland, Wallich, and Coldwell. Absent and not voting: Governors Jackson and Partee.

(Signed) J.P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

Landmark Banking Corporation, Fort Lauderdale, Florida

Order Approving Acquisition of Bank

Landmark Banking Corporation, Fort Lauderdale, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 80 per cent or more of the voting shares of Landmark Bank of Pompano Beach, N.A., Pompano Beach, Florida ("Bank"), a proposed *de novo* bank which will acquire the majority of the assets, and assume all of the deposits and certain of the other liabilities of Security State Bank of Pompano Beach, Pompano Beach, Florida ("Security Bank"), which holds total deposits of $4.5 million.[1]

Notice has been given to the Comptroller of the Currency in accordance with § 3(b) of the Act. The Comptroller has recommended approval of the application. The Florida Comptroller, who is the primary supervisory authority for Security Bank, has also recommended approval of the application. In addition, the Board has solicited and considered herein the views of the United States Department of Justice. Public notice of the application is not required by the Act, and in view of the emergency situation set forth below, the Board has not followed its normal practice of affording interested parties the opportunity to submit comments and views. The Board has considered the application and the above comments in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant is the eighth largest holding company in the State of Florida with 16 subsidiary banks and total deposits of $707.5 million, representing 3 per cent of the total deposits in commercial banks in the State. Bank has been formed to acquire certain assets and assume certain liabilities of Security Bank. Security Bank has experienced substantial loan losses since its organization in 1973 and its capital base has been seriously eroded by a continuing trend of net operating losses. Despite its relatively short operating history there has been a rapid turnover of management personnel and the bank has suffered a 42 per cent loss in total deposits between December, 1974 and June, 1975. A recent examination of Security Bank by the Federal Deposit Insurance Corporation indicates that the bank's situation has become critical; it is the Board's judgment that, absent the proposed acquisition, the failure of Security Bank would be probable.

Although Applicant is the largest of 23 banking organizations in the relevant market,[2] and holds 22 per cent of the total deposits therein, it is also the only institution that has expressed an interest in acquiring Security Bank. As new financial and managerial resources must be added to Security Bank immediately to avoid its failure, and in view of the fact that the proposed acquisition would increase Applicant's market share by only 0.3 per cent, the Board finds that any adverse effects on competition in any relevant banking market that would result from consummation of the acquisition are outweighed by the public interest considerations relating to the acquisition. Considerations relating to convenience and needs of the communities to be served lend very strong weight toward approval as the proposal will protect all depositors of Security Bank and will ensure the continued provision of banking services.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank, as a subsidiary of Applicant, are regarded as generally satisfactory. In light of the condition of Security Bank and the fact that Applicant will provide $700,000 for the initial capitalization of Bank, financial and managerial factors lend support to approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) Landmark Bank of Pompano Beach, N.A., Pompano Beach, Florida shall be opened for business not later than six months after the effective date of this order. Each of the periods described in clauses (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective March 19, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Coldwell, Jackson, and Partee. Absent and not voting: Governors Holland and Wallich.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

[1] Banking data are as of June 30, 1975.

[2] The relevant banking market is approximated by the northern two-thirds of Broward County lying north of the Dania Canal.

Mark Twain Bancshares, Inc., St. Louis, Missouri

Order Approving Acquisition of Bank

Mark Twain Bancshares, Inc., St. Louis, Missouri, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 98.75 per cent of the voting shares of Mark Twain Bank, National Association, Ladue, Missouri ("Bank"), a proposed new bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3 (b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those submitted by Ladue-Innerbelt Bank and Trust Company, Ladue, Missouri ("Protestant"), in light of the factors set forth in § 3 (c) of the Act (12 U.S.C. 1842(c)).

Applicant, the thirteenth largest banking organization in Missouri, controls five banks with aggregate deposits of approximately $179.4 million, representing 1.1 per cent of total deposits in commercial banks in the State.[1] Since Bank is a proposed new bank, its acquisition by Applicant would not immediately increase Applicant's share of commercial bank deposits in Missouri.

Bank is a proposed new bank, which has received preliminary charter approval from the Comptroller of the Currency, and is to be located in the city of Ladue, Missouri, within the St. Louis banking market.[2] With all five of its subsidiary banks located in the St. Louis market, Applicant controls 2.3 per cent of market deposits[3] and ranks as the tenth largest banking organization operating therein. The two largest banking organizations in the market control, respectively, 18.6 and 17.4 per cent of market deposits. Applicant's subsidiary bank closest to the proposed site of Bank is located approximately 10 miles away. Since Bank is a proposed new bank, consummation of the proposal would not eliminate any existing competition in the relevant market. Nor is there any evidence that Applicant is attempting to preempt a bank site before there is need for another bank.

In its consideration of the subject application the Board has considered the comments submitted by Protestant, a bank located in close proximity to the proposed site of Bank. Generally speaking, Protestant asserts that the area that will be served by Bank is not capable of supporting another bank and that the introduction of a new bank so close to Protestant would have an adverse impact on Protestant.

On the basis of the facts of record, the Board is of the view that the record, including the submissions of Protestant, does not warrant denial of the application. The proposed service area of Bank includes large portions of Ladue, one of the wealthiest residential areas in Missouri, and downtown Clayton, the county seat and business-financial center of St. Louis County. The deposits per banking office ratio of the proposed service area of Bank is significantly higher than the average for the State. In addition, the potential for growth in this area appears favorable. With respect to Protestant's second argument, the opening of Bank by Applicant should increase competition within the area served by Protestant. However, the evidence in the record is not sufficient, in the Board's judgment, to conclude that consummation of the subject proposal would have a significantly adverse effect on Protestant as a viable banking organization.

Accordingly, on the basis of all the facts of record and having considered the comments of Protestant, the Board concludes that consummation of the proposed acquisition would not have any significant adverse competitive effects and that competitive considerations are consistent with approval of the application.

The financial condition and managerial resources of Applicant and its subsidiaries are considered generally satisfactory and future prospects for each appear favorable. Since Bank has not yet opened for business, it has no financial or operating history. However, its prospects as a subsidiary of Applicant appear favorable. Considerations relating to banking factors, therefore, are consistent with approval of the application. As proposed by Applicant, Bank would serve as an additional source of full banking services to the residents of

[1] Unless otherwise indicated, all banking data are as of June 30, 1975, and reflect bank holding company formations and acquisitions approved through January 31, 1976.

[2] The St. Louis market, the relevant geographic market for purposes of analyzing the competitive effects of the subject proposal, is approximated by the city of St. Louis, St. Louis County and portions of St. Charles and Jefferson Counties, all in Missouri; and portions of Madison and St. Clair Counties in Illinois.

[3] All market data are as of December 31, 1974.

the area, including offering such services on Saturdays. Accordingly, considerations relating to convenience and needs lend weight toward approval of the application.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) Mark Twain Bank, National Association, Ladue, Missouri, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of St. Louis pursuant to delegated authority.

By order of the Board of Governors, effective March 3, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Holland, Wallich, Coldwell, Jackson, and Partee.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

Republic of Texas Corporation, Dallas, Texas

Order Approving Acquisition of Banks

Republic of Texas Corporation, Dallas, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares, less directors' qualifying shares, of the successor by merger to First Bank & Trust, Lufkin, Texas ("Lufkin Bank") and, through that acquisition, to acquire indirectly 24.9 per cent of the voting shares of Diboll State Bank, Diboll, Texas ("Diboll Bank"). All of the shares of First State Corporation, which owns 24.9 per cent of the voting shares of Diboll Bank, are held in trust for the benefit of the shareholders of Lufkin Bank. Under section 2(g)(2)(B) of the Act, those shares of Diboll Bank are deemed to be controlled by Lufkin Bank. Hence, Applicant's acquisition of all the shares of Lufkin Bank would result in the acquisition of control of 24.9 per cent of the shares of Diboll Bank. Applicant has committed that, in the event its acquisition of Lufkin Bank is consummated, it would divest any interest in Diboll Bank within twelve months of that date. The bank into which Lufkin Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Lufkin Bank.

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the fourth largest banking organization in Texas, controls three subsidiary banks with aggregate deposits of approximately \$2.8 billion representing approximately 6.5 per cent of total deposits in commercial banks in the State of Texas.[1] Applicant's acquisition of Lufkin Bank would increase Applicant's share of such deposits only slightly and would not have any appreciable effect upon the concentration of banking resources in Texas.

Lufkin Bank holds deposits of approximately \$58.6 million, representing approximately 42 per cent of the total deposits held by commercial banks in the relevant geographic market, which is approximated by Angelina County, Texas, and is the second largest of five commercial banks operating therein. Diboll Bank holds deposits of approximately \$10.6 million, representing approximately 8 per cent of the total deposits held by commercial banks in the relevant market and is the third largest of the five commercial banks operating therein. Applicant's present banking subsidiary nearest to Lufkin Bank and Diboll Bank is Houston National Bank, in Houston, which is located in a separate banking market approximately 120 miles southwest from Lufkin.[2] The Board concludes that no significant existing competition would be eliminated between any of Applicant's present and

[1] All banking data are as of June 30, 1975, and reflect holding company formations and acquisitions approved through January 31, 1976.

[2] By Order of February 20, 1976, the Board approved separate applications by Applicant to acquire shares of The First National Bank of Henderson, Henderson, Texas, located 60 miles north of Lufkin and shares of First Bank in Groveton, Groveton, Texas, located 33 miles southwest of Lufkin. Both of these banks operate in markets separate from the Angelina County market and the amount of deposits Lufkin Bank and Diboll Bank derive from the service areas of these banks, as well as the amount of deposits they derive from Lufkin Bank's and Diboll Bank's service areas, are not considered significant.

approved subsidiary banks, on the one hand, and either of the two banks to be acquired, on the other.

The Board has previously expressed its concern with the tendency of the leading banking organizations in Texas to seek to acquire the leading banks in the State's smaller metropolitan areas and the adverse effects this has upon potential competition in the State as a whole and in particular local markets. While the Board has not abandoned that concern, it does not warrant denial of the present application.

As an initial matter, it does not appear that Applicant has pursued the aggressive policy of geographic expansion that has been pursued by the other large Texas bank holding companies. Applicant's ranking among Texas banking organizations is due almost entirely to the size of its lead bank, rather than to a network of separate subsidiaries. Any conclusions that might be drawn with respect to whether Applicant would enter the market *de novo* absent this proposal must be tempered by this consideration. Furthermore, Applicant, through its lead bank, has had an established business relationship with Lufkin Bank, and such relationship would also appear to decrease somewhat the likelihood that Applicant would enter through an alternative method.

Upon reexamination of the attractiveness of the market for *de novo* entry, the Board concludes that it does not appear as attractive as may earlier have appeared.[3] Deposits in the market, on a *per capita* basis, have declined since that earlier examination and now are considerably below the *per capita* figure for the State as a whole. In its earlier consideration of the market the Board had noted the recent favorable population growth in the market. However, it now appears that this growth may have been attributable primarily to a major expansion in one industry thus raising questions about the sustainability of this rate of growth on a long-term basis. Further weight is lent to the conclusion that the market may not be as attractive as previously thought for *de novo* entry by the fact that the Texas Banking Commission has recently denied two applications by local groups for banking charters in Lufkin. The basis for the Commission's actions in both cases was that the market was already being adequately served and there was no public need for a new bank.

On the basis of the foregoing, the Board concludes that consummation of the proposal would not foreclose a substantial likelihood that Applicant would otherwise enter the market *de novo.*

For the foregoing reasons, the Board concludes that consummation of the proposal is unlikely to have any significant effects on potential competition. In fact, Applicant's entry may have some procompetitive effect due to Applicant's commitment to cause the divestiture, in 12 months, of Lufkin Bank's 24.9 per cent interest in Diboll Bank (the third largest bank in the market and a direct competitor of Lufkin Bank, but for the link between the two banks).

In order to ensure prompt realization of this benefit, the Board's approval of these applications is conditioned upon Applicant's placing the shares of Diboll Bank in escrow with an independent trustee acceptable to the Federal Reserve Bank of Dallas immediately upon Applicant's acquisition of shares of Lufkin Bank. Applicant further shall, at that time, instruct the trustee to sell the shares of Diboll Bank within one year from the date of Applicant's acquisition of shares of Lufkin Bank, by competitive bid at public auction if necessary to accomplish such sale by that date, if Applicant has not by that date been able to sell such shares to an independent third party. The trust shall terminate upon sale of the shares by Applicant or the trustee. Applicant shall submit to the Federal Reserve Bank of Dallas for its approval a plan of divestiture and an escrow agreement relating to the shares to be divested. Such plan shall further provide for the breaking of management interlocks between Diboll Bank and Lufkin Bank no later than the time of such divestiture.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as generally satisfactory. Financial resources and future prospects of Lufkin Bank and Diboll Bank also appear generally satisfactory. Considerations relating to the convenience and needs of the community favor approval. Consummation of the proposal is expected to result in the establishment of a residential mortgage lending program by Lufkin Bank in response to a significant local need for housing funds. Lufkin Bank would also initiate an equipment leasing program and, as a result of consummation, be enabled to provide other relatively sophisticated services, particularly in the international and trust areas.

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[3] See Board's Order of May 1 1974, denying application by First City Bancorporation of Texas, Inc., Houston, Texas, to acquire The Lufkin National Bank, Lufkin, Texas (60 Fed. Res. BULLETIN 450 (1974)).

It has been determined that the proposed acquisitions would be in the public interest and that the applications should be approved.

On the basis of record, the applications are approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors, effective March 23, 1976.

Voting for this action: Vice Chairman Gardner and Governors Coldwell, Jackson, and Partee. Voting against this action: Governors Holland and Wallich. Absent and not voting: Chairman Burns.

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

Dissenting Statement of Governors Holland and Wallich

We would deny the application of Republic of Texas Corporation to acquire shares of First Bank & Trust, Lufkin, Texas, and of Diboll State Bank, Diboll, Texas. As we see this case, consummation of the proposed acquisitions would remove a probable future entrant into a highly concentrated banking market. Furthermore, the support that Applicant's resources will give to the bank being acquired—one of the two dominant banks in the market—will raise barriers to future *de novo* entry into the market by other firms. We believe these anticompetitive effects should not be tolerated absent compelling benefits to the public, which benefits are not present in this case.

In our judgment, these two instant applications present much the same circumstances that gave rise to the Board's denial of an application by First City Bancorporation of Texas, Inc., to acquire The Lufkin National Bank, Lufkin, Texas,[1] the largest bank in the Angelina County market. The Board today seeks to distinguish that case on several grounds, each of which in our view fails under analysis.

First, the Board has sought to distinguish this case from the First City precedent on the ground that Applicant has not pursued the expansion policy followed by First City. Over the last two years, Applicant has not pursued aggressive expansion. However, prior to that time, Applicant, or at least its lead bank, was making indirect banking acquisitions about as aggressively as most other leading Texas banking institutions. It appears that Applicant's pause in this expansion is temporary, attributable to the state of the economy, the difficulties it has encountered in consolidating its stock ownership of certain affiliated banks, and the diversion of its attention to the Board's mandated divestiture of certain nonbanking assets.

Second, the Board asserts that the Angelina County market in two years has become unattractive for *de novo* entry, speculating that the population growth of the market, which to date has exceeded that of 19 of the 21 secondary Standard Metropolitan Statistical Areas in Texas,[2] cannot be sustained and assuming that, because the Texas Banking Commissioner has denied two applications for bank charters in Lufkin by local groups, Applicant cannot secure a charter there for a *de novo* bank. In our judgment, the sustainability of the market's growth is a matter of speculation by the Board and the weight the Board gives the charter denial is excessive. The fact that the Texas Banking Commissioner did not approve the charter applications of two particular local groups is not indicative that he would not grant such an application by Applicant; nor is it indicative that the Comptroller of the Currency, who is responsive to the national policy favoring competition, would not grant a *de novo* bank charter in this highly concentrated banking market. In any event, speculation aside, the Angelina County market in fact continues to grow and quite conceivably, sufficient time has already elapsed since those charter denials a year and a half ago that the Texas Banking Commissioner could well now find a public need for an additional bank in the market. In addition, Applicant, upon whom the burden of proof in this case falls, has not demonstrated the unavailability of foothold entry into this market. Indeed, the record clearly reflects the availability of all of the shares of Diboll State Bank to Applicant and that

[1] See Board's Order of May 1, 1974, denying that application (60 Federal Reserve BULLETIN 450 (1974)).

[2] In Texas, a secondary Standard Metropolitan Statistical Area is one other than the Houston, Dallas-Fort Worth, and San Antonio SMSAs. Angelina County itself is not yet quite large enough to be classified as an SMSA.

Applicant rejected those shares in fear that such an acquisition would jeopardize its application to acquire First Bank & Trust.

In conclusion, we believe these proposed acquisitions would adversely affect certain aspects of potential competition in a highly concentrated Texas banking market. We believe more procompetitive acquisitions than these are feasible in this market, when raised in the long-run context that befits such cases. We see no benefits to be gained from these acquisitions that outweigh these adverse competitive considerations.

Southeast Banking Corporation, Miami, Florida

Order Denying Acquisition of Bank

Southeast Banking Corporation, Miami, Florida ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 80 per cent or more of the voting shares of Worth Avenue National Bank, Palm Beach, Florida ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all commments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the largest banking organization in Florida, controls 47 banks with aggregate deposits of approximately $2.6 billion, representing approximately 10.8 per cent of the total deposits in commercial banks in Florida.[1] Acquisition of Bank ($28.1 million in deposits) would increase Applicant's share of the total commercial bank deposits in the State by 0.1 of 1 per cent and would not significantly increase the concentration of banking resources in Florida.

Bank ranks 12th among the 21 banking organizations located in the West Palm Beach banking market (approximated by the upper two-thirds of Palm Beach County) and controls approximately 2.3 per cent of total market deposits. Applicant's closest banking subsidiary to Bank is located approximately 28 miles southwest of Bank in a separate banking market. There is no significant existing competition between any of Applicant's banking or nonbanking subsidiaries and Bank, and it appears unlikely that any such competition would develop in the future. Since a number of other banks would remain as potential entry points, ease of entry into the market would not be significantly diminished by the proposed acquisition. Therefore, on the basis of the record, the Board concludes that consummation of the proposal would not have significant adverse effects on existing or potential competition in any relevant area.

As the Board has previously stated on a number of occasions, a bank holding company should be a source of financial and managerial strength for its subsidiary banks. Acquisition of Bank at this time, especially in light of Bank's financial and managerial needs, would necessarily divert some of Applicant's attention and resources from its present subsidiaries. Applicant's recent acquisition of the financially-troubled Palmer Bank Corporation[2] has placed additional demands upon the financial and managerial resources of Applicant. While Applicant has taken vigorous steps to meet these demands, including reducing its annual dividends, it is the Board's view that, at the present time, Applicant would better serve the public by directing its resources toward developing and maintaining strong and efficient operations within its existing and recently expanded structure. Accordingly, the Board concludes that the considerations relating to the financial and managerial aspects of Applicant's proposal weigh against approval of the application.

Applicant claims that through affiliation Bank will be capable of offering additional services to its customers, including trust and investment services. While convenience and needs considerations appear to be consistent with approval of the application, they are not sufficient, in the Board's judgment, to outweigh the aforementioned adverse banking factors reflected in the record. Accordingly, it is the Board's judgment that approval of

[1] All banking data are as of June 30, 1975, and reflect bank holding company formations and acquisitions approved through January 31, 1976.

[2] Board Order dated November 17, 1975, approving the application of Southeast Banking Corporation, Miami, Florida, to acquire Palmer Bank Corporation, Sarasota, Florida.

the application would not be in the public interest and that the application should be denied.

On the basis of the record, the application is denied for the reasons summarized above.

By order of the Board of Governors, effective March 16, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Wallich, and Coldwell. Absent and not voting: Governors Holland, Jackson, and Partee.

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

Texas American Bancshares, Inc., Fort Worth, Texas

Order Approving Acquisition of Bank

Texas American Bancshares, Inc., Fort Worth, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 100 per cent, less directors' qualifying shares, of the successor by merger to Galleria Bank ("Bank"), Houston, Texas. The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act (12 U.S.C. 1842(b)). The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the fifth largest banking organization in Texas, controls 9 banks with aggregate deposits of $1.3 billion, representing approximately 3.0 per cent of the total commercial bank deposits in the State.[1] Consummation of this proposal would increase Applicant's share of Statewide deposits by approximately .1 per cent and would not have a significant effect upon the concentration of banking resources in the State.

Bank is the 53rd largest of 142 banking organizations competing in the Houston banking market[2] and holds approximately $33 million in deposits, or about .3 per cent of the total commercial bank deposits in the market. Applicant is the ninth largest banking organization in the Houston market and controls two subsidiary banks with approximately 1.7 per cent of the total market deposits. The three largest banking organizations in the market control, respectively, approximately 21, 18, and 10 per cent of total market deposits. Applicant's acquisition of Bank would thus not have a significant effect on banking structure within the market, as Applicant's market share would increase to only 2 per cent of the total market deposits.

Applicant's banking subsidiaries in the Houston market are Southern National Bank of Houston, Houston, Texas ("Southern Bank"), and Gulf Southern National Bank, Houston, Texas ("Gulf Bank"), a *de novo* bank opened on October 1, 1975. Gulf Bank and Bank are located about 15 miles apart and because of their relatively small sizes and their locations no service area overlap exists. Although Southern Bank, which is located in downtown Houston approximately 10 miles east of Bank which is located in a suburban shopping center, does derive some deposits from Bank's service area, in view of the distance between the two banks, the number of intervening banks, and the number of banking organizations competing in the market, it appears that consummation of the proposal would not result in the elimination of significant existing competition between Bank and Southern Bank.

It does not appear likely that significant competition would develop between Bank and any of Applicant's banking subsidiaries in the foreseeable future due to the distances between Bank and Applicant's subsidiaries, the large number of intervening banks in the market, and Texas' branching laws. Furthermore, since the ratio of population to banking offices in the Houston banking market exceeds the Statewide average, the market would continue to be attractive to *de novo* entry, and numerous medium-sized banks would remain as possible vehicles for foothold entry by other expanding bank holding companies. The Board concludes, therefore, that competitive consid-

[1] All banking data are as of June 30, 1975.

[2] The Houston banking market is approximated by the Houston SMSA (Standard Metropolitan Statistical Area), which encompasses Harris County and five adjacent counties.

erations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as generally satisfactory and consistent with approval. Applicant's acquisition of Bank would give Bank access to Applicant's banking expertise, particularly in the areas of consumer credit, credit cards, commercial loans, and trust services. Considerations relating to the convenience and needs of the community to be served thus lend some weight toward approval. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

In considering this proposal, the Board expressed concern over the fact that several of the directors of Bank are also directors of other depository institutions located in the Houston banking market. The Board has each year since 1970 recommended to the Congress that it amend Section 8 of the Clayton Act in order to explicitly prohibit interlocks between any depository institutions in the same or an adjacent community.[3] In the Board's judgment, the potential conflicts of interest and anticompetitive implications of such interlock situations will generally outweigh the likelihood of public benefits resulting from such interlocks.

Even where interlocks are not prohibited by law, the Board may consider the possible effects of such interlocks in light of the factors set forth in section 3(c) of the Act. In particular, the Board may consider whether the interlocks involved in a proposal would be likely to have clear anticompetitive effects within a relevant market, would bear adversely on the managerial resources of an applicant or bank involved or would result in a control relationship not sanctioned under the Act. In this regard, the Board has in the past made the severance of interlocks a condition of approval in a situation where directors and officers of a bank to be acquired by a bank holding company held similar positions in competing banks in the relevant market *and* exercised control over such competing banks.[4] The record of this application would not appear to support a determination requiring the severance of any of the particular interlocks involving Bank.

[3]See p. 242 of the Board's 1974 *Annual Report* to Congress.
[4]See opposite column for footnote.

Accordingly, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors, effective March 11, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Coldwell, and Jackson. Absent and not voting: Governors Holland, Wallich, and Partee.

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

[4]See the Board's Order of October 12, 1973 involving a conditional approval of the applications of Central National Bancshares, Inc., Des Moines, Iowa, to acquire voting shares of The Security State Bank, Algona, Iowa, and United Home Bank & Trust Company, Massen City, Iowa, and of the related application to acquire the assets of LuVerne Insurance Agency, LuVerne, Iowa, 38 F.R. 29366.

Texas Commerce Bancshares, Inc., Houston, Texas

Order Approving Acquisition of Bank

Texas Commerce Bancshares, Inc., Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(3)), to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to The First National Bank of New Braunfels, New Braunfels, Texas ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the application and all comments received have been considered in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the third largest banking organization in Texas, controls 30 banks with aggregate deposits of approximately $2.9 billion, representing approximately 6.8 per cent of total commercial bank deposits in Texas.[1] Acquisition of Bank ($30.3 million in deposits) would increase Applicant's share of Statewide commercial bank deposits by less than 0.1 of 1 per cent, would not change Applicant's rank in Texas, and would have no appreciable effect upon the concentration of banking resources in the State.

Bank is the 14th largest of 48 banks operating in the San Antonio banking market (the relevant banking market)[2] and controls approximately 1.2 per cent of the total deposits in commercial banks in the market. Applicant is the 8th largest banking organization in the San Antonio banking market, controlling one banking subsidiary with deposits of $78.6 million or approximately 3.0 per cent of market deposits. The three largest banking organizations in the market control 53.1 per cent of total deposits in the market. Approval of the application would increase Applicant's market share from 3.0 per cent to 4.2 per cent, leaving its relative market position well below that of the three largest banks, all of which are subsidiaries of multi-bank holding companies. Accordingly, consummation of the proposal would not appreciably affect the structure of banking within the market.

Similarly, it appears from the record that the proposal would not have significant adverse effects on existing or potential competition. Applicant's closest existing subsidiary bank, also located in the San Antonio banking market, is some 40 miles southwest of Bank. There is virtually no service overlap between Bank and Applicant's existing subsidiary in the market, and none of Applicant's more distant subsidiaries derives any significant amount of business from the market. The market would remain attractive to *de novo* entry after acquisition of Bank, which is located on the periphery of the banking market and, therefore, cannot be considered a likely entry point for an outside-based bank holding company. Also, numerous medium-sized banks would remain in the market as potential entry points for expanding bank holding companies. Accordingly, on the basis of the record, it is concluded that consummation of the proposed transaction would not have any significant adverse effects on existing or potential competition in any relevant area.

The financial condition, managerial resources, and future prospects of Bank, Applicant, and its subsidiaries are regarded as generally satisfactory and consistent with approval of the application. Considerations relating to the convenience and needs of the community to be served are also consistent with approval of the application, for affiliation with Applicant will enable Bank to better meet increased demand for larger commercial loans and interim construction financing stimulated by growth and recreational development and residential construction in the New Braunfels area. It has been determined that the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Secretary of the Board, acting pursuant to delegated authority from the Board of Governors, effective March 2, 1976.

(Signed) GRIFFITH L. GARWOOD,

[SEAL] *Assistant Secretary of the Board.*

[1] All banking data are as of June 30, 1975, and reflect bank holding company formations and acquisitions approved through January 30, 1976.

[2] The relevant banking market is approximated by the San Antonio SMSA located in South Central Texas and includes Bexar, Comal, and Guadalupe Counties.

Ameribanc, Inc., St. Joseph, Missouri

Order Approving Merger of Bank Holding Companies

Ameribanc, Inc., St. Joseph, Missouri ("Ameribanc"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(5) of the Act (12 U.S.C. 1842(a)(5)) to merge with First American Bancshares Inc., St. Joseph, Missouri ("First American"), under the charter and title of Ameribanc, Inc.

By Order dated December 31, 1974, the Board of Governors denied the subject application (40 Federal Register 1568). Thereafter, on August 25, 1975, the Board granted a Request for Reconsideration filed by Applicant, pursuant to § 262.3(g)(5) of the Board's Rules of Procedure (12 CFR 262.3(g)(5)), whereby the Board agreed to reconsider the application.

Notice of the Board's action agreeing to reconsider the application to acquire First American and providing an opportunity for interested persons to submit comments and views has been given (40 Federal Register 40213). The time for filing comments and views with respect to the application has expired. The Board has considered the application, together with all comments received, and the supplemental material submitted by Applicant in connection therewith, in light of the factors set forth in § 3(c) of the Act.

Ameribanc controls seven banks with aggregate deposits of approximately $208.3 million, representing 1.3 per cent of the deposits in commercial banks in Missouri, and is the tenth largest banking organization in the State.[1] First American controls five banks with aggregate deposits of $27.6 million, representing 0.2 per cent of the total commercial bank deposits in the State. Consummation of the proposed merger would increase Ameribanc's share of total deposits in the State to 1.5 per cent and would have no significant adverse effect upon the concentration of banking resources in Missouri.

Ameribanc and First American are each regional bank holding companies serving portions of northwestern Missouri. In its earlier Order denying the application of Ameribanc to merge with First American, the Board indicated that three of First American's five subsidiary banks (i.e., Bank of Edgerton, The First National Bank of Plattsburg, and First American Bank of Skidmore) were located in markets in which Ameribanc had no banking subsidiaries and, with respect to those subsidiaries, the Board concluded that the proposed merger would have no adverse effects on existing or potential competition. However, with respect to First American's other two subsidiary banks (The First National Bank of Stewartville and First American Bank of Union Star), the Board concluded generally that consummation of the proposal would have adverse effects on competition in the St. Joseph market.[2] Upon reconsideration of the entire record on the application, including the additional submissions by Applicant, the Board is of the view that the facts of record support approval of the subject application.

The Board continues to believe that consummation of the subject proposal insofar as it relates to First American's banking subsidiaries competing outside the St. Joseph banking market would have no adverse effects on competition. In regard to the St. Joseph market, the competitive effects are not as serious as they originally appeared. As noted above, First American has two subsidiaries in the St. Joseph market. Applicant, in an effort to rebut the Board's earlier conclusion, has argued that these two banks are outside the St. Joseph market. The Board does not agree; however, it appears that the amount of competition that exists between these banks and the subsidiaries of Ameribanc in the St. Joseph market is not significant. Both of Ameribanc's subsidiaries are located in the city of St. Joseph, while First American's subsidiaries are located on the periphery of the market some 19 and 18 miles, respectively, from Ameribanc's nearest subsidiary in St. Joseph. In view of the distances involved and the fact that Stewartsville Bank and Union Star Bank are relatively small banks primarily serving small, rural communities, it does not appear likely that significant competition would develop in the future between these banks and Applicant's subsidiaries in the St. Joseph market.

While consummation of the proposal would increase concentration of banking resources in the St. Joseph market and foreclose the possibility that First American would develop as a more effective competitor in the St. Joseph market, it does not appear, in the Board's view, that the proposal would seriously affect the competitive structure in that market. Ameribanc would continue to face competitive pressure from four multibank holding companies, including subsidiaries of the State's largest, third largest, and sixth largest banking organizations. Moreover, even after consummation of the proposal, four other independent banks would remain available for acquisition by organizations not presently represented in the St. Joseph

[1] All banking data, unless otherwise indicated, are as of June 30, 1975, and reflect bank holding company formations and acquisitions approved as of February 6, 1976.

[2] The St. Joseph banking market is approximated by Buchanan County (less Rush and Bloomington townships), Andrew County, and western DeKalb County, all in Missouri, and northern Doniphan County in Kansas.

market. On the other hand, it appears that consummation of the proposal may have some beneficial effects on competition in that it would enhance the development of Applicant as a regional holding company serving the northwestern portion of Missouri. Thus, Applicant would be better able to compete with the larger holding companies that are now in the area or will enter it in the future. The Board regards such a development as favorable as it relates to fostering competition in this portion of Missouri.

On the basis of the foregoing and other facts of record, the Board concludes that consummation of the subject proposal would not have significantly adverse effects on existing competition nor would it foreclose the development of significant potential competition. Although the Board believes that the proposal may have some slight adverse effects on competition in the St. Joseph market, those effects when viewed in light of the other considerations reflected in the record are not so serious, in the Board's view, as to require denial of the subject proposal.

In regard to the other factors considered by the Board, it appears that the financial and managerial resources of Ameribanc and its subsidiaries are satisfactory and consistent with approval of the application. While the same conclusions generally apply with respect to those factors as they pertain to First American, the proposal would result in some positive benefits. Applicant has committed itself to supplying a total of $270,000 in additional capital to the subsidiaries of First American. Moreover, there is a need to provide for management succession and greater management depth at some of First American's subsidiaries, and Ameribanc appears to possess the resources to fulfill such needs. The Board regards such banking factor considerations as lending some weight toward approval of the application.

Considerations relating to convenience and needs also lend weight toward approval of the application. First American has limited capabilities in terms of the banking services that it is able to offer the residents of the areas in which its subsidiaries are located. However, as subsidiaries of Ameribanc, these banks will be able to expand and improve their services by drawing on the expertise and resources that Ameribanc possesses. In this regard, Ameribanc proposes to make various trust services available and to broaden agricultural lending and management services at these banks. In addition, Ameribanc plans to establish other banking services at First American's subsidiaries, including overdraft checking accounts, check guarantee cards, and individual retirement accounts, which should serve to benefit the residents of the areas served by these banks. In the Board's view, these considerations relating to convenience and needs lend weight toward approval of the proposal and are sufficient to outweigh any slight adverse competitive effects that may result from the consummation thereof. Accordingly, it is the Board's judgment that the proposal is in the public interest and that the application should be approved.

On the basis of the record in the case,[3] the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order, or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, effective March 1, 1976.

Voting for this action: Chairman Burns and Governors Mitchell, Holland, Wallich, Coldwell, Jackson, and Partee.

Board action was taken before Governor Gardner became a Board Member.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

[3] In its consideration of the subject application, the Board also considered the comments of Mr. John F. Schoenfelder, a shareholder of Ameribanc. Having examined his submissions, the Board is of the view that they do not warrant denial of the application.

Broward Bancshares, Inc., Fort Lauderdale, Florida

Order Approving Merger of Bank Holding Companies

Broward Bancshares, Inc., Fort Lauderdale, Florida ("Broward"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)) to merge with Charter Bankshares Corporation, Jacksonville, Florida ("Charter"), a bank holding company within the meaning of the Act. Broward would be the surviving corporation.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)).

Broward controls seven banks with aggregate deposits of $303 million, representing approximately 1.3 per cent of the total deposits held by commercial banks in Florida, and is the sixteenth largest multi-bank holding company in that State.[1] Charter controls nine banks with aggregate deposits of $357.5 million, representing approximately 1.5 per cent of the total deposits held by commercial banks in the State, and is Florida's fifteenth largest multi-bank holding company. Consummation of the proposed merger would result in Broward's control of approximately 2.8 per cent of total deposits held by the State's commercial banks, and Broward would become the State's tenth largest multi-bank holding company.

Broward operates its present subsidiary banks and a computer service company in two banking markets in southeastern Florida.[2] In the North Broward banking market, Broward is the second largest of 23 banking organizations including five of the six largest banking organizations in Florida. Broward also is the thirteenth largest of 19 banking organizations in the West Palm Beach banking market. On the other hand, Charter operates its present subsidiary banks in six banking markets in northern and central Florida.[3] Charter is the largest of 11 banking organizations in the Pensacola banking market and the largest of 16 banking organizations in the South Pinellas banking market. The Pensacola and South Pinellas banking markets include, respectively, two and five of the State's six largest organizations. Also, Charter is the second largest of three banking organizations in the Putnam County banking market, which includes two of the six largest organizations in the State. In addition, Charter ranks as the fourth largest of 11 banking organizations in the Gainesville banking market; the fifth largest of six banking organizations in the South Brevard banking market; and the sixth largest of 13 banking organizations in the Fort Myers banking market. Neither Broward nor Charter has any subsidiary bank that competes within the same market, nor does Charter have a subsidiary that competes with Broward's computer service firm. Therefore, it appears that no meaningful competition currently exists between any of the subsidiaries of Broward and those of Charter. Furthermore, it does not appear that any such competition will develop in view of Florida's restrictive branch banking laws and the 100 mile distance between the closest bank subsidiaries of Broward and Charter.

Although consummation of the proposed merger would foreclose the possibility that either Broward or Charter would enter the banking markets of the other, the Board believes that there is little likelihood of significant competition developing between the two banking organizations in the absence of the subject proposal. Since their respective formations as bank holding companies in 1970, neither Broward nor Charter has pursued an aggressive expansion policy and both have remained small relative to the larger banking organizations in Florida.[4] It does not appear from the facts of record that Broward is a likely entrant into the banking markets that are served by Charter, nor does it appear that Charter is a likely future competitor of Broward. Therefore, on the basis of the facts of record, the Board concludes that consummation of the proposed transaction would not have any significant adverse effects on

[1] All banking data are as of June 30, 1975, unless otherwise indicated, and include bank holding company formations and acquisitions as of February 29, 1976.

[2] These two markets are the North Broward banking market, which is approximated by the northern two-thirds of Broward County, and the West Palm Beach banking market, which is approximated by the northern three-quarters of Palm Beach County.

[3] The relevant banking markets within which Charter's subsidiary banks operate are the following: Fort Myers, which is comprised of Lee County on the southern Gulf Coast; Gainesville, which is comprised of Alachua County in north-central Florida; Pensacola, which encompasses Escambia and Santa Rosa Counties at the western end of the Panhandle; Putnam County, which includes Putnam County in east-central Florida and the nearby town of Hastings in St. Johns County; South Brevard which is approximated by the southern one-third of Brevard County on the central Atlantic coast; and South Pinellas which is comprised of Pinellas County south of the town of Largo.

[4] Since its formation, Broward has opened three *de novo* banks and has acquired one existing bank. Charter has acquired only one bank since its formation and, in the past two years, has been involved in one agreement to sell seven of its subsidiary banks to another organization, and in one agreement to merge with two other organizations.

either existing or potential competition in any relevant area and that the competitive considerations are consistent with approval of the application.

The financial conditions and managerial resources and future prospects of Broward, Charter, and their respective subsidiaries are considered, in general, to be satisfactory. Furthermore, Broward has committed itself to purchase additional equity in three of Charter's subsidiary banks within six months after consummation of this proposal.[5] Thus, the banking factors lend weight toward approval of the application. Although the banking needs of the communities to be served by Broward and Charter appear to be met adequately at the present time, consummation of the proposal would enable the principals to combine their trust departments, thereby improving the provision of trust services to their customers. In addition, the combined size of the merged holding companies may result in their gaining better access to capital markets. Accordingly, considerations relating to the convenience and needs of the communities to be served lend some weight toward approval of the application. Therefore, it is the Board's judgment that the proposed transaction is in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective March 8, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Holland, Jackson, and Partee. Absent and not voting: Governors Wallich and Coldwell.

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

[5] Broward will inject additional capital in the amount of $500,000 into Charter Bank of Lehigh Acres, and $250,000 each into Charter Bank of Gainesville, and Charter Bank of Palatka.

Orders Under Section 4 of Bank Holding Company Act

Chemical New York Corporation, New York, New York

Order Approving Acquisition of Company

Chemical New York Corporation, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to acquire all of the voting shares of Van Deventer & Hoch, Glendale, California ("Company"), a company that engages in the activities of serving as an investment advisor, providing portfolio investment advisory and management services, furnishing general economic information and advice, general economic statistical forecasting services and industry studies, and acting in an agency capacity with respect to both discretionary and non-discretionary managing agency accounts. Such activities have been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(4) and (5)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (40 Federal Register 48898). The time for filing comments and views has expired, and the Board has considered all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. 1843(c)).

Applicant, the fourth largest bank holding company in New York State, controls seven subsidiary banks with aggregate domestic deposits of $13.7 billion, representing approximately 10 per cent of the total deposits in commercial banks in the State.[1] Applicant also controls nonbanking subsidiaries that engage principally in consumer financing, mortgage banking, leasing, and construction lending.

Company, with total assets of $54,000 as of September 30, 1975, operates from its sole office in Glendale, California. Company engages in providing investment advisory and investment man-

[1] All banking data are as of June 30, 1975, and reflect bank holding company formations and acquisitions approved by the Board through January 31, 1976.

agement services and is registered as an investment adviser under the Investment Advisers Act of 1940. Its principal activity is the management of investment portfolios for individuals, charitable organizations, profit-sharing plans, and pension plans on a continuing basis. Depending on the preference of the customer, Company manages the portfolio on a discretionary, advisory, or non-discretionary basis. In addition, Company offers investment counseling services on a one-time basis. In conjunction with its portfolio investment advisory and management services, Company also furnishes general economic information and advice, provides general economic forecasts, and conducts industry studies.

As of July 1975, Company administered 233 accounts with assets worth approximately $40.6 million, consisting principally of 186 personal accounts valued at $22.5 million, with the remaining accounts being administered for profit-sharing trusts, pension plans, foundations and charitable organizations. Company primarily serves Los Angeles and Orange Counties, from which it obtained about 84 per cent of its revenues for the fiscal year ending September 30, 1974; the remainder of its revenues are derived from the neighboring counties of Santa Barbara, Ventura, San Bernardino, Riverside and San Diego. Company competes with many small firms in Los Angeles and Orange Counties, as well as with commercial banks, trust companies, and insurance companies, but holds significantly less than 1 per cent of the aggregate assets managed by all companies engaged in investment advisory activities in the area.

All of Applicant's subsidiary banks engage in investment advisory activities through their respective trust departments; however, only Chemical Bank, New York, New York, Applicant's lead bank, obtains any investment advisory or management business from Company's service area. Although the volume of business that Chemical Bank derives from Los Angeles and Orange Counties exceeds that of Company, the proposed acquisition would not eliminate any significant competition. Chemical Bank does not solicit personal investment advisory and management accounts from Company's service area, but has a small amount of such business derived from individuals who formerly resided in the New York area. Moreover, the asset size of the large employee benefits accounts that Chemical Bank derives from Company's service area appears to be beyond Company's present capabilities. In addition, Company does not obtain any business from the areas served by Applicant's banking subsidiaries. In view of Company's small size, the fact that it does not operate in New York and the fact that Chemical Bank does not solicit personal trust business in Company's service area, there does not appear to be any significant existing competition between Company and Applicant or any of its subsidiaries.

Although there is the possibility of future competition developing between Applicant and Company and although Applicant possesses the resources and the capability to expand *de novo* into the attractive Southern California market, the elimination of future competition is not considered to be significant in light of the large number of existing competitors in the market and Company's small market share. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

It is anticipated that Company's affiliation with Applicant should enable Company to improve the quality and depth of its investment advisory services and thereby enable it to compete more effectively with the larger organizations in the market. Furthermore, there is no evidence in the record indicating that acquisition of Company would result in any undue concentration of resources, unfair competition, conflicts of interests, or unsound banking practices.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8) of the Act, that consummation of this proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The transaction shall be made no later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York.

By order of the Board of Governors, effective March 9, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Holland, Coldwell, Jackson, and Partee. Absent and not voting: Governor Wallich.

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

Citicorp, New York, New York

Order Approving Acquisition of West Coast Credit Corporation

Citicorp, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to acquire indirectly through its subsidiary Nationwide Financial Services Corporation ("Nationwide"), all of the voting shares of West Coast Credit Corporation ("West Coast"), Seattle, Washington. West Coast is a company that engages in the activities of making consumer installment loans; purchasing consumer installment sales finance contracts; and acting as agent in the sale of credit life, credit accident and health, and property and casualty insurance which is directly related to extensions of credit by the offices of West Coast. These activities are conducted through offices of West Coast which operate as industrial banks or as consumer finance companies. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1), (2), and (9)).

By Order dated November 10, 1975, the Board of Governors denied the application of Citicorp to acquire West Coast (40 Federal Register 53315).[1] Thereafter, Applicant filed a Request for Reconsideration pursuant to § 262.3(g)(5) of the Board's Rules of Procedure (12 CFR § 262.3(g)(5)). The Request for Reconsideration was filed only with respect to the application to acquire West Coast, and by Order dated January 9, 1976 (41 Federal Register 2687), the Board agreed to reconsider the application.

Applicant, the largest banking organization in New York State and the second largest banking organization in the United States, controls seven subsidiary banks operating 279 banking offices throughout New York State.[2] Applicant's lead bank, Citibank, formerly First National City Bank, New York, New York, is the largest bank in New York State with domestic deposits of $21.3 billion,[3] representing 15.4 per cent of the total commercial bank deposits in the State, and offers a full range of retail, wholesale, domestic, and international banking and trust services. Applicant engages in a variety of permissible nonbank activities through 85 direct and indirect domestic nonbank subsidiaries.[4] Applicant's nonbank activities include mortgage banking activities and leasing activities, and through Nationwide, Applicant engages in consumer and sales finance activities and in the sale of insurance which is directly related to extensions of credit.

In order for the subject application to be approved, § 4(c)(8) of the Bank Holding Company Act requires the Board to find that the performance of a particular activity by an affiliate of a bank holding company "can reasonably be expected to produce benefits to the public such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." This balancing test necessitates a positive showing of public benefits, outweighing the "possible" adverse effects of any proposed acquisition, before an application may be approved.

Applicant acquired Nationwide in 1973, at which time Nationwide had assets of $31 million and operated 85 small loan offices in 14 States. Since that time, Applicant has engaged in an aggressive program of expansion, and since 1973, Nationwide has opened 87 new offices and has entered seven additional States. Nationwide has assets of $304.1 million, total net receivables of $284 million,[5] and operates 172 offices in 21 States.

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[1] In the same Order, the Board denied concurrent applications of Citicorp to acquire Amfac Credit Corporation, Los Angeles, California, and Federal Discount Corporation, Dubuque, Iowa. These applications are not involved in the instant proposal.

[2] Number of banking offices as of December 31, 1974.

[3] Deposit data are as of December 31, 1974.

[4] Applicant engages in mortgage banking activities through Advance Mortgage Company ("Advance"), Southfield, Michigan, a nonbank subsidiary which Applicant acquired on June 15, 1970. Under the provisions of § 4(a)(2) of the Act, Applicant may not retain the shares of Advance beyond December 31, 1980, without Board approval. By Order dated December 26, 1973, the Board denied Applicant's application to retain Advance pursuant to § 4(c)(8) of the Act. (60 Federal Reserve BULLETIN 50.)

[5] Asset and net receivables data as of December 31, 1975.

West Coast (total assets of $8.5 million, as of September 30, 1975) operates 20 offices in the State of Washington which make secured and unsecured direct consumer loans and purchase sales finance paper. Nationwide operates four offices in the State of Washington which engage in the activity of making personal consumer loans.

In its earlier Order denying the application of Citicorp to acquire West Coast, the Board indicated its concern that the combination of these two firms would eliminate existing competition in some of the consumer finance markets in the State of Washington and that such a combination would deprive the public of an alternative source of consumer credit. The Board also indicated its further concern that consummation of the proposed acquisition would foreclose the likelihood that increased competition would develop in the future between Nationwide and West Coast in those markets where they presently compete and also would foreclose the likelihood that Applicant would expand Nationwide on a *de novo* basis into other areas served by West Coast. Thus, the Board concluded that consummation of the proposal would have eliminated competition and that this represented an adverse factor which was not outweighed in the public interest by the expected public benefits of the proposal. In arriving at that conclusion the Board considered West Coast as being among the largest remaining independent[6] finance companies in the State of Washington and as representing an attractive vehicle by which bank holding companies that have not yet entered the finance company field might do so.

Upon reconsideration of the entire record of the application, including supplemental submissions by Citicorp, the Board is of the view that the facts of record support approval of the subject application.

West Coast is experiencing severe difficulty in obtaining operating funds at competitive interest rates. This situation has necessitated West Coast's contraction of its business to less diversified financial services and a consequent reduction in its customer base. West Coast's scope of operations has been so contracted that it now consists almost entirely of small personal loans. Unless persisting operating difficulties are overcome, and unless West Coast can supplement existing lines of bank credit with additional sources of long-term financing to replace declining long-term subordinated debt, it appears that it will be unable to sustain a meaningful competitive posture in the State of Washington. In view of the continuing deterioration of West Coast's financial condition, it appears that West Coast has at best a tenuous ability to survive, and its ability to offer effective competition, as an independent company, has diminished significantly. Furthermore, West Coast is plagued with added problems which involve sustained unprofitability, and the recent loss of key operating personnel. Under these circumstances, it appears conjectural whether Applicant's acquisition of West Coast would eliminate an amount of competition that may be regarded as significant. Finally, West Coast's uncertain future combined with its lack of geographic diversification and management depth, tend to lessen its attractiveness as a "going concern" acquisition vehicle for bank holding companies that have not yet entered the consumer finance field.

In denying the previous application, the Board cited other factors which weighed against approval of the application, including the Board's concern that the proposal would divert funds to expansion when those funds might be better utilized for improvement of Applicant's financial position. Applicant has changed the proposed transaction from a cash purchase of three finance companies to an exchange of stock for the acquisition of one finance company. Accordingly, this factor does not carry the adverse weight previously ascribed to it.

The Board believes that a substantial public benefit which may be expected to result from this proposal would be the continued viability of a company that has a long history of service to the area. In addition, it is anticipated that through its affiliation with Applicant, West Coast will be able to expand the services which it offers to the public. While the Board remains concerned about some of the aspects of this proposal to which adverse weight was accorded in the previous Order, the Board concludes that, on balance, this proposal can be expected to result in benefits to the public that outweigh possible adverse effects.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under § 4(c)(8) is favorable. Accordingly, the application

[6] As used herein, the term "independent" finance company refers to unaffiliated, noncaptive finance companies which are not so large or so heavily diversified into nonfinancial activities as to be regarded as unsuitable acquisition candidates for a bank holding company.

is hereby approved. This determination is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The transaction shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York.

By order of the Board of Governors, effective March 22, 1976.

Voting for this action: Vice Chairman Gardner and Governors Holland, Wallich, Coldwell, Jackson, and Partee. Absent and not voting: Chairman Burns.

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT—

By the Board of Governors

During March 1976, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	*Bank(s)*	*Board action (effective date)*	*Federal Register citation*
Banks of Iowa, Inc., Cedar Rapids, Iowa	First National Bank in Sioux City, Sioux City, Iowa	3/22/76	41 F.R. 13673 3/31/76
Ellis Banking Corporation, Bradenton, Florida	North Port Bank, North Port, Florida	3/3/76	41 F.R. 10268 3/10/76
Roxton Bancshares, Inc., Roxton, Texas	The First Bank of Roxton, Roxton, Texas	3/5/76	41 F.R. 10179 3/11/76

Section 4

Applicant	*Nonbanking company (or activity)*	*Board action (effective date)*	*Federal Register citation*
National Detroit Corporation, Detroit, Michigan	NDC Insurance Company, Detroit, Michigan	3/24/76	41 F.R. 13675 3/31/76
Labanco, Inc., Burwell, Nebraska	Burwell Insurance Agency, Inc., Burwell, Nebraska	3/3/76	41 F.R. 10178 3/11/76

Sections 3 and 4

Applicant	*Bank(s)*	*Nonbanking company (or activity)*	*Board action (effective date)*	*Federal Register citation*
Cameron Bancshares, Inc., Cameron, Missouri	Cameron State Bank, Cameron, Missouri	General insurance agency activities	3/1/76	41 F.R. 9934 3/8/76
First Tribune Insurance Agency, Inc., Tribune, Kansas	The First National Bank of Tribune, Tribune, Kansas	General insurance agency activities	3/24/76	41 F.R. 13674 3/31/76

By Federal Reserve Banks

During March 1976, applications were approved by the Federal Reserve Banks as listed below. The orders have been published in the Federal Register, and copies are available upon request to the Reserve Bank.

Section 3

Applicant	*Bank(s)*	*Reserve Bank*	*Effective date*	*Federal Register citation*
Citizens Bancorporation, Sheboygan, Wisconsin	American National Bank of Green Bay, Green Bay, Wisconsin	Chicago	2/27/76	41 F.R. 10268 3/10/76
First National Charter Corporation, Kansas City, Missouri	The Bank of Ladue, Ladue, Missouri	Kansas City	3/8/76	41 F.R. 11364 3/18/76
United Missouri Bancshares, Inc., Kansas City, Missouri	Gillioz Bank and Trust Company, Monett, Missouri	Kansas City	3/26/76	41 F.R. 14598 4/6/76

Section 4

Applicant	*Nonbanking company (or activity)*	*Reserve Bank*	*Board action (effective date)*	*Federal Register citation*
Ribanco, Inc., North Loup, Nebraska	Rising City Insurance Agency, Inc., Rising City, Nebraska	Kansas City	3/11/76	41 F.R. 12044 3/23/76

Pending Cases Involving the Board of Governors*

Grandview Bank & Trust Company v. *Board of Governors*, filed March 1976, U.S.C.A. for the Eighth Circuit.

Federated Capital Corporation v. *Board of Governors*, filed March 1976, U.S.C.A. for the District of Columbia.

Association of Bank Travel Bureaus, Inc. v. *Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.

Memphis Trust Company v. *Board of Governors*, filed February 1976, U.S.D.C. for the Western District of Tennessee.

First Lincolnwood Corporation v. *Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.

Helen C. Hatten, et al. v. *Board of Governors*, filed January 1976, U.S.D.C. for the District of Connecticut.

International Bank v. *Board of Governors*, filed December, 1975, U.S.C.A. for the Sixth Circuit.

Community Bancorporation v. *Board of Governors*, filed December 1975, U.S.C.A. for the 6th Circuit.

Roberts Farms, Inc. v. *Comptroller of the Currency, et al.*, filed November 1975, U.S.D.C. for the Southern District of California.

National Computer Analysts, Inc. v. *Decimus Corporation, et al.*, filed November 1975, U.S.D.C. for the District of New Jersey.

Peter E. Blum v. *First National Holding Corporation*, filed November 1975, U.S.D.C. for the Northern District of Georgia.

Harlan National Co. v. *Board of Governors*, filed November 1975, U.S.C.A. for the Eighth Circuit.

Peter E. Blum v. *Morgan Guaranty Trust Co., et al.*, filed October 1975, U.S.D.C. for the Northern District of Georgia.

†*A.R. Martin-Trigona* v. *Board of Governors, et al.*, filed September 1975, U.S.D.C. for the Northern District of Illinois.

†*A.R. Martin-Trigona* v. *Board of Governors, et al.*, filed September 1975, U.S.D.C. for the Northern District of Illinois, (motion for reconsideration).

Logan v. *Secretary of State, et al.*, filed September 1975, U.S.D.C. for the District of Columbia.

Reserve Enterprises v. *Arthur F. Burns, et al.*, filed September 1975, U.S.D.C. for the District of Columbia.

Florida Association of Insurance Agents, Inc. v. *Board of Governors*, and *National Association of Insurance Agents, Inc.* v. *Board of Governors*, filed August 1975, actions consolidated in U.S.C.A. for the Fifth Circuit.

Henry M. Smith v. *National Bank of Boulder, et al.*, filed June 1975, U.S.D.C. for the Northern District of Texas.

Bank of Boulder v. *Board of Governors, et al.*, filed June 1975, U.S.C.A. for the Tenth Circuit.

†‡*David R. Merrill, et al.* v. *Federal Open Market Committee of the Federal Reserve System*, filed May 1975, U.S.D.C. for the District of Columbia, appeal pending, U.S.C.A. for the District of Columbia.

Curvin J. Trone v. *United States*, filed April 1975, U.S. Court of Claims.

Richard S. Kaye v. *Arthur F. Burns, et al.*, filed April 1975, U.S.D.C. for the Southern District of New York.

Louis J. Roussel v. *Board of Governors*, filed April 1975, U.S.D.C. for the Eastern District of Louisiana.

Georgia Association of Insurance Agents, et al. v. *Board of Governors*, filed October 1974, U.S.C.A. for the Fifth Circuit.

Alabama Association of Insurance Agents, et al. v. *Board of Governors*, filed July 1974, U.S.C.A. for the Fifth Circuit.

*This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named as a party.

†Decisions have been handed down in these cases, subject to appeals noted.

†Decisions have been handed down in these cases, subject to appeals noted.

‡The Board of Governors is not named as a party in this action.

PENDING CASES INVOLVING THE BOARD OF GOVERNORS*—Continued

†*Investment Company Institute* v. *Board of Governors*, dismissed July 1975, U.S.D.C. for the District of Columbia, appeal pending, U.S.C.A. for the District of Columbia Circuit.

†*George Brice, Jr., et al.* v. *Board of Governors*, filed April 1974, U.S.C.A. for the Ninth Circuit.

East Lansing State Bank v. *Board of Governors*, filed December 1973, U.S.C.A. for the Sixth Circuit.

†*Consumers Union of the United States, Inc., et al.* v. *Board of Governors*, filed September 1973, U.S.D.C. for the District of Columbia.

Bankers Trust New York Corporation v. *Board of Governors*, filed May 1973, U.S.C.A. for the Second Circuit.

Announcements

RESIGNATION OF MR. HOLLAND AS MEMBER OF THE BOARD OF GOVERNORS

Robert C. Holland, a Member of the Board of Governors of the Federal Reserve System, has announced his resignation from the Board, effective May 15, 1976.

Governor Holland's letter of resignation to President Ford and the President's letter of acceptance follow:

March 17, 1976

Dear Mr. President:

I wish to tender herewith my resignation as a Member of the Board of Governors of the Federal Reserve System, effective May 15, 1976, or such earlier date as may suit your convenience. I take this action with deep regret, but the fact is that I simply cannot afford to serve in this capacity any longer.

I depart from office a firm supporter of the current thrust of Federal Reserve policies. I leave behind a Board membership, the majority of which will have been named under your Administration, which I regard as exemplary in its collective wisdom, diversity of experience, and uniformity of dedication to the public interest. I have every confidence that the central bank will remain a faithful steward of the Nation's trust.

For nearly twenty-seven years I have been part of the Federal Reserve System, and it has been part of me. I am deeply grateful to those who have made it possible for me to have that experience and to contribute what I could to the performance of our monetary system.

Yours respectfully,

Robert C. Holland

THE WHITE HOUSE
WASHINGTON

April 15, 1976

Dear Mr. Holland:

I have your letter of March 17, and it is with deep regret that I accept your resignation as a Member of the Board of Governors of the Federal Reserve System, effective May 15, 1976, as you requested.

In doing so, I welcome this opportunity to express my personal appreciation for your many years of devoted service to our Nation. As a member of the Federal Reserve Staff for nearly twenty-four years and since 1973 as a Member of the Board of Governors, you have established an outstanding record of leadership, integrity and achievement.

You were the first staff member to become a Member of the Board—an accomplishment in which you can take great personal pride. But beyond that, you brought to the Board exceptional insight and a broad range of experience which have greatly strengthened the Board's internal administration and helped streamline its decision-making procedures. Throughout this period, your efforts have been distinguished not only by exceptional ability but also a genuine concern and determination that all Americans should share in a better, more secure life.

Now, as you prepare to leave government, I extend to you my gratitude as well as my very best wishes that the future may be filled with every continued success and happiness.

Sincerely,

Gerald R. Ford

CHANGE IN BOARD STAFF

The Board of Governors has announced the retirement of Robert Solomon, Adviser to the Board and its senior staff member in the international field, effective May 3, 1976.

REGULATION Y: Amendment

The Board of Governors on April 8, 1976, amended its Regulation Y to require prior notification by bank holding companies planning to purchase their own stock.

The purpose of the amendment is to assist the Board in supervising bank holding companies by providing advance notice of redemptions of bank holding company stock that could have a significant impact on the company's capital structure.

In particular, the amendment is intended to deter the practice known as "bootstrapping," whereby a holding company incurs substantial debt in order to purchase or redeem its own outstanding stock, generally to help a shareholder or shareholder group gain control of the company.

Effective May 15, the regulatory amendment will require 45 days' advance notice to the Board by a bank holding company planning to redeem its own stock. A proposal to require prior notification was issued for comment by the Board on December 11, 1975, and the final amendment includes the following two principal changes from the earlier proposal:

—The period for prior notification was shortened from 60 to 45 days.

—The threshold requirement for notification, in the amendment as adopted, makes prior notification necessary when the gross consideration in the transaction equals 10 per cent or more of the company's net worth, or when the current transaction combined with the net consideration for similar transactions during the past 12 months (previously 5 years) aggregates 10 per cent (previously 25 per cent) of the company's net worth.

Although the Board is aware that there are legitimate reasons for a bank holding company to buy its own stock, it is requiring prior notification of transactions that may result in the following conditions:

—The "bootstrapped" bank holding company is left with heavy debts and with much reduced, perhaps very little, or no equity.

—Repayment and servicing of the debt depend mainly upon dividends the holding company receives from its subsidiary bank or banks, resulting in substantial pressure on them to pay excessive dividends to the parent company, possibly creating an unsafe or unsound bank condition.

—The need of the holding company to meet heavy debt service obligations may encourage undue risk-taking aimed at increasing the earnings of its subsidiary bank or banks.

The Board also wished to forestall bootstrapping because of the difficulties that may be encountered in unwinding such a transaction once it has taken place.

Where the required prenotification indicates that consummation of a proposed purchase of its own stock by a bank holding company would violate applicable law, or would create an unsafe or unsound condition in a holding company, the Board could, if necessary, use its cease-and-desist powers to prevent the transaction.

The amendment specified the information to be included with notifications.

The Reserve Bank to which the transaction is reported may allow it to take place in less than 45 days if it determines that the transaction would not be an unsafe or unsound practice and would not violate applicable law or regulations.

REGULATION B: Interpretation

The Board of Governors on March 23, 1976, published an interpretation of its Regulation B (Equal Credit Opportunity).

The interpretation permits creditors to modify a prescribed general notice of rights under the Act with a reference to a similar State law and the name and address of the relevant State enforcement agency. The interpretation includes an example of the form the modified notice might take.

Ohio and Utah currently have laws prohibiting discrimination in credit transactions similar to the Federal statute, and other States intend to adopt such equal credit opportunity laws.

SYSTEM MEMBERSHIP: Admission of State Banks

The following banks were admitted to membership in the Federal Reserve System during the period March 16, 1976, through April 15, 1976:

Florida

Pensacola....... First State Bank of Pensacola

Texas

Olton ....Olton State Bank

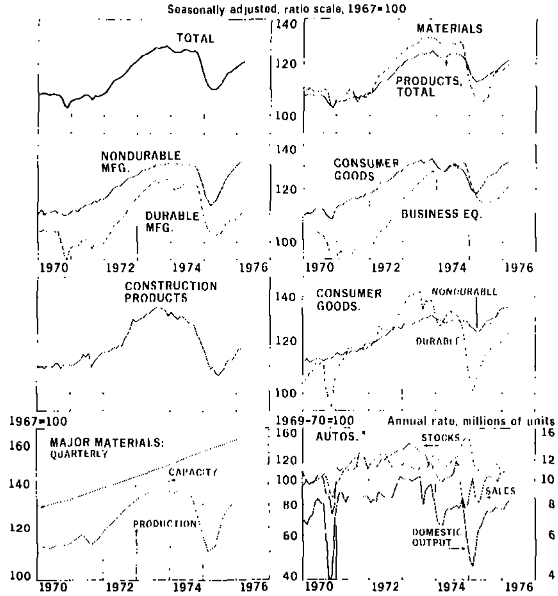
Industrial Production

Released for publication April 15

Industrial production is estimated to have increased 0.6 per cent in March following rises of 0.7 and 0.8 per cent in February and January, respectively. Gains continue to be widespread among most components of the index. The index is now 10 per cent above the April 1975 low but remains close to 4 per cent under its September 1974 level.

Autos again provided the major impetus to raising consumer goods output. Assemblies increased almost 3 per cent to an 8.3 million unit annual rate; schedules indicate a similar rise in April. Output of home goods advanced moderately, while nondurable consumer goods showed a small increase from the downward revised February level. Business equipment production, which was revised upward for the preceding 3 months, increased 0.7 per cent further in March.

Production of durable materials increased again sharply in March, reflecting gains in metals and consumer durable parts. Materials such as textiles, paper, and chemicals continued to expand at the slower pace of the last several months following dramatic increases in the second and third quarters of 1975.



F.R. indexes, seasonally adjusted. Latest figures: March. *Auto sales and stocks include imports.

NOTE.—Revised and corrected figures for industrial production for the 4-month period from November 1975 to February 1976 became available after publication of the March BULLETIN. The index was recalculated for this period after discovery of internal inconsistencies caused by the introduction of a new computer program. In this BULLETIN, corrected November indexes are noted with a "c" on tables A-48, A-49, and A-50. As customary, indexes for December, January, and February reflect the inclusion of additional data introduced when the March estimates were calculated.

Industrial production	Seasonally adjusted, 1967 = 100				Per cent changes from –		
	1975	1976					
	Dec.	Jan.	Feb.[p]	Mar.[e]	Month ago	Year ago	Q4 to Q1
Total	**118.4**	**119.4**	**120.2**	**120.9**	**.6**	**9.8**	**2.2**
Products, total	119.3	120.2	121.1	121.5	.3	8.1	2.4
Final products	119.0	119.7	120.5	121.0	.4	7.8	2.0
Consumer goods	130.2	130.9	131.6	132.2	.5	11.8	2.3
Durable goods	119.5	120.8	122.4	123.8	1.1	20.1	2.9
Nondurable goods	134.4	134.8	135.0	135.4	.3	9.0	2.0
Business equipment	118.2	119.1	120.6	121.4	.7	3.8	3.1
Intermediate products	120.3	122.2	122.9	123.3	.3	9.4	3.5
Construction products	114.2	116.7	117.0	117.2	.2	7.4	3.4
Materials	116.8	118.1	118.8	120.2	1.2	13.5	2.0

[p]Preliminary. [e]Estimated.

Financial and Business Statistics

CONTENTS

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS

(In millions of dollars)

Period or date	Factors supplying reserve funds									
	Reserve Bank credit outstanding							Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding
	U.S. Govt. securities [1]			Loans	Float [3]	Other F.R. assets [4]	Total [5]			
	Total	Bought outright [2]	Held under repurchase agreement							
Averages of daily figures										
1939—Dec.	2,510	2,510		8	83		2,612	17,518		2,956
1941—Dec.	2,219	2,219		5	170		2,404	22,759		3,239
1945—Dec.	23,708	23,708		381	652		24,744	20,047		4,322
1950—Dec.	20,345	20,336	9	142	1,117		21,606	22,879		4,629
1960—Dec.	27,248	27,170	78	94	1,665		29,060	17,954		5,396
1969—Dec.	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367		6,841
1970—Dec.	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Dec.	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Dec.	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Dec.	86,679	85,202	1,477	703	2,734	3,129	93,967	11,630	400	9,179
1975—Mar.	84,847	84,398	449	106	1,994	3,142	90,819	11,620	400	9,362
Apr.	87,080	86,117	963	110	2,061	3,237	93,214	11,620	400	9,410
May	91,918	89,355	2,563	60	1,877	3,039	97,845	11,620	429	9,464
June	88,912	87,618	1,294	271	2,046	3,098	95,119	11,620	500	9,536
July	88,166	87,882	284	261	1,911	3,100	94,144	11,620	500	9,616
Aug.	86,829	86,348	481	211	1,691	2,953	92,395	11,604	500	9,721
Sept.	89,191	87,531	1,660	396	1,823	3,060	95,277	11,599	500	r9,797
Oct.	90,476	89,547	929	191	1,945	3,521	96,931	11,599	500	9,877
Nov.	90,934	89,560	1,374	61	2,480	3,481	97,817	11,599	500	10,010
Dec.	92,108	91,225	883	127	3,029	3,534	99,651	11,599	500	10,094
1976—Jan.	92,998	91,524	1,474	79	2,684	3,505	100,172	11,599	500	10,177
Feb.	94,610	92,812	1,798	76	2,375	3,384	101,369	11,599	500	10,267
Mar.p	94,880	93,503	1,377	58	2,235	3,412	101,367	11,599	500	10,436
Week ending—										
1976—Jan. 7	94,151	92,462	1,689	67	3,450	3,501	102,215	11,599	500	10,119
14	90,940	90,940		45	2,846	3,414	97,987	11,599	500	10,139
21	91,705	91,070	635	153	2,380	3,373	98,361	11,599	500	10,157
28	94,040	91,480	2,560	58	2,401	3,622	101,088	11,599	500	10,246
Feb. 4	95,470	91,928	3,542	57	2,170	3,671	102,509	11,599	500	10,263
11	91,827	91,827		51	2,359	3,683	98,652	11,599	500	10,256
18	94,396	92,718	1,678	56	2,155	3,535	100,962	11,599	500	10,257
25	96,610	93,573	3,037	148	2,934	2,959	103,686	11,599	500	10,269
Mar. 3	96,404	94,161	2,243	85	2,115	3,081	102,832	11,599	500	10,356
10	92,768	92,113	655	48	2,577	3,232	99,358	11,599	500	10,430
17	93,316	93,316		40	2,446	3,347	99,762	11,599	500	10,436
24p	96,724	94,409	2,315	77	2,084	3,501	103,133	11,599	500	10,442
31p	95,638	93,917	1,721	37	1,652	3,687	101,845	11,599	500	10,449
End of month										
1976—Jan.	96,588	91,850	4,738	66	1,620	3,676	103,180	11,599	500	10,275
Feb.	95,667	94,354	1,313	52	1,649	3,062	101,480	11,599	500	10,330
Mar.p	96,647	93,900	2,747	54	2,108	3,707	103,399	11,599	500	10,452
Wednesday										
1976—Jan. 7	91,872	90,810	1,062	41	3,586	3,443	99,896	11,599	500	10,138
14	91,507	91,507		48	3,448	3,362	99,100	11,599	500	10,142
21	92,068	92,068		843	2,387	3,395	99,429	11,599	500	10,243
28	98,344	91,833	6,511	138	2,594	3,668	105,900	11,599	500	10,250
Feb. 4	94,918	91,899	3,019	44	2,715	3,684	102,406	11,599	500	10,256
11	92,610	92,610		62	2,311	3,672	99,375	11,599	500	10,256
18	95,357	92,870	2,487	59	3,156	3,036	102,611	11,599	500	10,261
25	99,554	93,549	6,005	688	3,152	3,021	107,611	11,599	500	10,272
Mar. 3	96,716	94,287	2,429	317	3,120	3,153	104,433	11,599	500	10,427
10	87,567	87,567		36	3,283	3,264	94,773	11,599	500	10,433
17	92,430	93,430		72	3,869	3,370	100,326	11,599	500	10,440
24p	95,920	94,671	1,249	323	2,507	3,613	102,978	11,599	500	10,446
31p	96,647	93,900	2,747	54	2,108	3,707	103,399	11,599	500	10,452

1 Includes Federal agency issues held under repurchase agreements beginning Dec. 1, 1966, and Federal agency issues bought outright beginning Sept. 29, 1971.

2 Includes, beginning 1969, securities loaned—fully guaranteed by U.S. Govt. securities pledged with F.R. Banks—and excludes (if any), securities sold and scheduled to be bought back under matched sale–purchase transactions.

3 Beginning 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p. 164.

4 Beginning Apr. 16, 1969, "Other F.R. assets" and "Other F.R. liabilities and capital" are shown separately; formerly, they were netted together and reported as "Other F.R. accounts."

5 Includes industrial loans and acceptances until Aug. 21, 1959, when industrial loan program was discontinued. For holdings of acceptances on Wed. and end-of-month dates, see p. A-10. See also note 3.

6 Includes certain deposits of domestic nonmember banks and foreign owned banking institutions held with member banks and redeposited in

Notes continued on opposite page.

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS—Continued

(In millions of dollars)

Factors absorbing reserve funds										
Currency in circulation	Treasury cash holdings	Deposits, other than member bank reserves with F.R. Banks			Other F.R. accounts[4]	Other F.R. liabilities and capital[4]	Member bank reserves			Period or date
		Treasury	Foreign	Other[3,6]			With F.R. Banks	Currency and coin[7]	Total[8]	
										Averages of daily figures
7,609	2,402	616	739		248	....	11,473	....	11,473	1939—Dec.
10,985	2,189	592	1,531		292	....	12,812	....	12,812	1941—Dec.
28,452	2,269	625	1,247		493	....	16,027	....	16,027	1945—Dec.
27,806	1,290	615	920	353	739	....	17,391	....	17,391	1950—Dec.
33,019	408	522	250	495	1,029	....	16,688	2,595	19,283	1960—Dec.
53,591	656	1,194	146	458	....	2,192	23,071	4,960	28,031	1969—Dec.
57,013	427	849	145	735	....	2,265	23,925	5,340	29,265	1970—Dec.
61,060	453	1,926	290	728	....	2,287	25,653	5,676	31,329	1971—Dec.
66,060	350	1,449	272	631	....	2,362	24,830	6,095	31,353	1972—Dec.
71,646	323	1,892	406	717	....	2,942	28,352	6,635	35,068	1973—Dec.
78,951	220	1,741	357	874	....	3,266	29,767	7,174	36,941	1974—Dec.
77,692	277	1,887	363	958	....	3,076	27,948	6,831	34,779	1975—Mar.
78,377	309	3,532	307	718	....	3,137	28,264	6,870	35,134	Apr.
79,102	326	8,115	262	746	....	3,231	27,576	6,916	34,492	May
80,607	355	3,353	272	989	....	3,191	28,007	6,969	34,976	June
81,758	358	2,207	269	711	....	3,135	27,442	7,213	34,655	July
81,822	368	818	274	660	....	3,096	27,183	7,299	34,482	Aug.
r81,907	r362	3,415	308	798	....	3,169	27,215	7,431	34,646	Sept.
82,215	387	4,940	271	632	....	3,208	27,254	7,313	34,567	Oct.
83,740	415	4,333	297	649	....	3,276	27,215	7,356	34,571	Nov.
85,810	452	3,955	259	906	....	3,247	27,215	7,773	[9]34,989	Dec.
84,625	496	5,903	287	916	....	3,225	26,995	8,445	[9]35,575	1976 Jan.
84,002	527	8,811	280	716	....	3,231	26,168	7,646	[9]33,953	Feb.
85,014	511	7,653	264	810	....	3,252	26,397	7,457	[9]33,995	Mar.p
										Week ending—
86,011	478	5,939	278	1,185	....	3,059	27,483	7,937	[9]35,551	1976—Jan. 7
85,140	496	3,414	338	903	....	3,167	26,766	8,903	[9]35,802	14
84,288	519	4,040	304	922	....	3,219	27,324	8,733	[9]36,193	21
83,581	521	8,385	230	772	....	3,359	26,585	8,349	[9]35,072	28
83,406	537	9,805	268	730	....	3,312	26,815	8,116	[9]35,069	Feb. 4
83,951	529	6,966	247	688	....	3,038	25,590	8,050	[9]33,779	11
84,369	533	7,354	279	673	....	3,225	26,885	7,516	[9]34,540	18
84,061	521	10,783	278	692	....	3,347	26,372	7,145	[9]33,656	25
84,077	513	9,911	312	813	....	3,289	26,371	7,577	[9]34,088	Mar. 3
84,776	510	7,227	288	740	....	3,061	25,283	7,955	[9]33,379	10
85,261	498	6,036	262	950	....	3,217	26,072	7,493	[9]33,710	17
85,168	514	8,972	267	822	....	3,343	26,589	6,877	[9]33,606	24p
85,131	522	7,705	246	724	....	3,433	26,630	7,450	[9]34,221	31p
										End of month
83,231	541	10,075	294	651	....	3,459	27,306	8,116	[9]35,560	1976 Jan.
83,831	512	10,366	412	809	....	3,396	24,585	7,577	[9]32,302	Feb.
85,548	519	7,144	305	796	....	3,490	28,148	7,450	[9]35,739	Mar.p
										Wednesday
85,712	487	2,246	244	909	....	3,068	29,466	7,937	[9]37,534	1976—Jan. 7
84,950	502	4,217	235	969	....	3,166	27,301	8,903	[9]36,337	14
84,130	518	4,682	248	943	....	3,254	27,996	8,733	[9]36,865	21
83,609	513	10,360	209	627	....	3,427	29,503	8,349	[9]37,990	28
83,750	531	7,800	225	717	....	2,986	28,751	8,116	[9]37,005	Feb. 4
84,463	517	6,705	257	594	....	3,096	26,097	8,050	[9]34,286	11
84,584	523	9,603	252	501	....	3,224	26,285	7,516	[9]33,940	18
84,135	523	10,836	261	975	....	3,435	29,816	7,145	[9]37,100	25
84,601	505	9,820	233	690	....	2,994	28,115	7,577	[9]35,832	Mar. 3
85,330	510	5,300	255	936	....	3,106	21,868	7,955	[9]29,964	10
85,454	507	9,531	234	982	....	3,220	22,936	7,493	[9]30,574	17
85,307	524	8,838	271	755	....	3,330	26,498	6,877	[9]33,515	24p
85,548	519	7,144	305	796	....	3,490	28,148	7,450	[9]35,739	31p

full with F.R. Banks in connection with voluntary participation by nonmember institutions in the F.R. System's program of credit restraint.

As of Dec. 12, 1974, the amount of voluntary nonmember and foreign-agency and branch deposits at F.R. Banks associated with marginal reserves are no longer reported. Deposits voluntarily held by agencies and *branches of foreign banks operating in the United States* as reserves and Euro-dollar liabilities are reported.

[7] Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning Jan. 1963, figures are estimated except weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

[8] Beginning week ended Nov. 15, 1972, includes $450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for transition period associated with bank adaptation to Regulation J as amended effective Nov. 9, 1972. For 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, $279 million; Q2, $172 million; Q3, $112 million; Q4, $84 million. For 1974, Q1, $67 million, Q2, $58 million. Transition period ended after 1974, Q2.

[9] Beginning with week ending Nov. 19, 1975, adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy effective Nov. 19, 1975.

For other notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Large banks[2]						All other banks	
	Reserves			Borrowings		New York City		City of Chicago		Other			
	Total held[1]	Required	Excess[1]	Total	Seasonal	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings
1939—Dec.	11,473	6,462	5,011	3	....	2,611	....	540	....	1,188	....	671	3
1941—Dec.	12,812	9,422	3,390	5	....	989	....	295	....	1,303	1	804	4
1945—Dec.	16,027	14,536	1,491	334	....	48	192	14	....	418	96	1,011	46
1950—Dec.	17,391	16,364	1,027	142	....	125	58	8	5	232	50	663	29
1960—Dec.	19,283	18,527	756	87	....	29	19	4	8	100	20	623	40
1965—Dec.	22,719	22,267	452	454	....	41	111	15	23	67	228	330	92
1967—Dec.	25,260	24,915	345	238	....	18	40	8	13	50	105	267	80
1968—Dec.	27,221	26,766	455	765	....	100	230	15	85	90	270	250	180
1969—Dec.	28,031	27,774	257	1,086	....	56	259	18	27	6	479	177	321
1970—Dec.	29,265	28,993	272	321	....	34	25	7	4	42	264	189	28
1971—Dec.	31,329	31,164	165	107	....	25	35	1	8	−35	22	174	42
1972—Dec.	31,353	31,134	219	1,049	....	−20	301	13	55	−42	429	−160	264
1973—Dec.	35,068	34,806	262	1,298	41	−23	74	43	28	28	761	133	435
1974—Dec.	36,941	36,602	339	703	32	132	80	5	18	39	323	163	282
1975—Mar.	34,779	34,513	266	106	7	53	22	20	10	56	28	137	46
Apr.	35,134	35,014	120	110	7	32	25	−23	14	−4	38	115	33
May	34,492	34,493	−1	60	9	−28	24	−21	....	−89	13	137	23
June	34,976	34,428	548	271	11	142	90	47	2	217	114	142	65
July	34,655	34,687	−32	261	17	−22	54	−24	23	−118	62	132	122
Aug.	34,482	34,265	217	211	38	−18	14	5	1	98	51	132	145
Sept.	34,646	34,447	199	396	61	17	68	27	2	23	141	132	185
Oct.	34,567	34,411	156	191	65	42	31	−23	....	3	32	134	128
Nov.	34,571	34,281	290	61	28	50	7	34	....	42	5	164	49
Dec.	34,989	34,727	262	127	13	64	63	−18	....	89	26	127	38
1976—Jan.	35,575	35,366	209	79	9	52	9	−18	17	3	13	172	40
Feb.	[3]33,953	33,939	14	76	11	−147	20	−14	1	−2	16	177	39
Mar.[p]	[3]33,995	33,526	469	58	8	147	21	32	3	34	14	99	20
Week ending—													
1975—Mar. 5	34,795	34,386	409	70	9	117	....	4	....	90	10	198	60
12	34,482	34,252	230	60	7	122	....	15	....	−20	19	113	41
19	34,510	34,490	20	167	6	−96	88	−37	....	10	36	143	43
26	34,819	34,675	144	155	7	54	8	16	44	−12	58	86	45
Sept. 3	34,529	34,228	301	222	50	28	....	24	....	81	58	168	164
10	34,098	34,104	−6	385	53	−45	215	−31	....	−66	34	136	136
17	34,552	34,285	267	327	60	79	....	19	11	17	174	152	142
24	34,617	34,584	33	395	64	−66	79	−2	....	28	115	73	201
Oct. 1	35,444	34,982	462	581	73	149	....	2	....	147	304	164	277
8	34,260	34,284	−24	239	74	−83	....	−16	....	−52	51	127	188
15	34,654	34,358	296	172	65	−9	39	33	....	94	12	178	121
22	34,576	34,577	−1	232	63	−8	97	−18	....	−35	22	60	113
29	34,715	34,437	278	94	60	102	....	15	....	33	7	128	87
Nov. 5	34,886	34,082	804	67	41	355	....	18	....	240	....	191	67
12	33,754	33,791	−37	39	26	−119	....	−6	....	−71	4	159	35
19	34,741	34,567	174	58	26	34	....	−1	....	7	11	134	47
26	34,684	34,500	184	73	26	3	16	20	....	55	3	106	54
Dec. 3	34,817	34,504	313	66	21	119	16	−18	....	61	6	151	44
10	34,419	34,276	143	28	14	−56	....	26	....	37	1	136	27
17	35,139	34,906	233	44	13	111	....	−12	....	6	11	128	33
24	34,836	34,625	211	219	12	7	140	−5	....	75	42	134	37
31	[3]35,611	35,197	414	253	13	57	140	20	....	129	57	208	56
1976—Jan. 7	[3]35,551	35,227	324	67	10	59	....	−12	....	102	11	175	56
14	[3]35,802	35,639	163	45	8	71	....	−2	....	−94	2	188	43
21	[3]36,193	35,996	197	153	10	−62	28	−2	77	91	18	170	30
28	[3]35,072	34,907	165	58	8	49	10	28	....	−23	15	111	33
Feb. 4	[3]35,069	34,652	417	57	12	94	....	−14	....	139	16	198	41
11	[3]33,779	33,729	50	51	12	−83	....	20	....	−31	14	144	37
18	[3]34,540	34,040	500	56	10	180	....	−7	4	95	10	232	42
25	[3]33,656	33,773	−117	148	10	−157	82	−5	....	−43	24	88	42
Mar. 3	[3]34,088	33,678	410	85	8	98	31	11	11	122	14	179	29
10	[3]33,379	33,276	103	48	8	53	26	−18	....	−67	3	135	19
17	[3]33,710	33,509	201	40	8	26	....	21	....	13	22	141	18
24[p]	[3]33,606	33,436	170	77	8	−46	36	−15	....	−30	22	103	19
31[p]	[3]34,221	33,820	401	37	10	84	....	7	....	74	14	172	23

1 Beginning with week ending Nov. 15, 1972, includes $450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of *quarter*): Q1, $279 million; Q2, $172 million; Q3, $112 million; Q4, $84 million. Beginning 1974, Q1, $67 million; Q2, $58 million. Transition period ended after second quarter, 1974. For weeks for which figures are preliminary, figures by class of bank do not add to the total because adjusted data by class are not available.

2 Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than $400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Large" and "All other" parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).

3 Beginning with week ending Nov. 19, 1975, adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy effective Nov. 19, 1975.

NOTE.—Monthly and weekly data are averages of daily figures within the month or week, respectively.

Borrowings at F. R. Banks: Based on closing figures.

Effective Apr. 19, 1973, the Board's Regulation A, which governs lending by F.R. Banks, was revised to assist smaller member banks to meet the seasonal borrowing needs of their communities.

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending—	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess reserves[1]	Less—		Net surplus, or deficit (−)		Gross transactions		Total two-way transactions[2]	Net transactions		Loans to dealers[3]	Borrowings from dealers[4]	Net loans
		Borrowings at F.R. Banks	Net interbank Federal funds trans.	Amount	Per cent of avg. required reserves	Purchases	Sales		Purchases of net buying banks	Sales of net selling banks			
Total—46 banks													
1976—Feb. 4[r]	210	....	12,106	−11,896	75.7	18,090	5,985	5,033	13,058	952	2,432	436	1,996
11[r]	56	2	17,080	−17,026	111.7	23,009	5,929	5,109	17,901	821	2,562	285	2,277
18[r]	212	....	15,126	−14,915	95.9	21,194	6,068	5,646	15,548	422	2,074	297	1,777
25[r]	−35	86	13,732	−13,853	91.7	18,675	4,944	4,424	14,252	520	2,133	414	1,718
Mar. 3[r]	122	41	14,491	−14,411	95.3	20,009	5,518	4,805	15,204	713	2,355	561	1,794
10[r]	200	26	17,543	−17,369	117.1	23,428	5,885	4,987	18,440	898	3,576	557	3,019
17[r]	52	6	15,565	−15,519	102.6	21,394	5,829	5,167	16,227	662	3,342	432	2,910
24[r]	32	38	13,738	−13,744	92.3	18,805	5,068	4,125	14,680	943	2,438	495	1,943
31	200	....	13,232	−13,032	86.0	19,046	5,815	4,340	14,707	1,475	2,420	481	1,939
8 in New York City													
1976—Feb. 4	113	....	2,479	−2,367	36.5	3,735	1,256	1,108	2,627	147	1,301	104	1,197
11	−17	....	5,645	−5,662	90.8	6,341	696	696	5,645	....	1,418	81	1,337
18	176	....	3,849	−3,673	56.9	5,152	1,304	1,304	3,849	....	1,061	116	946
25	−47	82	3,591	−3,720	60.3	4,263	672	672	3,590	....	1,295	97	1,199
Mar. 3	37	31	4,421	−4,415	72.6	5,042	621	621	4,421	....	1,548	139	1,409
10	111	26	6,595	−6,510	106.1	7,251	656	656	6,595	....	2,069	237	1,832
17	40	....	5,020	−4,980	79.8	5,678	658	658	5,020	....	2,282	236	2,047
24	−4	36	3,641	−3,681	60.8	4,404	763	540	3,864	223	1,612	200	1,412
31	86	....	4,312	−4,226	68.9	4,885	572	572	4,312	....	1,457	241	1,216
38 outside New York City													
1976—Feb. 4[r]	97	....	9,627	−9,529	103.2	14,356	4,729	3,924	10,431	805	1,131	332	799
11[r]	72	2	11,435	−11,364	126.2	16,669	5,234	4,413	12,256	821	1,145	204	941
18[r]	36	....	11,278	−11,242	123.6	16,042	4,764	4,343	11,699	422	1,013	182	832
25[r]	12	4	10,141	−10,133	113.3	14,413	4,272	3,751	10,661	520	837	318	520
Mar. 3[r]	85	11	10,070	−9,996	110.5	14,967	4,897	4,184	10,783	713	807	422	385
10[r]	89	....	10,948	−10,859	124.8	16,176	5,229	4,331	11,845	898	1,507	320	1,187
17[r]	12	6	10,546	−10,539	118.5	15,717	5,171	4,509	11,208	662	1,059	196	864
24[r]	36	3	10,097	−10,063	113.8	14,402	4,305	3,585	10,817	720	826	296	531
31	114	....	8,919	−8,806	97.6	14,162	5,243	3,767	10,395	1,475	963	240	722
5 in City of Chicago													
1976—Feb. 4[r]	12	....	4,970	−4,958	310.3	5,707	737	712	4,995	25	388	....	388
11[r]	27	....	5,571	−5,544	351.9	6,236	665	633	5,603	32	425	....	425
18[r]	16	....	5,354	−5,338	329.8	6,117	763	725	5,393	39	400	....	400
25[r]	−1	....	4,605	−4,606	293.2	5,451	846	811	4,640	35	320	....	320
Mar. 3[r]	18	11	4,932	−4,925	301.5	5,630	699	666	4,964	33	243	....	243
10[r]	−11	....	5,138	−5,150	322.5	5,713	575	551	5,163	25	356	....	356
17[r]	15	....	5,224	−5,208	325.6	5,875	651	613	5,262	38	347	....	347
24[r]	−1	....	4,712	−4,713	302.4	5,387	675	636	4,751	39	301	....	301
31	8	....	4,623	−4,615	292.4	5,272	649	591	4,681	58	427	....	427
33 others													
1976—Feb. 4	85	....	4,656	−4,571	59.9	8,648	3,992	3,212	5,437	781	744	332	412
11	46	2	5,864	−5,820	78.3	10,432	4,569	3,779	6,653	790	720	204	516
18	20	....	5,924	−5,904	79.0	9,925	4,001	3,618	6,307	383	613	182	432
25	14	4	5,536	−5,527	75.0	8,962	3,426	2,941	6,021	485	517	318	200
Mar. 3	67	....	5,138	−5,071	68.4	9,337	4,198	3,518	5,819	680	564	422	142
10	100	....	5,809	−5,709	80.4	10,463	4,654	3,781	6,682	873	1,151	320	831
17	−3	6	5,322	−5,331	73.1	9,842	4,520	3,896	5,946	624	712	196	516
24	37	3	5,384	−5,350	73.5	9,015	3,630	2,949	6,066	681	525	296	229
31	106	....	4,296	−4,191	56.3	8,890	4,594	3,176	5,714	1,418	536	240	296

1 Based upon reserve balances, including all adjustments applicable to the reporting period. Prior to Sept. 25, 1968, carryover reserve deficiencies, if any, were deducted. Excess reserves for later periods are net of all carryover reserves. Beginning with week ending Jan. 7, 1976, adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy change effective Nov. 19, 1975.

2 Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which the bank's weekly average purchases and sales are offsetting.

3 Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases of securities from dealers subject to resale), or other lending arrangements.

4 Federal funds borrowed, net funds acquired from each dealer by clearing banks, reverse repurchase agreements (sales of securities to dealers subject to repurchase), resale agreements, and borrowings secured by Govt. or other issues.

NOTE.—Weekly averages of daily figures. For description of series and back data, see Aug. 1964 BULLETIN, pp. 944–74. Revised data for Jan. 1976 may be obtained from the Public Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks—									Loans to all others under last par. Sec. 13[4]		
	Under Secs. 13 and 13a[1]			Under Sec. 10(b)[2]								
				Regular rate			Special rate[3]					
	Rate on 3/31/76	Effective date	Previous rate	Rate on 3/31/76	Effective date	Previous rate	Rate on 3/31/76	Effective date[3]	Previous rate	Rate on 3/31/76	Effective date	Previous rate
Boston	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
New York	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Philadelphia	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Cleveland	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Richmond	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Atlanta	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Chicago	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
St. Louis	5½	1/23/76	6	6	1/23/76	6½	6½	1/23/76	7	8½	1/23/76	9
Minneapolis	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Kansas City	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Dallas	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
San Francisco	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9

[1] Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations or any other obligations eligible for F.R. Bank purchase.

[2] Advances secured to the satisfaction of the F.R. Bank. Advances secured by mortgages on 1- to 4-family residential property are made at the Section 13 rate.

[3] Applicable to special advances described in Section 201.2(e)(2) of Regulation A.

[4] Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency thereof.

SUMMARY OF EARLIER CHANGES

(Per cent per annum)

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1955	2½	2½
1956—Apr. 13	2½–3	2¾
20	2¾–3	2¾
Aug. 24	2¾–3	3
31	3	3
1957—Aug. 9	3 –3½	3
23	3½	3½
Nov. 15	3 –3½	3
Dec. 2	3	3
1958—Jan. 22	2¾–3	3
24	2¾–3	2¾
Mar. 7	2¼–3	2¼
13	2¼–2¾	2¼
21	2¼	2¼
Apr. 18	1¾–2¼	1¾
May 9	1¾	1¾
Aug. 15	1¾–2	1¾
Sept. 12	1¾–2	2
23	2	2
Oct. 24	2 –2½	2
Nov. 7	2½	2½
1959—Mar. 6	2½–3	3
16	3	3
May 29	3 –3½	3½
June 12	3½	3½
Sept. 11	3½–4	4
18	4	4
1960—June 3	3½–4	4
10	3½–4	3½
14	3½	3½
Aug. 12	3 –3½	3
Sept. 9	3	3
1963—July 17	3 –3½	3½
26	3½	3½

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1964—Nov. 24	3½–4	4
30	4	4
1965—Dec. 6	4 –4½	4½
13	4½	4½
1967—Apr. 7	4 –4½	4
14	4	4
Nov. 20	4 –4½	4½
27	4½	4½
1968—Mar. 15	4½–5	4½
22	5	5
Apr. 19	5 –5½	5½
26	5½	5½
Aug. 16	5¼–5½	5½
30	5¼	5¼
Dec. 18	5¼–5½	5½
20	5½	5½
1969—Apr. 4	5½–6	6
8	6	6
1970—Nov. 11	5¾–6	6
13	5¾–6	5¾
16	5¾	5¾
Dec. 1	5½–5¾	5¾
4	5½–5¾	5½
11	5½	5½
1971—Jan. 8	5¼–5½	5¼
15	5¼	5¼
19	5 –5¼	5¼
22	5 –5¼	5
29	5	5
Feb. 13	4¾–5	5
19	4¾	4¾
July 16	4¾–5	5
23	5	5

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1971—Nov. 11	4¾–5	5
19	4¾	4¾
Dec. 13	4½–4¾	4¾
17	4½–4¾	4½
24	4½	4½
1973—Jan. 15	5	5
Feb. 26	5 –5½	5½
Mar. 2	5½	5½
Apr. 23	5½–5¾	5½
May 4	5¾	5¾
11	5¾–6	6
18	6	6
June 11	6 –6½	6½
15	6½	6½
July 2	7	7
Aug. 14	7 –7½	7½
23	7½	7½
1974—Apr. 25	7½–8	8
30	8	8
Dec. 9	7¾–8	7¾
16	7¾	7¾
1975—Jan. 6	7¼–7¾	7¾
10	7¼–7¾	7¼
24	7¼	7¼
Feb. 5	6¾–7¼	6¾
7	6¾	6¾
Mar. 10	6¼–6¾	6¼
14	6¼	6¼
May 16	6 –6¼	6
23	6	6
1976—Jan. 19	5½–6	5½
23	5½	5½
In effect, Mar. 31, 1976	5½	5½

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1956, see *Banking and Monetary Statistics*, 1943, pp. 439–42, and Supplement to Section 12, p. 31.

RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS

(Deposit intervals are in millions of dollars. Requirements are in per cent of deposits.)

Effective date [1]	Net demand [2]				Time [3] (all classes of banks)		
	Reserve city		Other		Savings	Other time	
	0–5	Over 5	0–5	Over 5		0–5	Over 5
In effect Jan. 1, 1963	16½		12		4		
1966—July 14, 21	....	....	....	....	4	4	5
Sept. 8, 15	....	....	....	....	....	....	6
1967—Mar. 2	....	....	....	....	3½	3½	....
Mar. 16	....	....	....	....	3	3	....
1968—Jan. 11, 18	16½	17	12	12½	....	....	....
1969—Apr. 17	17	17½	12½	13	....	....	....
1970—Oct. 1	....	....	....	....	....	....	5

Beginning Nov. 9, 1972

Effective date	Net demand [2,4]					Time [3]						
						Savings	Other time					
							0–5, maturing in—			Over 5 [5], maturing in—		
	0–2	2–10	10–100	100–400	Over 400		30–179 days	180 days to 4 years	4 years or more	30–179 days	180 days to 4 years	4 years or more
1972—Nov. 9	8	10	12	[6] 16½	17½	[7] 3	[7] 3			[7] 5		
Nov. 16	....	....	....	13	....	....	....	....	....	....	....	....
1973—July 19	....	10½	12½	13½	18	....	....	....	....	....	....	....
1974—Dec. 12	....	....	....	....	17½	....	....	....	....	6	3	
1975—Feb. 13	7½	10	12	13	16½	....	....	....	....	....	....	....
Oct. 30	....	....	....	....	....	....	3		[8] 1	....	3	[8] 1
1976—Jan. 8	....	....	....	....	....	....	3	[8] 2½	....	....	[8] 2½	....
In effect Mar. 31, 1976	7½	10	12	13	16½	3	3	[8] 2½	[8] 1	6	[8] 2½	[8] 1

Present legal limits:	Minimum	Maximum
Net demand deposits, reserve city banks	10	22
Net demand deposits, other banks	7	14
Time deposits	3	10

1 When two dates are shown, the first applies to the change at reserve city banks and the second to the change at country banks. For changes prior to 1963 see Board's *Annual Reports.*

2 (a) Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

(b) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank.

(c) Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Since June 21, 1973, loans aggregating $100,000 or less to any U.S. resident have been excluded from computations, as have total loans of a bank to U.S. residents if not exceeding $1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. The reserve percentage applicable to each of these classifications is 4 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, was reduced to 8 per cent effective June 21, 1973, and was reduced to the current 4 per cent effective May 22, 1975. Initially certain base amounts were exempted in the computation of the requirements, but effective Mar. 14, 1974, the last of these reserve-free bases were eliminated. For details, see Regulations D and M.

3 Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits. Beginning Nov. 10, 1975, profitmaking businesses may maintain savings deposits of $150,000 or less at member banks. For details of 1975 action, see Regulations D and Q, and also BULLETINS for Oct., p. 708, and Nov., p. 769.

Notes 2(b) and 2(c) above are also relevant to time deposits.

4 Effective Nov. 9, 1972, a new criterion was adopted to designate reserve cities, and on the same date requirements for reserves against net demand deposits of member banks were restructured to provide that each member bank will maintain reserves related to the size of its net demand deposits. The new reserve city designations are as follows: A bank having net demand deposits of more than $400 million is considered to have the character of business of a reserve city bank, and the presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of $400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see Regulation D and appropriate supplements and amendments.

5 A marginal reserve requirement was in effect between June 21, 1973, and Dec. 11, 1974, against increases in the aggregate of the following types of obligations: (a) outstanding time deposits of $100,000 or more, (b) outstanding funds obtained by the bank through issuance by a bank's affiliate of obligations subject to existing reserve requirements on time deposits, and (c) beginning July 12, 1973, funds from sales of finance bills. The requirement applied to balances above a specified base, but was not applicable to banks having obligations of these types aggregating less than $10 million. For details, including percentages and maturity classifications, see "Announcements" in BULLETINS for May, July, Sept., and Dec. 1973 and Sept. and Nov. 1974.

6 The 16½ per cent requirement applied for one week, only to former reserve city banks. For other banks, the 13 per cent requirement was continued in this deposit interval.

7 See columns above for earliest effective date of this rate.

8 The average of reserves on savings and other time deposits must be at least 3 per cent, the minimum specified by law. For details, see Regulation D.

NOTE.—Required reserves must be held in the form of deposits with F.R. Banks or vault cash.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966—June 30, 1973

Type and size of deposit	Effective date: July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970
Savings deposits	4	4	4	4½
Other time deposits:[1]				
Multiple maturity:[2]				
30–89 days	4	4	4	4½
90 days to 1 year				5
1–2 years	5	5	5	5½
2 years or more				5¾
Single-maturity:				
Less than $100,000:				
30 days to 1 year				5
1–2 years	5½	5	5	5½
2 years or more				5¾
$100,000 or more:				
30–59 days			5½	(3)
60–89 days			5¾	(3)
90–179 days	5½	5½	6	(3)
180 days to 1 year			6¼	(3)
1 year or more				(3)

Rates beginning July 1, 1973

Type and size of deposit	Effective date: July 1, 1973	Nov. 1, 1973	Nov. 27, 1974	Dec. 23, 1974
Savings deposits	5	5	5	5
Other time deposits (multiple- and single-maturity):[1, 2]				
Less than $100,000:				
30–89 days	5	5	5	5
90 days to 1 year	5½	5½	5½	5½
1–2½ years	6	6	6	6
2½ years or more	6½	6½	6½	6½
Minimum denomination of $1,000:[4]				
4–6 years	(5)	7¼	7¼	7¼
6 years or more				7½
Governmental units	(6)	(6)	7½	7¾
$100,000 or more	(3)	(3)	(3)	(3)

[1] For exceptions with respect to certain foreign time deposits, see BULLETIN for Feb. 1968, p. 167.

[2] Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.

[3] Maximum rates on all single-maturity time deposits in denominations of $100,000 or more have been suspended. Rates that were effective Jan. 21, 1970, and the dates when they were suspended are:

30–59 days	6¼ per cent	June 24, 1970
60–89 days	6½ per cent	
90–179 days	6¾ per cent	May 16, 1973
180 days to 1 year	7 per cent	
1 year or more	7½ per cent	

Rates on multiple-maturity time deposits in denominations of $100,000 or more were suspended July 16, 1973, when the distinction between single- and multiple-maturing deposits was eliminated.

[4] Effective Dec. 4, 1975, the $1,000 minimum denomination does not apply to time deposits representing funds contributed to an Individual Retirement Account established pursuant to 26 U.S.C. (I.R.C. 1954) §408.

[5] Between July 1 and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of $1,000. The amount of such certificates that a bank could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount were subject to the 6½ per cent ceiling that applies to time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, a ceiling rate of 7¼ per cent was imposed on certificates maturing in 4 years or more with minimum denominations of $1,000. There is no limiation on the amount of these certificates that banks may issue.

[6] Prior to Nov. 27, 1974, no distinction was made between the time deposits of governmental units and of other holders, insofar as Regulation Q ceilings on rates payable were concerned. Effective Nov. 27, 1974, governmental units were permitted to hold savings deposits and could receive interest rates on time deposits with denominations under $100,000 irrespective of maturity, as high as the maximum rate permitted on such deposits at any Federally insured depositary institution.

NOTE.—Maximum rates that may be paid by member banks are established by the Board of Governors under provisions of Regulation Q; however, a member bank may not pay a rate in excess of the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Beginning Feb. 1, 1936, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

For previous changes, see earlier issues of the BULLETIN.

MARGIN REQUIREMENTS

(Per cent of market value)

Period: Beginning date	Ending date	For credit extended under Regulations T (brokers and dealers), U (banks), and G (others than brokers, dealers, or banks): On margin stocks T	U	G	On convertible bonds T	U	G	On short sales (T)
1937—Nov. 1	1945—Feb. 4		40					50
1945—Feb. 5	July 4		50					50
July 5	1946—Jan. 20		75					75
1946—Jan. 21	1947—Jan. 31		100					100
1947—Feb. 1	1949—Mar. 29		75					75
1949—Mar. 30	1951—Jan. 16		50					50
1951—Jan. 17	1953—Feb. 19		75					75
1953—Feb. 20	1955—Jan. 3		50					50
1955—Jan. 4	Apr. 22		60					60
Apr. 23	1958—Jan. 15		70					70
1958—Jan. 16	Aug. 4		50					50
Aug. 5	Oct. 15		70					70
Oct. 16	1960—July 27		90					90
1960—July 28	1962—July 9		70					70
1962—July 10	1963—Nov. 5		50					50
1963—Nov. 6	1968—Mar. 10		70					70
1968—Mar. 11	June 7		70			50		70
June 8	1970—May 5		80			60		80
1970—May 6	1971—Dec. 3		65			50		65
1971—Dec. 6	1972—Nov. 22		55			50		55
1972—Nov. 24	1974—Jan. 2		65			50		65
Effective Jan. 3, 1974			50			50		50

NOTE.—Regulations G, T, and U, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended; margin requirements are the difference between the market value (100 per cent) and the maximum loan value. The term margin stocks is defined in the corresponding regulation.

Regulation G and special margin requirements for bonds convertible into stocks were adopted by the Board of Governors effective Mar. 11, 1968.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Period	Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale–purchase transactions)														
	Treasury bills[1]			Others within 1 year[2]			1–5 years			5–10 years			Over 10 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts
1970	11,074	5,214	2,160	99	......	−3,483	848	......	5,430	249	......	−1,845	93	......	−102
1971	8,896	3,642	1,064	1,036	......	−6,462	1,338	......	4,672	933	......	685	311	......	150
1972	8,522	6,467	2,545	125	......	2,933	789	......	−1,405	539	......	−2,094	167	......	250
1973	15,517	4,880	3,405	1,396	......	−140	579	......	−2,028	500	......	895	129	......	87
1974	11,660	5,830	4,550	450	......	−1,314	797	......	−697	434	......	1,675	196	......	205
1975	11,562	5,599	6,431	3,886	......	−3,553	2,863	......	4,275	1,510	......	4,697	1,070	......	848
1975—Feb.	357	460	900	....	......	2,437	129	......	−2,836	113	......	249	74	......	150
Mar.	760	156	487	1,579	......	−1,494	361	......	194	450	......	....	212	......	....
Apr.	2,119	318	506	148	......	....	485	......	....	274	......	....	164	......	....
May	903	354	407	50	......	−3,131	....	......	6,635	....	......	−3,801	....	......	298
June	421	161	612	20	......	691	488	......	−529	180	......	....	109	......	....
July	....	1,505	800	....	......	....	....	......	....	....	......	....	....	......	....
Aug.	312	282	400	2,002	......	−2,144	150	......	1,299	64	......	−1,444	47	......	300
Sept.	2,118	......	200	....	......	278	562	......	−278	137	......	....	124	......	....
Oct.	1,263	766	400	....	......	48	....	......	−48	....	......	....	....	......	....
Nov.	983	652	919	43	......	−265	267	......	−135	155	......	300	244	......	100
Dec.	1,984	......	200	31	......	28	118	......	−28	78	......	....	71	......	....
1976—Jan.	243	1,239	600	37	......	....	110	......	....	100	......	....	73	......	....
Feb.	1,664	......	389	40	......	−1,153	177	......	174	63	......	968	59	......	200

Period	Total outright[1]			Matched sale-purchase transactions (U.S. Govt. securities)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations			Bankers acceptances, net		Net change[3]
									Outright		Repurchase agreements, net			
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales		Gross purchases	Sales or redemptions		Outright	Repurchase agreements	
1970	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988	....	....	....	−6	....	4,982
1971	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076	485	....	101	22	181	8,866
1972	10,142	6,467	2,862	23,319	23,319	31,103	32,228	−312	1,197	370	−88	−9	−145	272
1973	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	−2	−36	9,227
1974	13,537	5,830	4,682	64,229	62,801	71,333	70,947	1,984	3,087	322	469	511	420	6,149
1975	20,892	5,599	9,559	151,205	152,132	140,311	139,538	7,434	1,616	246	−392	163	−35	8,539
1975—Feb.	673	460	900	7,167	6,634	11,267	10,305	−258	376	81	246	−12	39	309
Mar.	3,362	156	1,788	15,933	16,763	5,011	6,928	332	210	2	−347	−5	−323	−136
Apr.	3,189	318	506	12,375	12,216	12,774	8,551	6,428	....	2	883	24	496	7,829
May	953	354	407	2,996	3,044	19,489	21,952	−2,224	....	97	−567	55	−375	−3,207
June	1,217	161	450	12,914	13,026	15,219	16,810	−873	....	6	−255	−62	−121	−1,317
July	....	1,505	800	15,532	15,139	5,977	6,146	−2,866	....	2	−61	3	....	−2,926
Aug.	2,574	282	2,389	14,234	13,730	8,146	6,881	663	353	40	90	−1	156	1,222
Sept.	2,940	....	200	19,931	19,835	16,664	14,857	4,451	394	1	203	14	94	5,155
Oct.	1,263	766	400	15,886	16,113	13,699	13,838	186	284	....	−124	49	50	445
Nov.	1,693	652	919	14,442	15,207	14,342	17,275	−2,047	....	1	−169	−21	−300	−2,537
Dec.	2,281	....	200	10,559	10,058	8,464	7,247	2,797	....	....	118	15	385	3,315
1976—Jan.	563	1,239	600	11,407	11,503	18,135	14,919	2,037	239	....	187	5	98	2,567
Feb.	2,003	....	200	7,551	7,957	17,753	20,943	−982	297	1	−236	−70	−109	−1,101

1 Before Nov. 1973 BULLETIN, included matched sale–purchase transactions, which are now shown separately.

2 Includes special certificates acquired when the Treasury borrows directly from the Federal Reserve, as follows: June 1971, 955; Sept. 1972, 38; Aug. 1973, 351; Sept. 1973, 836; Nov. 1974, 131; Mar. 1975, 1,560; Aug. 1975, 1,989.

3 Net change in U.S. Govt. securities, Federal agency obligations, and bankers acceptances.

NOTE.—Sales, redemptions, and negative figures reduce System holdings; all other figures increase such holdings. Details may not add to totals because of rounding.

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1976					1976		1975
	Mar. 31	Mar. 24	Mar. 17	Mar. 10	Mar. 3	Mar. 31	Feb. 29	Mar. 31
Assets								
Gold certificate account	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,620
Special Drawing Rights certificate account	500	500	500	500	500	500	500	400
Cash	367	377	385	394	399	367	409	352
Loans:								
Member bank borrowings	54	323	72	36	317	54	52	60
Other	....	....	....	....	....	....	....	....
Acceptances:								
Bought outright	540	530	585	623	645	540	677	665
Held under repurchase agreements	343	85	....	....	482	343	374	....
Federal agency obligations:								
Bought outright	6,607	6,607	6,607	6,607	6,607	6,607	6,607	5,190
Held under repurchase agreements	287	231	....	....	100	287	70	....
U.S. Govt. securities:								
Bought outright:								
Bills	36,731	37,502	35,261	30,708	37,321	36,731	37,388	36,087
Certificates—Special	....	....	....	....	....	....	....	....
Other	....	....	....	....	....	....	....	....
Notes	44,684	44,684	44,684	44,398	44,505	44,684	44,505	41,583
Bonds	5,878	5,878	5,878	5,854	5,854	5,878	5,854	3,748
Total bought outright	[1] 87,293	[1] 88,064	[1] 85,823	[1] 80,960	[1] 87,680	87,293	[1] 87,747	[1] 81,418
Held under repurchase agreements	2,460	1,018	....	....	2,329	2,460	1,243	....
Total U.S. Govt. securities	89,753	89,082	85,823	80,960	90,009	89,753	88,990	81,418
Total loans and securities	97,584	96,858	93,087	88,226	98,160	97,584	96,770	87,333
Cash items in process of collection	p 6,937	p 7,367	9,827	8,091	8,526	p 6,937	6,103	5,588
Bank premises	333	332	331	330	328	333	329	275
Operating equipment	18	16	16	16	16	18	16	2
Other assets:								
Denominated in foreign currencies	571	536	287	304	305	571	296	19
All other	2,785	2,729	2,736	2,614	2,504	2,785	2,421	2,776
Total assets	p 120,694	p 120,314	118,768	112,074	122,337	p 120,694	118,443	108,365
Liabilities								
F.R. notes	75,982	75,762	75,907	75,801	75,079	75,982	74,421	69,270
Deposits:								
Member bank reserves	p 28,148	p 26,498	22,936	21,868	28,115	p 28,148	24,585	27,139
U.S. Treasury—General account	7,144	8,838	9,531	5,300	9,820	7,144	10,366	4,269
Foreign	305	271	234	255	233	305	412	402
Other:								
All other [2]	796	755	982	936	690	796	809	709
Total deposits	p 36,393	p 36,362	33,683	28,359	38,858	p 36,393	36,172	32,519
Deferred availability cash items	4,829	4,860	5,958	4,808	5,406	4,829	4,454	3,456
Other liabilities and accrued dividends	1,099	1,051	1,057	1,069	1,059	1,099	1,067	1,012
Total liabilities	p 118,303	p 118,035	116,605	110,037	120,402	p 118,303	116,114	106,257
Capital accounts								
Capital paid in	945	942	941	940	939	945	940	903
Surplus	929	929	929	929	929	929	929	897
Other capital accounts	517	408	293	168	67	517	460	308
Total liabilities and capital accounts	p 120,694	p 120,314	118,768	112,074	122,337	p 120,694	118,443	108,365
Contingent liability on acceptances purchased for foreign correspondents	....	....	....	....	....	....	....	37
Marketable U.S. Govt. securities held in custody for foreign and international accounts	43,737	43,291	43,411	44,172	44,785	43,737	43,650	37,974

Federal Reserve Notes—Federal Reserve Agents' Accounts

Item	Mar. 31	Mar. 24	Mar. 17	Mar. 10	Mar. 3	Mar. 31	Feb. 29	Mar. 31
F.R. notes outstanding (issued to Bank)	81,420	81,271	80,927	80,802	80,802	81,420	80,820	74,473
Collateral held against notes outstanding:								
Gold certificate account	11,597	11,597	11,596	11,597	11,596	11,597	11,597	3,809
Special Drawing Rights certificate account	302	302	302	302	302	302	302	138
Acceptances	....	....	....	....	....	....	....	....
U.S. Govt. securities	72,095	71,975	71,910	71,910	71,910	72,095	71,710	72,277
Total collateral	83,994	83,874	83,808	83,809	83,808	83,994	83,609	76,224

[1] See note 2 on p. A-2.
[2] See note 6 on p. A-2.

MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1976					1976		1975
	Mar. 31	Mar. 24	Mar. 17	Mar. 10	Mar. 3	Mar. 31	Feb. 29	Mar. 31
Loans—Total	54	323	73	35	317	54	51	59
Within 15 days	44	321	72	34	309	44	51	58
16–90 days	10	2	1	1	8	10	....	1
91 days to 1 year	....	....	....	....	....	....	....	....
Acceptances—Total	883	615	585	623	1,127	883	1,051	665
Within 15 days	434	168	118	148	593	434	505	111
16–90 days	293	301	322	334	152	293	399	139
91 days to 1 year	156	146	145	141	382	156	147	415
U.S. Govt. securities—Total	89,753	89,082	85,823	80,960	90,009	89,753	88,990	81,418
Within 15 days[1]	7,365	6,927	4,029	2,474	7,421	7,365	4,675	3,771
16–90 days	16,662	15,944	15,765	12,893	17,494	16,662	18,489	22,146
91 days to 1 year	23,205	23,342	23,160	22,996	22,389	23,205	23,000	21,102
1–5 years	30,463	30,811	30,811	30,626	30,734	30,463	30,855	21,288
5–10 years	7,620	7,620	7,620	7,557	7,557	7,620	7,557	10,485
Over 10 years	4,438	4,438	4,438	4,414	4,414	4,438	4,414	2,626
Federal agency obligations—Total	6,894	6,838	6,607	6,607	6,707	6,894	6,677	5,190
Within 15 days[1]	328	272	41	....	163	328	162	6
16–90 days	278	277	277	208	209	278	146	189
91 days to 1 year	930	917	917	1,027	904	930	938	643
1–5 years	3,306	3,309	3,309	3,309	3,419	3,306	3,419	2,580
5–10 years	1,404	1,415	1,415	1,415	1,364	1,404	1,364	1,211
Over 10 years	648	648	648	648	648	648	648	561

1 Holdings under repurchase agreements are classified as maturing within 15 days in accordance with maximum maturity of the agreements.

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts[1] (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others[2]				N.Y.	6 others[2]		
1975—Feb.	22,950.1	10,918.0	4,992.8	12,032.1	7,039.3	133.1	343.2	126.2	85.5	69.6
Mar.	22,180.1	10,241.1	4,899.9	11,939.0	7,039.0	124.8	320.4	117.0	81.9	67.8
Apr.	22,705.1	10,810.3	4,770.6	11,895.4	7,124.9	122.5	330.3	114.3	81.8	68.8
May	22,738.6	10,826.1	4,852.6	11,912.5	7,059.9	128.9	333.9	120.1	82.8	68.2
June	22,503.5	10,612.2	4,755.2	11,891.3	7,134.6	124.4	328.6	115.7	81.6	66.7
July	22,827.9	10,709.5	4,841.1	12,118.3	7,277.2	126.2	331.0	115.7	81.6	68.2
Aug.	23,269.4	10,628.8	5,125.1	12,640.5	7,515.4	130.4	335.0	124.4	86.2	71.2
Sept.	23,181.9	10,585.0	5,153.0	12,596.9	7,443.8	128.8	330.7	123.8	85.1	70.0
Oct.	24,137.1	11,801.5	4,921.3	12,335.6	7,414.3	134.0	364.0	118.7	83.5	69.8
Nov.	24,067.7	11,529.9	4,937.3	12,537.8	7,600.5	134.0	360.8	119.5	84.9	71.5
Dec.	23,565.1	10,970.9	4,932.5	12,594.2	7,661.8	131.0	351.8	118.4	84.7	71.6
1976—Jan.	23,853.5	11,517.7	4,797.5	12,335.7	7,538.2	132.5	366.0	115.6	83.0	70.4
Feb.	25,528.9	12,212.0	5,321.0	13,316.9	7,995.9	140.9	375.4	128.0	89.6	74.6

1 Excludes interbank and U.S. Govt. demand deposit accounts.
2 Boston, Philadelphia, Chicago, Detroit, San Francisco–Oakland, and Los Angeles–Long Beach.

NOTE.—Total SMSA's include some cities and counties not designated as SMSA's.

For back data see pp. 634–35 of the July 1972 BULLETIN.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Period	Seasonally adjusted					Not seasonally adjusted				
	M_1	M_2	M_3	M_4	M_5	M_1	M_2	M_3	M_4	M_5
	Composition of measures is described in the NOTE below.									
1973—Dec.	270.5	571.4	919.5	634.9	982.9	278.3	576.5	921.8	640.5	985.8
1974—Dec.	283.1	612.4	981.6	702.2	1,071.4	291.3	617.5	983.8	708.0	1,074.3
1975—Mar.	284.1	623.0	1,003.7	712.8	1,093.5	281.4	622.7	1,005.0	710.8	1,093.1
Apr.	284.9	626.7	1,012.7	715.1	1,101.1	286.5	631.1	1,020.0	716.9	1,105.8
May	287.6	633.7	1,025.3	718.8	1,110.4	282.9	631.9	1,025.7	716.0	1,109.8
June	291.0	642.4	1,040.2	726.5	1,124.3	290.3	643.5	1,044.5	725.8	1,126.8
July	291.9	647.5	1,051.6	729.6	1,133.7	292.1	647.8	1,055.0	729.1	1,136.3
Aug.	293.2	650.6	1,060.6	729.3	1,139.3	290.0	647.2	1,057.1	728.4	1,138.3
Sept.	293.6	652.9	1,068.1	731.9	1,147.2	291.7	649.5	1,062.8	732.2	1,145.5
Oct.	293.4	655.7	1,075.6	736.6	1,156.5	292.4	653.0	1,070.3	736.8	1,154.0
Nov.	295.7	661.6	1,086.0	743.4	1,167.7	297.6	659.7	1,080.1	742.5	1,162.9
Dec.	295.0	663.3	1,091.8	746.2	1,174.7	303.4	668.4	1,093.6	751.8	1,177.0
1976—Jan.	*295.3*	*669.0*	*1,102.4*	*748.2*	*1,181.6*	*301.2*	*674.1*	*1,105.8*	*752.6*	*1,184.3*
Feb.	*296.8*	*676.9*	*1,115.5*	*752.3*	*1,191.0*	*293.2*	*673.8*	*1,111.6*	*746.8*	*1,184.7*

NOTE.—Composition of the money stock measures is as follows:

M_1: Averages of daily figures for (1) demand deposits of commercial banks other than domestic interbank and U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of commercial banks.

M_2: Averages of daily figures for M_1 plus savings deposits, time deposits open account, and time certificates of deposit other than negotiable CD's of $100,000 of large weekly reporting banks.

M_3: M_2 plus the average of the beginning and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).

M_4: M_2 plus large negotiable CD's.

M_5: M_3 plus large negotiable CD's.

For a description of the latest revisions in M_1, M_2, M_3, M_4, and M_5, see "Revision of Money Stock Measures" on pp. 82–87 of the Feb. 1976 BULLETIN.

Latest monthly and weekly figures are available from the Board's H.6 release. Back data are available from the Banking Section, Division of Research and Statistics.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Period	Seasonally adjusted						Not seasonally adjusted								
	Currency	Commercial banks				Nonbank thrift institutions[2]	Currency	Commercial banks						Nonbank thrift institutions[2]	U.S. Govt. deposits[3]
		Demand deposits	Time and savings deposits					Demand deposits			Time and savings deposits				
			CD's[1]	Other	Total			Member	Domestic nonmember	Total	CD's[1]	Other	Total		
1973—Dec.	61.5	209.0	63.5	300.9	364.4	348.0	62.7	156.5	56.3	215.7	64.0	298.2	362.2	345.3	6.3
1974—Dec.	67.8	215.3	89.8	329.3	419.1	369.2	69.0	159.7	58.5	222.2	90.5	326.3	416.7	366.3	4.9
1975—Mar.	69.4	214.7	89.8	339.0	428.7	380.7	68.8	153.4	56.0	212.6	88.1	341.4	429.4	383.3	3.8
Apr.	69.5	215.4	88.4	341.8	430.1	386.0	69.1	156.9	57.4	217.4	85.8	344.6	430.4	388.9	4.0
May	70.2	217.4	85.1	346.1	431.2	391.6	70.0	153.4	56.6	212.9	84.1	349.1	433.2	393.8	4.1
June	71.0	220.0	84.1	351.4	435.5	397.8	71.2	157.2	58.9	219.1	82.3	353.2	435.5	401.0	4.2
July	71.3	220.6	82.1	355.5	437.6	404.1	71.9	157.9	59.4	220.3	81.3	355.7	436.9	407.2	3.4
Aug.	71.9	221.3	78.8	357.4	436.2	410.0	72.1	155.8	59.0	217.8	81.1	357.3	438.4	409.9	2.7
Sept.	72.0	221.6	79.1	359.2	438.3	415.2	71.9	157.0	59.7	219.9	82.7	357.7	440.5	413.3	3.9
Oct.	72.6	220.8	80.9	362.3	443.2	420.0	72.5	156.6	60.3	219.9	83.7	360.7	444.4	417.2	3.4
Nov.	73.4	222.3	81.8	365.9	447.6	424.4	73.9	158.9	61.5	223.6	82.9	362.1	444.9	420.4	3.5
Dec.	73.7	221.3	82.9	368.3	451.2	428.5	75.0	162.1	62.9	228.4	83.5	365.0	448.4	425.2	4.2
1976—Jan.	74.2	221.2	79.2	373.7	452.9	433.4	73.7	161.9	62.5	227.6	78.5	372.8	451.3	431.8	3.8
Feb.	75.0	221.8	75.4	380.1	455.5	438.6	74.0	155.7	60.3	219.2	73.1	380.6	453.7	437.9	4.6

1 Negotiable time certificates of deposit issued in denominations of $100,000 or more by large weekly reporting commercial banks.

2 Average of the beginning and end-of-month figures for deposits of mutual savings banks, for savings capital at savings and loan associations, and for credit union shares.

3 At all commercial banks.

See also NOTE above.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS

(In billions of dollars)

Period	Member bank reserves, S.A.[1]				Deposits subject to reserve requirements[3]								Total member bank deposits plus nondeposit items[4]	
					S.A.				N.S.A.					
	Total	Non-borrowed	Required	Available[2]	Total	Time and savings	Demand: Private	Demand: U.S. Govt.	Total	Time and savings	Demand: Private	Demand: U.S. Govt.	S.A.	N.S.A.
1973—Dec....	34.98	33.69	34.68	32.78	442.8	279.7	158.1	5.0	447.5	278.5	164.0	5.0	449.4	454.0
1974—Dec.[1]..	36.63	35.90	36.37	34.42	486.9	322.9	160.6	3.4	491.8	321.7	166.6	3.5	495.3	500.1
1975 Feb.[1]..	35.49	35.34	35.30	33.50	490.9	329.1	159.9	1.9	487.0	326.5	158.0	2.4	497.4	493.5
Mar....	34.99	34.88	34.79	32.94	493.4	329.2	161.7	2.5	491.6	328.9	159.8	2.8	499.9	498.1
Apr....	35.08	34.97	34.92	33.00	494.1	329.7	161.7	2.7	495.4	329.1	163.2	3.1	500.8	502.2
May[1]..	34.74	34.67	34.58	32.77	493.7	328.6	162.6	2.5	491.8	329.8	159.0	3.0	501.2	499.2
June...	35.07	34.85	34.87	32.90	499.5	330.5	165.8	3.2	497.5	330.2	164.2	3.1	506.5	504.5
July...	34.98	34.68	34.79	32.89	498.3	330.8	164.9	2.6	497.2	330.2	164.5	2.5	505.1	504.0
Aug....	34.88	34.67	34.69	32.77	496.3	328.4	165.1	2.8	494.8	330.5	162.3	2.0	503.3	501.8
Sept....	34.99	34.59	34.80	32.77	498.4	329.8	165.6	3.0	499.1	332.2	164.0	2.9	505.5	506.1
Oct.[1]..	34.79	34.60	34.58	32.61	500.1	333.1	164.0	3.0	500.4	334.7	163.3	2.5	508.0	508.3
Nov....	34.73	34.67	34.44	32.43	505.9	336.1	165.9	3.9	503.6	334.3	166.7	2.6	514.1	511.9
Dec....	34.75	34.62	34.49	32.44	506.0	338.7	164.4	3.0	510.9	337.2	170.7	3.1	514.4	519.3
1976 Jan.[1]..	34.32	34.24	34.08	32.17	506.2	338.9	164.7	2.6	511.1	337.9	170.3	2.9	514.1	519.0
Feb....	34.05	33.97	33.83	31.85	507.6	339.5	165.5	2.6	504.2	337.5	163.4	3.4	515.9	512.6

[1] Averages of daily figures. Member bank reserve series reflect actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. There are breaks in series because of changes in reserve requirements effective Dec. 12, 1974, Feb. 13, May 22, and Oct. 30, 1975, and Jan. 8, 1976. In addition, effective Jan. 1, 1976, statewide branching in New York was instituted. The subsequent merger of a number of banks raised required reserves because of higher reserve requirements on aggregate deposits at these banks.

[2] Reserves available to support private nonbank deposits are defined as (1) required reserves for (a) private demand deposits, (b) total time and savings deposits, and (c) nondeposit sources subject to reserve requirements, and (2) excess reserves. This series excludes required reserves for net interbank and U.S. Govt. demand deposits.

[3] Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

[4] "Total member bank deposits" subject to reserve requirements, plus Euro-dollar borrowings, loans sold to bank-related institutions, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE.—Back data and estimates of the impact of required reserve changes may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

(In billions of dollars)

Date	Seasonally adjusted							Not seasonally adjusted						
	Total loans and invest-ments[1]	Loans				Securities		Total loans and invest-ments[1]	Loans				Securities	
		Total[1]	Plus loans sold[2]	Commercial and industrial[3]: Total	Commercial and industrial[3]: Plus loans sold[2]	U.S. Treas-ury	Other[4]		Total[1]	Plus loans sold[2]	Commercial and industrial[3]: Total	Commercial and industrial[3]: Plus loans sold[2]	U.S. Treas-ury	Other[4]
1971—Dec. 31....	484.8	320.3	323.1	115.9	117.5	60.1	104.4	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972—Dec. 31....	556.4	377.8	380.4	129.7	131.4	61.9	116.7	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973—Dec. 31....	630.3	447.3	451.6	155.8	158.4	52.8	130.2	647.3	458.5	462.8	159.4	162.0	58.3	130.6
1974—Dec. 31[5, 6]..	687.1	498.2	503.0	182.6	185.3	48.8	140.1	705.6	510.7	515.5	186.8	189.6	54.5	140.5
1975—Apr. 30....	699.1	495.0	499.6	180.5	183.2	64.0	140.1	698.1	493.1	497.7	181.1	183.8	63.3	141.7
May 28....	702.0	492.8	497.5	179.1	181.9	68.2	141.0	698.3	491.6	496.3	178.7	181.5	65.0	141.7
June 30....	705.0	489.9	494.6	176.3	179.2	72.4	142.7	709.3	497.2	501.9	179.0	181.9	68.2	143.9
July 30p....	706.4	489.6	494.1	177.6	180.4	73.4	143.4	704.9	491.7	496.2	177.5	180.3	69.6	143.6
Aug. 27p....	710.4	490.7	495.2	177.5	180.3	75.6	144.1	705.6	489.7	494.2	176.0	178.8	72.1	143.8
Sept. 24p....	711.6	490.4	494.9	176.4	179.2	77.1	144.1	711.5	491.7	496.2	176.8	179.6	75.4	144.3
Oct. 29p....	715.0	494.1	498.8	177.9	180.8	75.1	145.8	713.3	492.4	497.1	176.6	179.5	76.1	144.8
Nov. 26p....	721.3	498.0	502.7	178.9	181.7	76.3	147.0	720.9	496.0	500.7	177.8	180.6	79.6	145.3
Dec. 31p...	717.2	494.7	499.1	177.7	180.3	77.9	144.6	734.4	505.1	509.5	181.1	183.7	84.2	145.1
1976—Jan. 28p....	720.5	495.4	499.7	178.1	180.6	80.2	144.9	719.5	490.6	494.9	176.0	178.5	84.9	144.0
Feb. 25p....	725.2	496.2	500.7	177.1	179.8	84.4	144.6	719.3	490.2	494.7	175.3	178.0	85.6	143.5
Mar. 31p....	730.5	498.9	503.1	174.6	177.2	88.3	143.3	727.6	494.9	499.1	174.5	177.1	89.4	143.4

[1] Adjusted to exclude domestic commercial interbank loans.

[2] Loans sold are those sold outright for banks' own foreign branches, nonconsolidated nonbank affiliates of the bank, the banks' holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company. Prior to Aug. 28, 1974, the institutions included had been defined somewhat differently, and the reporting panel of banks was also different. On the new basis, both "Total loans" and "Commercial and industrial loans" were reduced by about $100 million.

[3] Reclassification of loans at one large bank reduced these loans by about $400 million as of June 30, 1972 and by about $700 million as of March 31, 1976.

[4] Farmers Home Administration insured notes included in "Other securities" rather than in loans beginning June 30, 1971, when such notes totaled about $700 million.

[5] Data beginning June 30, 1974, include one large mutual savings bank that merged with a nonmember commercial bank. As of that date there were increases of about $500 million in loans, $100 million in "Other securities," and $600 million in "Total loans and investments."

[6] As of Oct. 31, 1974, "Total loans and investments" of all commercial banks were reduced by $1.5 billion in connection with the liquidation of one large bank. Reductions in other items were: "Total loans," $1.0 billion (of which $0.6 billion was in "Commercial and industrial loans"), and "Other securities," $0.5 billion. In late November "Commercial and industrial loans" were increased by $0.1 billion as a result of loan reclassifications at another large bank.

NOTE.—*Total loans and investments:* For monthly data, Jan. 1959–June 1973, see Nov. 1973 BULLETIN, pp. A-96–A-97, and for 1948–58, Aug. 1968 BULLETIN, pp. A-94–A-97. For a description of the current seasonally adjusted series see the Nov. 1973 BULLETIN, pp. 831–32, and the Dec. 1971 BULLETIN, pp. 971–73. *Commercial and industrial loans:* For monthly data, Jan. 1959–June 1973, see Nov. 1973 BULLETIN, pp. A-96–A-98; for description see July 1972 BULLETIN, p. 683. Data are for last Wednesday of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments				Cash assets[3]	Total assets—Total liabilities and capital accounts[4]	Deposits						Borrowings	Total capital accounts	Number of banks
	Total	Loans[1]	Securities				Total[3]	Interbank[3]		Other					
			U.S. Treasury	Other[2]				Demand	Time	Demand		Time[5]			
										U.S. Govt.	Other				
Last-Wednesday-of-month series[6]															
All commercial banks:															
1941—Dec. 31...	50,746	21,714	21,808	7,225	26,551	79,104	71,283	10,982		44,349		15,952	23	7,173	14,278
1947—Dec. 31[7]..	116,284	38,057	69,221	9,006	37,502	155,377	144,103	12,792	240	1,343	94,367	35,360	65	10,059	14,181
1960—Dec. 31...	199,509	117,642	61,003	20,864	52,150	257,552	229,843	17,079	1,799	5,945	133,379	71,641	163	20,986	13,472
1970—Dec. 31[8]..	461,194	313,334	61,742	86,118	93,643	576,242	480,940	30,608	1,975	7,938	209,335	231,084	19,375	42,958	13,686
1971—Dec. 31...	516,564	346,930	64,930	104,704	99,832	640,255	537,946	32,205	2,908	10,169	220,375	272,289	25,912	47,211	13,783
1972—Dec. 31...	598,808	414,696	67,028	117,084	113,128	739,033	616,037	33,854	4,194	10,875	252,223	314,891	38,083	52,658	13,927
1973—Dec. 31...	683,799	494,947	58,277	130,574	118,276	835,224	681,847	36,839	6,773	9,865	263,367	365,002	58,994	58,128	14,171
1974—Dec. 31...	744,107	549,183	54,451	140,473	128,042	919,552	747,903	43,483	11,496	4,807	267,506	420,611	58,369	63,650	14,465
1975—Mar. 26...	731,690	531,440	59,330	140,920	105,850	889,370	712,520	30,410	11,680	3,950	236,900	429,580	63,370	65,220	14,525
Apr. 30...	731,100	526,120	63,280	141,700	114,140	899,110	723,060	33,140	11,880	7,910	242,580	427,550	61,340	65,100	14,537
May 28...	733,690	527,030	65,000	141,660	114,400	901,280	725,590	32,510	11,200	2,950	246,410	432,520	61,700	65,080	14,558
June 30...	747,551	535,493	68,191	143,868	128,716	930,719	754,324	42,582	11,209	3,117	264,027	433,389	62,420	66,557	14,573
July 30p..	738,850	525,640	69,620	143,590	106,780	900,210	724,350	33,160	10,830	2,230	243,470	434,660	61,800	66,150	14,583
Aug. 27p..	740,590	524,700	72,060	143,830	104,030	898,940	723,090	31,510	10,570	2,850	242,290	435,870	59,770	66,580	14,595
Sept. 24p..	742,300	522,580	75,440	144,280	105,160	903,440	724,490	31,280	10,990	3,220	240,080	438,920	60,790	66,900	14,612
Oct. 29p..	745,150	524,260	76,050	144,840	109,140	911,930	733,730	31,830	11,210	2,700	247,030	440,960	60,310	67,440	14,629
Nov. 26p..	754,780	529,890	79,550	145,340	121,370	934,450	749,140	34,470	11,160	3,600	256,970	442,940	66,360	67,850	14,625
Dec. 31p..	771,380	542,090	84,220	145,070	128,270	958,410	781,770	41,660	11,830	3,170	278,280	446,830	58,100	68,510	14,630
1976—Jan. 28p..	753,420	524,510	84,920	143,990	111,050	921,760	738,930	32,000	11,160	3,880	245,230	446,660	66,780	68,600	14,612
Feb. 28p..	754,210	525,170	85,570	143,470	109,590	922,850	736,740	31,450	10,990	4,110	242,230	447,960	68,000	68,940	14,625
Mar. 31p..	763,770	530,980	89,400	143,390	118,940	943,600	762,180	37,900	11,480	2,490	255,950	454,360	62,840	69,660	14,625
Members of F.R. System:															
1941—Dec. 31...	43,521	18,021	19,539	5,961	23,113	68,121	61,717	10,385	140	1,709	37,136	12,347	4	5,886	6,619
1947—Dec. 31...	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50	1,176	80,609	28,340	54	8,464	6,923
1960—Dec. 31...	165,619	99,933	49,106	16,579	45,756	216,577	193,029	16,437	1,639	5,287	112,393	57,273	130	17,398	6,174
1970—Dec. 31[8]..	365,940	253,936	45,399	66,604	81,500	465,644	384,596	29,142	1,733	6,460	168,032	179,229	18,578	34,100	5,767
1971—Dec. 31...	405,087	277,717	47,633	79,738	86,189	511,353	425,380	30,612	2,549	8,427	174,385	209,406	25,046	37,279	5,727
1972—Dec. 31...	465,788	329,548	48,715	87,524	96,566	585,125	482,124	31,958	3,561	9,024	197,817	239,763	36,357	41,228	5,704
1973—Dec. 31...	528,124	391,032	41,494	95,598	100,098	655,898	526,837	34,782	5,843	8,273	202,564	275,374	55,611	44,741	5,735
1974—Dec. 31...	568,532	429,537	38,921	100,073	106,995	715,615	575,563	41,062	10,052	3,183	204,203	317,064	52,850	48,240	5,780
1975—Mar. 26...	552,957	411,446	42,544	98,967	89,685	685,906	542,076	28,564	10,231	2,794	180,214	320,273	58,030	49,219	5,785
Apr. 30...	550,756	406,676	45,142	98,938	96,694	692,147	549,824	31,102	10,433	6,212	184,693	317,384	55,738	49,267	5,789
May 28...	551,264	405,803	46,918	98,543	96,455	691,485	549,996	30,191	9,751	2,178	187,439	320,437	56,140	49,188	5,790
June 30...	562,667	412,939	49,610	100,118	107,152	716,364	573,382	39,847	9,576	2,166	201,197	320,596	56,334	50,257	5,794
July 30...	553,545	403,742	50,050	99,753	89,898	688,756	547,222	30,980	9,198	1,541	184,595	320,908	56,094	49,951	5,796
Aug. 27...	554,007	402,281	51,899	99,827	87,208	686,266	545,021	29,335	8,932	2,099	183,283	321,372	54,175	50,281	5,792
Sept. 24...	555,096	400,695	54,355	100,046	88,004	689,717	546,360	29,150	9,360	2,343	181,340	324,167	54,929	50,543	5,792
Oct. 29...	556,383	401,492	54,546	100,345	91,397	695,312	552,649	29,568	9,578	1,952	186,851	324,700	54,250	50,963	5,796
Nov. 26...	564,055	405,825	57,477	100,753	102,106	714,149	564,856	32,064	9,527	2,708	194,502	326,055	60,162	51,199	5,792
Dec. 31p..	577,678	416,039	61,238	100,401	107,211	733,267	591,358	38,595	10,197	2,226	211,418	328,922	52,756	51,748	5,789
1976—Jan. 28...	563,471	402,067	61,710	99,694	93,794	705,136	556,298	29,712	9,529	2,908	185,783	328,366	61,022	52,067	5,767
Feb. 28...	562,940	401,731	61,869	99,340	91,914	704,357	552,942	29,145	9,357	2,977	183,458	328,005	62,051	52,300	5,769
Mar. 31p..	569,868	406,092	64,630	99,146	100,355	720,672	574,333	35,430	9,848	1,767	194,903	332,385	57,402	52,962	5,769
Call date series															
Insured banks:															
Total:															
1941—Dec. 31...	49,290	21,259	21,046	6,984	25,788	76,820	69,411	10,654		1,762	41,298	15,699	10	6,844	13,426
1947—Dec. 31...	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	54	1,325	92,975	34,882	61	9,734	13,398
1960—Dec. 31...	198,011	117,092	60,468	20,451	51,836	255,669	228,401	16,921	1,667	5,932	132,533	71,348	149	20,628	13,119
1970—Dec. 31[8]..	458,919	312,006	61,438	85,475	92,708	572,682	479,174	30,233	1,874	7,898	208,037	231,132	19,149	42,427	13,502
1972—Dec. 31...	594,502	411,525	66,679	116,298	111,333	732,519	612,822	33,366	4,113	10,820	250,693	313,830	37,556	52,166	13,721
1973—Dec. 31...	678,113	490,527	57,961	129,625	116,266	827,081	677,358	36,248	6,429	9,856	261,530	363,294	57,531	57,603	13,964
1974—Dec. 31...	734,516	541,111	54,132	139,272	125,375	906,325	741,665	42,587	10,693	4,799	265,444	418,142	55,988	63,039	14,216
1975—June 30...	736,164	526,272	67,833	142,060	125,181	914,781	746,348	41,244	10,252	3,106	261,903	416,962	59,310	65,986	14,320
Sept. 30...	740,882	521,673	73,382	140,627	117,774	911,981	741,758	37,652	9,876	3,606	252,945	425,382	58,325	67,579	14,357
National member:															
1941—Dec. 31...	27,571	11,725	12,039	3,806	14,977	43,433	39,458	6,786		1,088	23,262	8,322	4	3,640	5,117
1947—Dec. 31...	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	35	795	53,541	19,278	45	5,409	5,005
1960—Dec. 31...	107,546	63,694	32,712	11,140	28,675	139,261	124,911	9,829	611	3,265	71,660	39,546	111	11,098	4,530
1970—Dec. 31[8]..	271,760	187,554	34,203	50,004	56,028	340,764	283,663	18,051	982	4,740	122,298	137,592	13,100	24,868	4,620
1972—Dec. 31...	350,743	247,041	37,185	66,516	67,390	434,810	359,319	19,096	2,155	6,646	146,800	184,622	26,706	30,342	4,612
1973—Dec. 31...	398,236	293,555	30,962	73,718	70,711	489,470	395,767	20,357	3,876	5,955	152,705	212,874	39,696	33,125	4,659
1974—Dec. 31...	428,433	321,466	29,075	77,892	76,523	534,207	431,039	23,497	6,750	2,437	154,397	243,959	39,603	35,815	4,706
1975—June 30...	428,167	312,229	37,606	78,331	75,686	536,836	431,646	21,096	6,804	1,723	152,576	242,492	41,954	37,483	4,730
Sept. 30...	428,507	307,230	40,872	76,929	72,216	534,415	427,421	20,250	6,795	1,963	146,382	245,783	42,073	38,346	4,738

For notes see opposite page.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments: Total	Loans and investments: Loans 1	Securities: U.S. Treasury	Securities: Other 2	Cash assets 3	Total assets—Total liabilities and capital accounts 4	Deposits: Total 3	Interbank 3: Demand	Interbank 3: Time	Other: Demand: U.S. Govt.	Other: Demand: Other	Other: Time 5	Borrowings	Total capital accounts	Number of banks
Call date series															
Insured banks (cont.):															
State member:															
1941—Dec. 31....	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739		621	13,874	4,025	1	2,246	1,502
1947—Dec. 31....	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055	1,918
1960—Dec. 31....	*58,073*	*36,240*	*16,394*	*5,439*	*17,081*	*77,316*	*68,118*	*6,608*	*1,028*	*2,022*	*40,733*	*17,727*	*20*	*6,299*	*1,644*
1970—Dec. 31[8]...	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232	1,147
1972—Dec. 31....	115,426	82,889	11,530	21,008	29,176	150,697	123,186	12,862	1,406	2,378	51,017	55,523	9,651	10,886	1,092
1973—Dec. 31....	130,240	97,828	10,532	21,880	29,387	166,780	131,421	14,425	1,968	2,318	49,859	62,851	15,914	11,617	1,076
1974—Dec. 31....	140,373	108,346	9,846	22,181	30,473	181,683	144,799	17,565	3,301	746	49,807	73,380	13,247	12,425	1,074
1975—June 30...	134,759	100,968	12,004	21,787	31,466	179,787	141,995	18,751	2,771	443	48,621	65,654	14,380	12,773	1,064
1975—Sept. 30...	135,003	99,854	12,234	21,240	28,842	176,267	139,276	16,125	2,427	490	46,416	67,958	13,211	13,009	1,057
Nonmember:															
1941—Dec. 31....	5,776	3,241	1,509	1,025	2,668	8,708	7,702	129		53	4,162	3,360	6	959	6,810
1947—Dec. 31....	16,444	4,958	10,039	1,448	4,083	20,691	19,342	262	4	149	12,366	6,558	7	1,271	6,478
1960—Dec. 31....	32,411	17,169	11,368	3,874	6,082	39,114	35,391	484	27	645	20,140	14,095	19	3,232	6,948
1970—Dec. 31[8]...	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326	7,735
1972—Dec. 31....	128,333	81,594	17,964	28,774	14,767	147,013	130,316	1,408	552	1,796	52,876	73,685	1,199	10,938	8,017
1973—Dec. 31....	149,638	99,143	16,467	34,027	16,167	170,831	150,170	1,467	586	1,582	58,966	87,569	1,920	12,862	8,229
1974—Dec. 31....	165,709	111,300	15,211	39,199	18,380	190,435	165,827	1,525	642	1,616	61,240	100,804	3,138	14,799	8,436
1975—June 30...	173,238	113,074	18,223	41,942	18,029	198,157	172,707	1,397	676	940	60,706	108,816	2,976	15,730	8,526
1975—Sept. 30...	177,371	114,589	20,275	42,457	16,717	201,299	175,060	1,277	655	1,153	60,147	111,641	3,041	16,224	8,562
Noninsured nonmember:															
1941—Dec. 31....	1,457	455	761	241	763	2,283	1,872	329		1,291		253	13	329	852
1947—Dec. 31[7]...	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1960—Dec. 31....	1,498	550	535	413	314	1,883	1,443	159	132	13	846	293	14	358	352
1970—Dec. 31[8]...	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	184
1971—Dec. 31....	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480	181
1972—Dec. 31....	4,865	3,731	349	785	1,794	7,073	3,775	488	81	55	1,530	1,620	527	491	206
1973—Dec. 31....	6,192	4,927	316	949	2,010	8,650	4,996	591	344	9	1,836	2,215	1,463	524	207
1974—Dec. 31....	9,981	8,461	319	1,201	2,667	13,616	6,627	897	803	8	2,062	2,857	2,382	611	249
1975—June 30...	11,725	9,559	358	1,808	3,534	16,277	8,314	1,338	957	11	2,124	3,320	3,110	570	253
Total nonmember:															
1941—Dec. 31....	7,233	3,696	2,270	1,266	3,431	10,992	9,573	457		5,504		3,613	18	1,288	7,662
1947—Dec. 31....	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	190	167	13,758	7,036	12	1,596	7,261
1960—Dec. 31....	33,910	17,719	11,904	4,287	6,396	40,997	36,834	643	160	657	20,986	14,388	33	3,590	7,300
1970—Dec. 31[8]...	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858	7,919
1971—Dec. 31....	111,674	69,411	17,297	24,966	13,643	129,100	112,764	1,592	359	1,742	45,990	63,081	866	9,932	8,056
1972—Dec. 31....	133,198	85,325	18,313	29,559	16,562	154,085	134,091	1,895	633	1,850	54,406	75,305	1,726	11,429	8,223
1973—Dec. 31....	155,830	104,070	16,783	34,976	18,177	179,480	155,165	2,057	930	1,592	60,802	89,784	3,383	13,386	8,436
1974—Dec. 31....	175,690	119,761	15,530	40,400	21,047	204,051	172,454	2,422	1,445	1,624	63,302	103,661	5,520	15,410	8,685
1975—June 30...	184,963	122,633	18,581	43,750	21,563	214,434	181,021	2,735	1,633	951	62,830	112,136	6,086	16,300	8,779

1 Loans to farmers directly guaranteed by CCC were reclassified as securities and Export-Import Bank portfolio fund participations were reclassified from loans to securities effective June 30, 1966. This reduced "Total loans" and increased "Other securities" by about $1 billion. "Total loans" include Federal funds sold, and beginning with June 1967 securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc.," on p. A-16.

Effective June 30, 1971, Farmers Home Administration notes were classified as "Other securities" rather than "Loans." As a result of this change, approximately $300 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

See also table (and notes) at the bottom of p. A-24.

2 See first 2 paragraphs of note 1.

3 Reciprocal balances excluded beginning with 1942.

4 Includes items not shown separately. See also note 1.

5 See third paragraph of note 1 above.

6 For the last-Wednesday-of-the-month series, figures for call dates are shown for June and December as soon as they became available.

7 Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

8 Figure takes into account the following changes, which became effective June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves—rather than net as previously reported.

9 Member bank data for Oct. exclude assets of $3.6 billion of one large bank.

NOTE.—Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; nondeposit trust companies; and U.S. branches of foreign banks.

Figures for member banks before 1970 include mutual savings banks as follows: 3 before Jan. 1960 and 2 through Dec. 1960. Those banks are not included in insured commercial banks.

Effective June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business; beginning 1973, exclude 1 national bank in Puerto Rico.

Beginning Dec. 31, 1973, June 30, 1974, and Dec. 31, 1974, June 30, 1975, respectively, member banks exclude and noninsured nonmember banks include 1, 2, 3, and 4 noninsured trust companies that are member of the Federal Reserve System.

Comparability of figures for classes of banks in affected somewhat by changes in F.R. membership, deposit insurance status, and by mergers etc.

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870–71.

ASSETS BY CLASS OF BANK, JUNE 30, 1975

(Assets and liabilities are shown in millions of dollars.)

Account	All commercial banks	Insured commercial banks	Member banks[1]					Non-member banks[1]
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Cash, bank balances, items in process	128,716	125,181	107,152	29,694	4,419	38,925	34,114	21,564
Currency and coin	10,102	10,079	7,546	569	121	2,520	4,335	2,556
Reserves with F.R. Banks	26,890	26,890	26,890	5,656	1,800	10,084	9,350	....
Demand balances with banks in United States	34,278	31,788	19,722	6,940	165	3,710	8,906	14,556
Other balances with banks in United States	5,727	5,276	3,647	94	115	1,153	2,284	2,080
Balances with banks in foreign countries	2,296	1,833	1,738	438	78	938	285	558
Cash items in process of collection	49,422	49,315	47,610	15,997	2,139	20,518	8,955	1,813
Total securities held—Book value	212,058	209,893	149,728	16,808	5,879	49,992	77,049	62,330
U.S. Treasury	68,191	67,833	49,610	7,368	2,189	17,061	22,992	18,581
Other U.S. Govt. agencies	33,882	33,490	21,213	1,754	570	6,348	12,540	12,669
States and political subdivisions	101,472	101,091	73,762	7,030	2,828	25,087	38,817	27,711
All other securities	8,513	7,479	5,144	657	291	1,496	2,699	3,370
Trade-account securities	6,198	6,188	6,136	2,468	556	2,896	217	62
U.S. Treasury	2,945	2,934	2,909	1,399	344	1,078	88	35
Other U.S. Govt. agencies	941	941	934	239	27	633	35	7
States and political subdivisions	1,907	1,907	1,893	736	117	952	89	14
All other	406	406	400	95	68	233	5	6
Bank investment portfolios	205,860	203,705	143,592	14,340	5,323	47,096	76,832	62,268
U.S. Treasury	65,246	64,899	46,701	5,969	1,845	15,983	22,904	18,545
Other U.S. Govt. agencies	32,941	32,549	20,279	1,515	544	5,715	12,505	12,662
States and political subdivisions	99,566	99,184	71,869	6,294	2,711	24,135	38,729	27,697
All other	8,108	7,073	4,743	562	224	1,264	2,694	3,364
Federal funds sold and securities resale agreements	38,841	37,383	28,951	1,747	1,263	14,807	11,133	9,891
Commercial banks	34,083	32,625	24,296	852	1,041	11,800	10,604	9,787
Brokers and dealers	3,054	3,054	2,977	108	203	2,195	471	77
Others	1,704	1,704	1,677	787	19	812	59	27
Other loans	496,990	488,888	384,247	75,339	22,512	142,424	143,973	112,742
Real estate loans	131,445	131,246	94,442	7,951	1,332	35,526	49,633	37,003
Secured by farmland	6,105	6,090	2,676	5	2	327	2,342	3,428
Secured by residential	81,360	81,233	59,898	4,265	894	23,532	31,207	21,462
1- to 4-family residences	74,612	74,489	54,377	3,150	839	20,932	29,456	20,235
FHA insured	5,626	5,610	4,875	233	55	2,632	1,955	752
VA guaranteed	3,167	3,147	2,713	181	20	1,418	1,094	454
Other	65,818	65,732	46,790	2,736	764	16,882	26,407	19,029
Multifamily	6,748	6,744	5,521	1,115	55	2,600	1,751	1,227
FHA insured	762	761	706	136	25	331	214	56
Other	5,986	5,983	4,815	978	30	2,269	1,537	1,171
Secured by other properties	43,981	43,923	31,868	3,681	436	11,667	16,084	12,113
Loans to domestic and foreign banks	11,155	8,644	8,075	3,543	504	3,252	776	3,080
Loans to other financial institutions	32,413	32,164	30,964	11,756	4,720	12,175	2,314	1,449
Loans on securities to brokers and dealers	5,534	5,447	5,373	3,931	659	649	134	161
Other loans for purch./carry securities	3,836	3,818	3,177	516	277	1,497	887	658
Loans to farmers	19,071	19,054	10,768	88	190	2,554	7,935	8,304
Commercial and industrial loans	178,993	174,436	147,242	39,616	12,517	55,802	39,307	31,751
Loans to individuals	101,816	101,512	72,806	4,942	1,540	25,865	40,458	29,010
Instalment loans	79,246	79,033	56,275	3,062	804	20,229	32,180	22,971
Passenger automobiles	32,128	32,026	21,423	421	151	6,621	14,230	10,706
Residential-repair/modernize	5,627	5,611	4,077	202	49	1,717	2,109	1,550
Credit cards and related plans	10,835	10,835	9,551	1,015	399	5,320	2,818	1,284
Charge-account credit cards	8,240	8,240	7,389	742	369	4,181	2,096	851
Check and revolving credit plans	2,595	2,594	2,162	273	29	1,139	722	433
Other retail consumer goods	15,273	15,242	10,661	160	104	3,765	6,632	4,611
Mobile homes	8,807	8,801	6,340	100	48	2,276	3,916	2,467
Other	6,466	6,441	4,321	60	56	1,489	2,716	2,144
Other instalment loans	15,383	15,318	10,563	1,265	101	2,807	6,390	4,820
Single-payment loans to individuals	22,570	22,479	16,531	1,880	736	5,636	8,278	6,039
All other loans	12,726	12,568	11,400	2,995	773	5,103	2,529	1,326
Total loans and securities	747,889	736,164	562,926	93,894	29,654	207,223	232,155	184,963
Fixed assets—Buildings, furniture, real estate	16,254	16,175	12,183	1,263	500	4,894	5,526	4,071
Investments in subsidiaries not consolidated	1,820	1,798	1,777	797	146	754	81	42
Customer acceptances outstanding	9,462	9,223	8,993	4,795	427	3,438	332	469
Other assets	26,917	26,239	23,592	8,889	1,122	9,756	3,825	3,325
Total assets	931,057	914,781	716,623	139,333	36,268	264,990	276,032	214,434
Number of banks	14,573	14,320	5,794	12	9	155	5,618	8,779

[1] Member banks exclude and nonmember banks include 4 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

[2] See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 24.

[3] Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Figures for total loans and for individual categories of securities are reported on a gross basis—that is, before deduction of valuation reserves.

Back data in lesser detail were shown in previous BULLETINS. Beginning with the fall Call Report, data for future spring and fall Call Reports will be available from the Data Production Section of the Division of Data Processing.

Details may not add to totals because of rounding.

LIABILITIES AND CAPITAL BY CLASS OF BANK, JUNE 30, 1975

(Assets and liabilities are shown in millions of dollars.)

Account	All commercial banks	Insured commercial banks	Member banks[1]					Nonmember banks[1]
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Demand deposits	309,726	306,253	243,210	57,475	9,911	85,372	90,453	66,516
Mutual savings banks	1,279	1,151	1,057	483	1	210	362	223
Other individuals, partnerships, and corporations	232,079	231,121	177,344	29,687	7,668	65,847	74,142	54,735
U.S. Government	3,117	3,106	2,166	118	42	725	1,280	951
States and political subdivisions	18,217	18,079	13,074	758	186	3,883	8,247	5,143
Foreign governments, central banks, etc.	1,555	1,310	1,280	1,088	18	167	6	275
Commercial banks in United States	34,345	34,019	32,823	16,986	1,593	10,482	3,762	1,522
Banks in foreign countries	6,957	6,074	5,967	4,662	152	1,058	95	990
Certified and officers' checks, etc.	12,176	11,393	9,499	3,691	250	2,999	2,558	2,677
Time and savings deposits	444,936	440,096	330,431	46,693	16,362	119,708	147,669	114,505
Savings deposits	151,744	151,463	109,037	6,995	2,385	38,455	61,202	42,708
Accumulated for personal loan payments[2]	338	335	259	....	....	74	186	79
Mutual savings banks	648	627	611	287	17	265	42	37
Other individuals, partnerships, and corporations	219,489	216,619	163,751	25,801	10,371	59,106	68,473	55,738
U.S. Government	492	492	360	10	1	184	165	132
States and political subdivisions	48,219	48,052	34,739	1,421	1,324	15,062	16,932	13,480
Foreign governments, central banks, etc.	13,445	12,882	12,710	7,956	1,374	3,337	43	735
Commercial banks in United States	8,449	8,334	7,716	3,205	842	3,048	621	733
Banks in foreign countries	2,111	1,291	1,248	1,018	48	178	5	863
Total deposits	754,662	746,348	573,641	104,167	26,272	205,080	238,122	181,021
Federal funds purchased and securities sold under agreements to repurchase	56,529	54,835	52,184	13,367	5,845	25,865	7,106	4,345
Other liabilities for borrowed money	5,891	4,475	4,150	1,362	26	2,370	392	1,741
Mortgage indebtedness	763	761	550	64	4	313	169	213
Bank acceptances outstanding	10,060	9,814	9,583	5,375	430	3,447	332	477
Other liabilities	27,627	23,645	18,960	3,535	929	7,789	6,706	8,667
Total liabilities	855,533	839,879	659,069	127,870	33,507	244,864	252,827	196,464
Minority interest in consolidated subsidiaries	5	4	1	....	....	....	1	4
Total reserves on loans/securities	8,963	8,912	7,297	1,685	525	2,761	2,325	1,666
Reserves for bad debts (IRS)	8,659	8,614	7,110	1,685	525	2,682	2,218	1,549
Other reserves on loans	121	119	69	....	1	17	50	53
Reserves on securities	182	179	119	....	....	61	57	64
Total capital accounts	66,557	65,986	50,257	9,777	2,236	17,365	20,878	16,300
Capital notes and debentures	4,347	4,287	3,467	782	81	1,656	948	880
Equity capital	62,210	61,699	46,790	8,995	2,155	15,710	19,930	15,421
Preferred stock	50	42	24	....	....	10	13	27
Common stock	15,176	15,077	11,187	2,163	568	3,614	4,842	3,989
Surplus	25,968	25,816	19,500	3,667	1,143	6,976	7,713	6,468
Undivided profits	20,053	19,859	15,441	3,166	399	4,845	7,031	4,613
Other capital reserves	963	905	638	....	44	264	330	324
Total liabilities, reserves, minority interest, capital accounts	931,057	914,781	716,623	139,333	36,268	264,990	276,032	214,434
Demand deposits adjusted[3]	222,842	219,813	160,611	24,373	6,136	53,646	76,456	62,231
Average total deposits (past 15 days)	734,017	726,164	555,860	96,313	25,508	199,612	234,427	178,157
Average total loans (past 15 days)	506,945	497,466	385,936	74,863	22,484	143,273	145,316	121,009
Selected ratios:								
Percentage of total assets								
Cash and balances with other banks	13.8	13.7	15.0	21.3	12.2	14.7	12.4	10.1
Total securities held	22.8	22.9	20.9	12.1	16.2	18.9	27.9	29.1
Trading account securities	.7	.7	.9	1.8	1.5	1.1	.1	....
U.S. Treasury	.3	.3	.4	1.0	.9	.4	....	....
States and political subdivisions	.2	.2	.3	.5	.3	.4	....	....
All other trading account securities	.1	.1	.2	.2	.3	.3	....	....
Bank investment portfolios	22.1	22.3	20.0	10.3	14.7	17.8	27.8	29.0
U.S. Treasury	7.0	7.1	6.5	4.3	5.1	6.0	8.3	8.6
States and political subdivisions	10.7	10.8	10.0	4.5	7.5	9.1	14.0	12.9
All other portfolio securities	4.4	4.3	3.5	1.5	2.1	2.6	5.5	7.5
Other loans and Federal funds sold	57.6	57.5	57.7	55.3	65.6	59.3	56.2	57.2
All other assets	5.8	5.8	6.5	11.3	6.1	7.1	3.5	3.7
Total loans and securities	80.3	80.5	78.6	67.4	81.8	78.2	84.1	86.3
Reserves for loans and securities	1.0	1.0	1.0	1.2	1.4	1.0	.8	.8
Equity capital—Total	6.7	6.7	6.5	6.5	5.9	5.9	7.2	7.2
Total capital accounts	7.1	7.2	7.0	7.0	6.2	6.6	7.6	7.6
Number of banks	14,573	14,320	5,794	12	9	155	5,618	8,779

For notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲

(In millions of dollars)

Wednesday	Total loans and investments	Loans: Federal funds sold, etc.[1]: Total	Federal funds sold, etc.[1]: To commercial banks	Federal funds sold, etc.[1]: To brokers and dealers involving—: U.S. Treasury securities	Federal funds sold, etc.[1]: To brokers and dealers involving—: Other securities	Federal funds sold, etc.[1]: To others	Other: Total	Other: Commercial and industrial	Other: Agricultural	Other: For purchasing or carrying securities: To brokers and dealers: U.S. Treasury secs.	Other: For purchasing or carrying securities: To brokers and dealers: Other secs.	Other: For purchasing or carrying securities: To others: U.S. Treasury secs.	Other: For purchasing or carrying securities: To others: Other secs.	Other: To nonbank financial institutions: Pers. and sales finance cos., etc.	Other: To nonbank financial institutions: Other	Other: Real estate
Large banks—Total																
1975																
Mar. 5	401,363	22,964	17,717	2,904	1,377	966	290,879	127,054	3,438	1,618	3,268	80	2,409	9,766	20,526	59,953
12	401,318	22,225	16,131	3,438	1,510	1,146	290,445	125,986	3,461	3,284	3,486	82	2,396	9,492	20,304	60,014
19	397,240	19,568	14,703	2,320	1,537	1,008	289,205	126,314	3,416	1,573	3,718	84	2,375	9,448	20,230	59,959
26	395,224	19,402	15,344	2,072	1,196	790	287,150	126,008	3,408	914	3,230	84	2,374	9,285	20,238	59,939
1976																
Feb. 4	394,748	18,435	15,655	1,623	550	607	276,261	117,179	3,652	877	3,857	78	2,292	8,333	17,809	59,583
11	394,909	19,596	16,826	1,521	588	661	275,398	116,883	3,639	834	4,084	72	2,304	8,201	17,831	59,557
18	395,874	18,816	16,448	1,233	561	574	276,597	116,699	3,645	1,137	4,216	84	2,301	8,507	17,767	59,663
25	391,308	17,188	15,007	1,182	450	549	274,882	116,041	3,642	876	4,157	77	2,292	8,204	17,837	59,638
Mar. 3	395,484	19,932	17,172	1,497	591	672	276,182	115,977	3,666	1,256	4,547	83	2,310	8,432	17,857	59,545
10	401,203	23,434	17,909	3,320	890	1,315	278,207	115,919	3,695	3,027	5,538	76	2,317	8,286	17,797	59,614
17	397,694	19,306	15,963	1,903	629	811	277,496	115,768	3,683	2,026	5,725	73	2,316	8,299	17,771	59,660
24	393,684	16,918	14,300	1,391	573	654	276,231	115,056	3,692	1,576	5,017	78	2,301	8,156	17,965	60,335
31	394,802	18,380	15,132	1,808	624	816	275,829	114,594	3,710	1,104	4,994	78	2,338	8,417	18,015	60,417
New York City																
1975																
Mar. 5	95,596	1,397	1,159	110	1	127	78,038	40,525	137	1,421	2,281	17	481	3,449	8,199	8,852
12	96,421	1,928	1,476	164	1	287	78,443	40,029	135	2,987	2,408	19	484	3,301	8,012	8,862
26	95,479	1,974	1,524	133	1	316	77,199	40,014	134	1,354	2,691	20	477	3,314	8,026	8,870
26	94,121	2,134	1,922	131	......	81	75,864	39,895	132	781	2,316	19	473	3,196	8,050	8,869
1976																
Feb. 4	90,426	1,355	1,082	140	......	133	70,806	36,250	93	783	2,601	19	393	2,854	6,966	9,441
11	89,618	1,285	1,117	40	......	128	70,290	35,948	91	731	2,787	18	398	2,735	6,943	9,461
18	91,587	1,762	1,532	99	......	131	71,333	35,791	92	1,044	3,016	21	396	2,989	6,929	9,493
25	89,672	1,172	848	65	......	259	70,421	35,486	90	831	2,908	19	396	2,917	6,965	9,480
Mar. 3	91,012	1,586	1,222	49	......	315	71,377	35,488	88	1,152	3,128	19	397	3,055	6,979	9,474
10	93,226	1,880	1,390	58	......	432	73,404	35,486	87	2,830	3,879	18	392	2,886	6,931	9,467
17	92,272	2,091	1,707	66	......	318	72,264	35,119	86	1,886	4,049	17	397	2,823	6,943	9,473
24	91,115	2,060	1,643	153	......	264	71,162	35,143	89	1,471	3,404	16	393	2,847	6,945	9,451
31	89,851	1,681	985	293	......	403	70,308	35,006	84	935	3,288	19	390	2,963	6,905	9,396
Outside New York City																
1975																
Mar. 5	305,767	21,567	16,558	2,794	1,376	839	212,841	86,529	3,301	197	987	63	1,928	6,317	12,327	51,101
12	304,897	20,297	14,655	3,274	1,509	859	212,002	85,957	3,326	297	1,078	63	1,912	6,192	12,292	51,152
19	301,761	17,594	13,179	2,187	1,536	692	212,006	86,300	3,282	219	1,027	64	1,898	6,134	12,204	51,089
26	301,103	17,268	13,422	1,941	1,196	709	211,286	86,113	3,276	133	914	65	1,901	6,089	12,188	51,070
1976																
Feb. 4	304,322	17,080	14,573	1,483	550	474	205,455	80,929	3,559	94	1,256	59	1,899	5,479	10,843	50,142
11	305,291	18,311	15,709	1,481	588	533	205,108	80,935	3,548	103	1,297	54	1,906	5,466	10,888	50,096
18	304,287	17,054	14,916	1,134	561	443	205,264	80,908	3,553	93	1,200	63	1,905	5,518	10,838	50,170
25	301,636	16,016	14,159	1,117	450	290	204,461	80,555	3,552	45	1,249	58	1,896	5,287	10,872	50,158
Mar. 3	304,472	18,346	15,950	1,448	591	357	204,805	80,489	3,578	104	1,419	64	1,913	5,377	10,878	50,071
10	307,977	21,554	16,519	3,262	890	883	204,803	80,433	3,608	197	1,659	58	1,925	5,400	10,866	50,147
17	305,422	17,215	14,256	1,837	629	493	205,232	80,649	3,597	140	1,676	56	1,919	5,476	10,828	50,187
24	302,569	14,858	12,657	1,238	573	390	205,069	79,913	3,603	105	1,613	62	1,908	5,309	11,020	50,884
31	304,951	16,699	14,147	1,515	624	413	205,521	79,588	3,626	169	1,706	59	1,948	5,454	11,110	51,021

▲ Effective with changes in New York State branch banking laws, *beginning Jan. 1, 1976, three large New York City banks are now reporting* combined totals for previously affiliated banks that have been converted to branches.

The principal effects of these changes were to increase the reported data for New York City (total assets, by about $5.5 billion) and to decrease the reported data for "Outside New York City" (total assets, by about $4.0 billion).

Historical data (from Jan. 1972) on a basis comparable with 1976 data are available from the Public Information Department of the Federal Reserve Bank of New York on request.

For other notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Loans (cont.) — Other (cont.) — To commercial banks — Domestic	Loans (cont.) — Other (cont.) — To commercial banks — Foreign	Loans (cont.) — Other (cont.) — Consumer instalment	Loans (cont.) — Other (cont.) — Foreign govts.[2]	Loans (cont.) — Other (cont.) — All other	Investments — U.S. Treasury securities — Total	Investments — U.S. Treasury securities — Bills	Investments — U.S. Treasury securities — Notes and bonds maturing— Within 1 yr.	Investments — U.S. Treasury securities — Notes and bonds maturing— 1 to 5 yrs.	Investments — U.S. Treasury securities — Notes and bonds maturing— After 5 yrs.	Investments — Other securities — Total	Investments — Other securities — Obligations of States and political subdivisions — Tax warrants[3]	Investments — Other securities — Obligations of States and political subdivisions — All other	Investments — Other securities — Other bonds, corp. stocks, and securities — Certif. of participation[4]	Investments — Other securities — Other bonds, corp. stocks, and securities — All other[5]	Wednesday
															Large banks — Total
															1975
2,745	5,329	34,530	1,453	18,710	25,571	4,116	3,742	14,217	3,496	61,949	6,258	40,602	2,590	12,499	Mar. 5
2,671	5,168	34,405	1,363	18,333	26,535	4,975	3,915	14,180	3,465	62,113	6,392	40,604	2,589	12,528	12
2,684	5,222	34,307	1,308	18,567	26,861	4,796	3,762	14,310	3,993	61,606	6,152	40,332	2,472	12,650	19
2,740	5,159	34,210	1,308	18,253	27,355	5,101	3,735	14,650	3,869	61,317	6,170	40,133	2,433	12,581	26
															1976
2,150	5,113	35,618	1,663	18,057	40,682	12,629	6,806	18,158	3,089	59,370	6,231	39,230	2,222	11,687	Feb. 4
1,925	5,122	35,512	1,717	17,717	40,534	12,677	6,756	18,035	3,066	59,381	6,214	39,323	2,168	11,676	11
1,921	5,244	35,433	1,721	18,259	41,107	13,062	6,013	19,119	2,913	59,354	6,053	39,387	2,184	11,730	18
2,009	5,108	35,447	1,781	17,773	40,083	12,440	6,006	18,826	2,811	59,155	5,955	39,501	2,168	11,531	25
1,970	5,192	35,352	1,786	18,209	40,477	12,141	6,160	19,421	2,755	58,893	6,013	39,464	2,156	11,260	Mar. 3
1,931	5,040	35,343	1,771	17,853	40,265	12,485	6,083	19,098	2,599	59,297	6,286	39,599	2,108	11,304	10
1,951	5,088	35,317	1,797	18,022	41,747	13,279	6,050	19,746	2,672	59,145	6,011	39,519	2,118	11,497	17
1,964	5,153	35,344	1,790	17,804	41,432	13,149	5,982	19,656	2,645	59,103	5,900	39,605	2,174	11,424	24
2,047	5,239	35,354	1,765	17,757	41,781	13,071	5,949	20,360	2,401	58,812	5,540	39,543	2,212	11,517	31
															New York City
															1975
1,396	2,703	3,613	751	4,213	5,784	1,040	480	3,127	1,137	10,377	1,732	5,956	229	2,460	Mar. 5
1,320	2,615	3,601	709	3,961	5,864	1,126	594	3,041	1,103	10,186	1,760	5,803	184	2,439	12
1,288	2,688	3,594	665	4,064	6,130	1,074	519	3,107	1,430	10,176	1,757	5,742	187	2,490	19
1,384	2,635	3,584	674	3,856	6,012	1,026	482	3,205	1,299	10,111	1,758	5,653	179	2,521	26
															1976
664	2,228	3,808	606	4,100	9,016	2,635	1,070	4,401	910	9,249	1,310	6,029	200	1,710	Feb. 4
605	2,233	3,780	644	3,916	8,799	2,372	1,075	4,478	874	9,244	1,272	6,038	195	1,739	11
611	2,372	3,758	623	4,198	9,294	2,885	975	4,714	720	9,198	1,178	6,124	194	1,702	18
652	2,285	3,759	612	4,021	8,871	2,865	1,006	4,438	562	9,208	1,163	6,192	193	1,660	25
650	2,391	3,753	619	4,184	9,034	3,175	944	4,362	553	9,015	1,153	6,107	193	1,562	Mar. 3
572	2,298	3,772	590	4,196	8,961	3,397	945	4,159	460	8,981	1,056	6,183	187	1,555	10
601	2,282	3,753	598	4,237	9,052	3,172	911	4,417	552	8,865	972	6,164	191	1,538	17
589	2,358	3,746	599	4,111	9,051	3,142	863	4,447	599	8,842	964	6,178	187	1,513	24
597	2,422	3,737	562	4,004	9,074	2,874	795	4,898	507	8,788	892	6,094	191	1,611	31
															Outside New York City
															1975
1,349	2,626	30,917	702	14,497	19,787	3,076	3,262	11,090	2,359	51,572	4,526	34,646	2,361	10,039	Mar. 5
1,351	2,553	30,804	654	14,372	20,671	3,849	3,321	11,139	2,362	51,927	4,632	34,801	2,405	10,089	12
1,396	2,534	30,713	643	14,503	20,731	3,722	3,243	11,203	2,563	51,430	4,395	34,590	2,285	10,160	19
1,356	2,524	30,626	634	14,397	21,343	4,075	3,253	11,445	2,570	51,206	4,412	34,480	2,254	10,060	26
															1976
1,486	2,885	31,810	1,057	13,957	31,666	9,994	5,736	13,757	2,179	50,121	4,921	33,201	2,022	9,977	Feb. 4
1,320	2,889	31,732	1,073	13,801	31,735	10,305	5,681	13,557	2,192	50,137	4,942	33,285	1,973	9,937	11
1,310	2,872	31,675	1,098	14,061	31,813	10,177	5,038	14,405	2,193	50,156	4,875	33,263	1,990	10,028	18
1,357	2,823	31,688	1,169	13,752	31,212	9,575	5,000	14,388	2,249	49,947	4,792	33,309	1,975	9,871	25
1,320	2,801	31,599	1,167	14,025	31,443	8,966	5,216	15,059	2,202	49,878	4,860	33,357	1,963	9,698	Mar. 3
1,359	2,742	31,571	1,181	13,657	31,304	9,088	5,138	14,939	2,139	50,316	5,230	33,416	1,921	9,749	10
1,350	2,806	31,564	1,199	13,785	32,695	10,107	5,139	15,329	2,120	50,280	5,039	33,355	1,927	9,959	17
1,375	2,795	31,598	1,191	13,693	32,381	10,007	5,119	15,209	2,046	50,261	4,936	33,427	1,987	9,911	24
1,450	2,817	31,617	1,203	13,753	32,707	10,197	5,154	15,462	1,894	50,024	4,648	33,449	2,021	9,906	31

For notes see pp. A-18 and A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Wednesday	Cash items in process of collection	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks	Investments in subsidiaries not consolidated	Other assets	Total assets/total liabilities	Deposits: Demand: Total [6]	Deposits: Demand: IPC	Deposits: Demand: States and political subdivisions	Deposits: Demand: U.S. Govt.	Deposits: Demand: Domestic interbank: Commercial	Deposits: Demand: Domestic interbank: Mutual savings	Deposits: Demand: Foreign govts., etc.[2]
Large banks—Total														
1975														
Mar. 5	34,101	22,256	4,180	11,741	1,681	35,081	510,403	161,515	115,124	6,389	2,348	23,659	690	1,153
12	32,095	19,698	4,549	11,561	1,681	35,093	505,995	159,509	116,875	5,930	1,730	22,037	662	1,223
19	30,850	21,586	4,699	11,422	1,680	33,935	501,412	157,181	113,061	6,004	3,581	21,651	630	1,029
26	30,572	23,757	4,679	11,148	1,692	35,598	502,670	155,902	113,129	6,428	1,673	21,128	603	1,129
1976														
Feb. 4	34,943	22,411	4,633	12,695	2,081	40,843	512,354	165,265	118,034	6,378	3,464	23,821	816	979
11	32,910	19,940	4,945	12,380	2,053	41,532	508,669	160,269	117,256	6,090	1,777	22,523	708	1,032
18	43,914	20,000	5,299	13,601	2,053	41,041	521,782	174,892	122,912	6,550	3,418	27,013	728	935
25	31,676	22,523	5,263	11,021	2,047	41,176	505,014	156,767	115,121	5,920	1,862	21,251	644	990
Mar. 3	36,623	21,776	4,694	12,839	2,043	41,881	515,340	165,507	118,246	6,010	2,720	24,451	721	1,067
10	32,776	15,243	4,882	13,320	2,074	41,736	511,234	163,393	117,432	5,846	1,774	24,711	679	1,046
17	36,622	16,636	5,003	12,425	2,125	40,459	510,964	165,585	120,286	5,980	1,926	23,710	678	1,017
24	32,970	19,469	5,121	12,155	2,077	40,948	506,424	159,826	115,953	6,510	1,141	22,480	628	1,099
31	36,746	21,008	5,152	14,406	2,083	43,305	517,502	170,182	122,238	6,087	1,067	26,480	775	1,408
New York City														
1975														
Mar. 5	12,169	7,552	612	4,946	770	12,817	134,462	48,217	27,534	684	513	10,817	395	950
12	11,474	5,459	642	5,079	768	13,009	132,852	46,915	27,615	568	284	10,506	374	1,017
19	11,439	5,389	639	4,920	768	11,850	130,484	46,284	26,303	651	647	10,723	352	753
26	12,169	7,228	646	5,104	774	12,990	133,032	47,715	26,925	821	304	10,778	335	933
1976														
Feb. 4	11,782	6,217	745	5,391	843	13,301	128,705	47,875	27,898	640	680	10,605	452	785
11	11,815	5,553	766	5,403	847	14,253	128,255	46,118	27,061	632	311	10,812	367	825
18	15,992	5,599	833	5,146	847	13,893	133,697	52,636	28,639	645	647	13,123	383	737
25	11,410	7,077	808	4,467	847	13,801	128,082	45,720	27,241	618	325	9,826	331	799
Mar. 3	13,041	7,231	755	5,535	846	13,802	132,222	48,718	27,331	560	544	11,629	381	847
10	12,320	4,375	749	6,338	853	13,840	131,701	49,346	27,178	590	284	12,676	338	841
17	13,553	3,399	753	5,300	853	12,904	129,034	48,960	28,306	577	183	11,449	353	819
24	12,861	4,591	782	5,386	862	13,458	129,055	47,855	26,999	749	143	11,137	301	884
31	14,554	4,692	786	7,285	866	14,869	131,299	53,422	29,795	549	120	13,741	436	1,192
Outside New York City														
1975														
Mar. 5	21,932	14,704	3,568	6,795	911	22,264	375,941	113,298	87,590	5,705	1,835	12,842	295	203
12	20,621	14,239	3,907	6,482	913	22,084	373,143	112,594	89,260	5,362	1,446	11,531	288	206
19	19,411	16,197	4,060	6,502	912	22,085	370,928	110,897	86,758	5,353	2,934	10,928	278	276
26	18,403	16,529	4,033	6,044	918	22,608	369,638	108,187	86,204	5,607	1,369	10,350	268	196
1976														
Feb. 4	23,161	16,194	3,888	7,304	1,238	27,542	383,649	117,390	90,136	5,738	2,784	13,216	364	194
11	21,095	14,387	4,179	6,977	1,206	27,279	380,414	114,151	90,195	5,458	1,466	11,711	341	207
18	27,922	14,401	4,466	8,455	1,206	27,148	387,885	122,256	94,273	5,905	2,771	13,890	345	198
25	20,266	15,446	4,455	6,554	1,200	27,375	376,932	111,047	87,880	5,302	1,537	11,425	313	191
Mar. 3	23,582	14,545	3,939	7,304	1,197	28,079	383,118	116,789	90,915	5,450	2,176	12,822	340	220
10	20,456	10,868	4,133	6,982	1,221	27,896	379,533	114,047	90,254	5,256	1,490	12,035	341	205
17	23,069	13,237	4,250	7,125	1,272	27,555	381,930	116,625	91,980	5,403	1,743	12,261	325	198
24	20,109	14,878	4,339	6,769	1,215	27,490	377,369	111,971	88,954	5,761	998	11,343	327	215
31	22,192	16,316	4,366	7,121	1,217	28,436	386,203	116,760	92,443	5,538	947	12,739	339	216

For notes see pp. A-18 and A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Deposits (cont.): Demand (cont.): Foreign commercial banks	Deposits (cont.): Demand (cont.): Certified and officers' checks	Deposits (cont.): Time and savings: Total[6]	Deposits (cont.): Time and savings: IPC: Savings	Deposits (cont.): Time and savings: IPC: Other	Deposits (cont.): Time and savings: States and political subdivisions	Deposits (cont.): Time and savings: Domestic interbank	Deposits (cont.): Time and savings: Foreign govts.[2]	Federal funds purchased, etc.[7]	Borrowings from—: F.R. Banks	Borrowings from—: Other	Other liabilities, etc.[8]	Reserves for—: Loans	Reserves for—: Securities	Total capital accounts	Wednesday
															Large banks—Total
															1975
5,181	6,971	225,531	60,587	118,969	25,157	7,263	11,626	55,449	....	3,953	23,510	5,649	60	34,736	Mar. 5
5,123	5,929	226,564	61,076	119,169	25,046	7,763	11,579	51,800	40	4,096	23,500	5,667	60	34,759	12
4,939	6,286	226,954	61,531	118,891	24,813	8,104	11,681	47,628	798	4,091	24,301	5,650	60	34,749	19
4,978	6,834	227,740	61,934	119,102	24,680	8,349	11,703	49,967	738	4,008	23,844	5,645	60	34,766	26
															1976
5,130	6,643	224,178	73,639	109,429	22,156	7,625	9,725	52,554	5	3,529	24,086	5,262	285	37,190	Feb. 4
4,775	6,108	224,090	74,571	108,734	21,949	7,593	9,657	54,240	12	3,491	23,765	5,501	74	37,227	11
5,446	7,890	222,617	74,787	107,586	21,804	7,460	9,389	54,054	....	3,371	24,050	5,542	75	37,181	18
5,178	5,801	223,129	75,271	107,521	22,107	7,527	9,099	54,663	629	2,975	24,157	5,548	76	37,070	25
5,428	6,864	222,340	76,031	106,702	21,894	7,557	8,683	56,757	293	2,929	24,599	5,569	80	37,266	Mar. 3
5,357	6,548	223,572	76,472	107,392	21,784	7,627	8,781	53,241	22	3,334	24,732	5,565	82	37,293	10
5,193	6,795	223,955	76,947	107,825	21,407	7,690	8,488	50,275	55	3,280	24,969	5,578	77	37,190	17
4,921	7,094	225,002	77,409	108,482	21,407	7,805	8,334	50,184	303	3,263	24,732	5,557	80	37,477	24
5,353	6,774	225,902	78,224	108,381	21,475	8,031	8,184	49,868	14	3,419	24,874	5,482	69	37,692	31
															New York City
															1975
3,827	3,497	50,243	6,752	29,160	2,006	3,627	7,238	15,337	....	1,459	8,042	1,687	....	9,477	Mar. 5
3,763	2,788	50,280	6,807	29,021	1,954	3,831	7,213	14,944	....	1,508	8,041	1,699	....	9,465	12
3,618	3,237	49,946	6,858	28,586	1,867	3,921	7,267	11,964	615	1,622	8,895	1,702	....	9,456	19
3,667	3,952	50,176	6,921	28,800	1,844	3,860	7,280	13,955	53	1,634	8,352	1,700	....	9,447	26
															1976
3,798	3,017	44,190	8,536	23,685	1,389	3,032	6,483	13,529	....	1,759	9,297	1,659	1	10,395	Feb. 4
3,491	2,619	44,213	8,645	23,529	1,392	3,140	6,466	14,623	....	1,778	9,421	1,705	1	10,396	11
4,030	4,432	43,810	8,621	23,291	1,414	3,114	6,325	14,211	....	1,697	9,430	1,704	1	10,408	18
3,839	2,741	43,847	8,671	23,404	1,484	3,150	6,085	15,001	574	1,283	9,562	1,714	1	10,380	25
4,185	3,241	43,502	8,770	23,368	1,491	3,164	5,799	16,660	215	1,291	9,705	1,706	1	10,424	Mar. 3
3,979	3,460	43,562	8,796	23,453	1,463	3,207	5,687	15,254	....	1,665	9,704	1,730	1	10,439	10
3,731	3,542	43,629	8,806	23,581	1,467	3,250	5,493	12,644	....	1,641	10,003	1,732	1	10,424	17
3,633	4,009	43,803	8,887	23,846	1,429	3,270	5,363	13,335	250	1,664	9,780	1,725	1	10,642	24
4,124	3,465	43,930	8,962	24,000	1,475	3,262	5,191	11,576	....	1,734	9,886	1,623	1	10,731	31
															Outside New York City
															1975
1,354	3,474	175,288	53,835	89,809	23,151	3,636	4,388	40,112	....	2,494	15,468	3,962	60	25,259	Mar. 5
1,360	3,141	176,284	54,269	90,148	23,092	3,932	4,366	36,856	40	2,588	15,459	3,968	60	25,294	12
1,321	3,049	177,008	54,673	90,305	22,946	4,183	4,414	35,664	183	2,469	15,406	3,948	60	25,293	19
1,311	2,882	177,564	55,013	90,302	22,836	4,489	4,423	36,012	685	2,374	15,492	3,945	60	25,319	26
															1976
1,332	3,626	179,988	65,103	85,744	20,767	4,593	3,242	39,025	5	1,770	14,789	3,603	284	26,795	Feb. 4
1,284	3,489	179,877	65,926	85,205	20,557	4,453	3,191	39,617	12	1,713	14,344	3,796	73	26,831	11
1,416	3,458	178,807	66,166	84,295	20,390	4,346	3,064	39,843	....	1,674	14,620	3,838	74	26,773	18
1,339	3,060	179,282	66,600	84,117	20,623	4,377	3,014	39,662	55	1,692	14,595	3,834	75	26,690	25
1,243	3,623	178,838	67,261	83,334	20,403	4,393	2,884	40,097	78	1,638	14,894	3,863	79	26,842	Mar. 3
1,378	3,088	180,010	67,676	83,939	20,321	4,420	3,094	37,987	22	1,669	15,028	3,835	81	26,854	10
1,462	3,253	180,326	68,141	84,244	19,940	4,440	2,995	37,631	55	1,639	14,966	3,846	76	26,766	17
1,288	3,085	181,199	68,522	84,636	19,978	4,535	2,971	36,849	53	1,599	14,952	3,832	79	26,835	24
1,229	3,309	181,972	69,262	84,381	20,000	4,769	2,993	38,292	14	1,685	14,988	3,859	68	26,961	31

For notes see pp. A-18 and A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

				Memoranda										
				Large negotiable time CD's included in time and savings deposits[11]			All other large time deposits[12]			Savings ownership categories				
Wednesday	Total loans (gross) adjusted[9]	Total loans and investments (gross) adjusted[9]	Demand deposits adjusted[10]	Total	Issued to IPC's	Issued to others	Total	Issued to IPC's	Issued to others	Individuals and nonprofit organizations	Partnerships and corporations for profit[13]	Domestic governmental units	All other[14]	Gross liabilities of banks to their foreign branches
Large banks Total														
1975														
Mar. 5	293,381	380,901	101,407	87,542	60,202	27,340	37,458	20,425	17,033	60,587	......	......	......	1,899
12	293,868	382,516	103,647	88,125	60,416	27,709	37,146	20,276	16,870	61,076	......	......	......	1,676
19	291,386	379,853	101,099	88,104	60,012	28,092	36,876	20,124	16,752	61,531	......	......	......	2,667
26	288,468	377,140	102,529	88,871	60,534	28,337	36,471	19,804	16,667	61,934	......	......	......	1,922
1976														
Feb. 4	276,891	376,943	103,037	74,197	49,225	24,972	32,008	16,840	15,168	71,150	1,703	659	127	3,258
11	276,243	376,158	103,059	73,623	48,597	25,026	31,314	16,565	14,749	71,836	1,861	745	129	2,987
18	277,044	377,505	100,547	72,093	47,440	24,653	30,884	16,333	14,551	71,969	1,966	759	93	3,254
25	275,054	374,292	101,978	71,918	47,187	24,731	30,799	16,250	14,549	72,257	2,141	790	83	3,416
Mar. 3	276,972	376,342	101,713	70,655	46,450	24,205	30,370	16,146	14,224	72,881	2,246	816	88	3,619
10	281,801	381,363	104,132	71,587	47,059	24,528	30,167	16,069	14,098	73,203	2,345	833	91	3,375
17	278,888	379,780	103,327	71,650	47,240	24,410	29,745	15,946	13,799	73,582	2,385	904	76	4,478
24	276,885	377,420	103,235	72,375	47,969	24,406	29,474	15,754	13,720	73,928	2,473	909	99	3,914
31	277,030	377,623	105,889	72,709	48,371	24,338	29,374	15,313	14,061	74,708	2,481	925	110	3,151
New York City														
1975														
Mar. 5	76,880	93,041	24,718	30,674	20,449	10,225	9,378	5,592	3,786	6,752	......	......	......	1,120
12	77,575	93,625	24,651	30,756	20,346	10,410	9,201	5,516	3,685	6,807	......	......	......	1,005
19	76,361	92,667	23,475	30,386	19,974	10,412	9,153	5,432	3,721	6,858	......	......	......	1,902
26	74,692	90,815	24,464	30,762	20,347	10,415	9,018	5,362	3,656	6,921	......	......	......	1,014
1976														
Feb. 4	70,415	88,680	24,808	25,205	15,784	9,421	6,840	4,340	2,500	8,134	114	184	104	2,433
11	69,853	87,896	23,180	25,247	15,614	9,633	6,683	4,320	2,363	8,191	134	214	106	2,224
18	70,952	89,444	22,874	24,905	15,433	9,472	6,590	4,226	2,364	8,192	147	212	70	2,447
25	70,093	88,172	24,159	24,946	15,529	9,417	6,533	4,222	2,311	8,235	162	218	56	2,380
Mar. 3	71,091	89,140	23,504	24,520	15,419	9,101	6,523	4,290	2,233	8,314	175	216	65	2,682
10	73,322	91,264	24,066	24,608	15,552	9,056	6,474	4,246	2,228	8,325	185	222	64	2,584
27	72,047	89,964	23,775	24,543	15,599	8,944	6,529	4,265	2,264	8,356	191	206	53	3,539
24	70,990	88,883	23,714	24,805	15,946	8,859	6,340	4,188	2,152	8,405	193	211	78	3,141
31	70,407	88,269	25,007	24,834	16,094	8,740	6,326	4,152	2,164	8,503	204	183	72	2,247
Outside New York City														
1975														
Mar. 5	216,501	287,860	76,689	56,868	39,753	17,115	28,080	14,833	13,247	53,835	......	......	......	779
12	216,293	288,891	78,996	57,369	40,070	17,299	27,945	14,760	13,185	54,269	......	......	......	671
19	215,025	287,186	77,624	57,718	40,038	17,680	27,723	14,692	13,031	54,673	......	......	......	765
26	213,776	286,325	78,065	58,109	40,187	17,922	27,453	14,442	13,011	55,013	......	......	......	908
1976														
Feb. 4	206,476	288,263	78,229	48,992	33,441	15,551	25,168	12,500	12,668	63,016	1,589	475	23	825
11	206,390	288,262	79,879	48,376	32,983	15,393	24,631	12,245	12,386	63,645	1,727	531	23	763
18	206,092	288,061	77,673	47,188	32,007	15,181	24,294	12,107	12,187	63,777	1,819	547	23	807
25	204,961	286,120	77,819	46,972	31,658	15,314	24,266	12,028	12,238	64,022	1,979	572	27	1,036
Mar. 3	205,881	287,202	78,209	46,135	31,031	15,104	23,847	11,856	11,991	64,567	2,071	600	23	937
10	208,479	290,099	80,066	46,979	31,507	15,472	23,693	11,823	11,870	64,878	2,160	611	27	791
17	206,841	289,816	79,552	47,107	31,641	15,466	23,216	11,681	11,535	65,226	2,194	698	23	939
24	205,895	288,537	79,521	47,570	32,023	15,547	23,134	11,566	11,568	65,523	2,280	698	21	773
31	206,623	289,354	80,882	47,875	32,277	15,598	23,048	11,161	11,897	66,205	2,277	742	38	904

▲ See p. A-18.
1 Includes securities purchased under agreements to resell.
2 Includes official institutions and so forth.
3 Includes short-term notes and bills.
4 Federal agencies only.
5 Includes corporate stocks.
6 Includes U.S. Govt. and foreign bank deposits, not shown separately.
7 Includes securities sold under agreements to repurchase.
8 Includes minority interest in consolidated subsidiaries.
9 Exclusive of loans and Federal funds transactions with domestic commercial banks.
10 All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.
11 Certificates of deposit issued in denominations of $100,000 or more.
12 All other time deposits issued in denominations of $100,000 or more (not included in large negotiable CD's).
13 Other than commercial banks.
14 Domestic and foreign commercial banks, and official international organizations.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding 1976 Mar. 31	Mar. 24	Mar. 17	Mar. 10	Mar. 3	Net change during— 1976 Mar.	1976 Feb.	1976 Jan.	1976 I	1975 IV	1975 III	1975 2nd half	1975 1st half
Durable goods manufacturing:													
Primary metals	2,037	2,012	2,055	2,058	2,058	-16	14	-34	36	62	-12	50	18
Machinery	5,479	5,583	5,353	5,308	5,317	3	-79	-204	280	781	-887	-1,668	-1,314
Transportation equipment	2,998	3,115	3,016	2,968	3,014	75	100	128	-47	-267	198	465	-302
Other fabricated metal products	1,891	1,907	2,043	2,108	2,106	132	13	37	-82	-473	-277	-750	-188
Other durable goods	3,509	3,528	3,569	3,541	3,522	-63	29	148	56	514	-174	-688	-718
Nondurable goods manufacturing:													
Food, liquor, and tobacco	3,263	3,286	3,426	3,444	3,512	-269	3	-251	-517	455	13	468	1,609
Textiles, apparel, and leather	3,000	2,975	2,997	2,986	2,933	99	212	-2	309	-477	55	-532	-287
Petroleum refining	2,224	2,194	2,341	2,352	2,389	-189	52	-1	138	-234	118	116	228
Chemicals and rubber	2,654	2,653	2,706	2,707	2,700	36	95	-96	-37	-178	253	431	-260
Other nondurable goods	1,880	1,891	1,890	1,896	1,901	31	17	86	72	268	-147	-415	-283
Mining, including crude petroleum and natural gas	6,476	6,450	6,306	6,265	6,227	281	205	37	523	789	276	1,065	-149
Trade: Commodity dealers	1,663	1,683	1,639	1,693	1,631	78	-23	26	81	340	137	477	972
Other wholesale	5,780	5,719	5,617	5,534	5,540	328	21	-8	341	-103	78	-181	1,108
Retail	5,931	5,886	5,804	5,852	5,759	182	6	-49	139	-208	-309	-517	-398
Transportation	5,890	5,880	5,917	5,909	5,924	44	-9	125	178	127	-124	3	321
Communication	1,704	1,660	1,774	1,783	1,847	-119	-30	-131	-280	-49	109	-158	357
Other public utilities	6,117	6,133	6,130	6,300	6,391	377	199	304	880	33	231	198	1,423
Construction	4,424	4,575	4,846	4,892	4,894	494	-99	108	-701	-381	55	-436	622
Services	10,953	10,985	10,507	10,536	10,586	297	71	-92	134	285	300	-15	-1,120
All other domestic loans	7,994	8,058	9,047	8,948	8,885	-879	-799	r -731	-2,409	r 628	15	r 643	-372
Bankers acceptances	3,343	3,417	3,396	3,452	3,442	-125	-211	-1,266	-1,602	2,855	-170	2,685	599
Foreign commercial and industrial loans	5,328	5,312	5,340	5,317	5,334	35	-116	121	40	222	535	757	294
Total classified loans	94,538	94,902	95,719	95,849	95,912	1,546	-1,127	r 2,819	-5,492	r 1,863	2,285	r 422	-10,664
Comm. paper included in total classified loans	*396*	...	...	...	...	*117*	*28*	*-45*	*134*	*153*	*44*	*197*	*240*
Total commercial and industrial loans of large commercial banks	114,594	115,056	115,768	115,919	115,977	1,447	-942	r -3,671	6,060	r 1,680	r -2,622	r -942	-10,370

For notes see table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding 1976 Mar. 31	1976 Feb. 25	1976 Jan. 28	1975 Dec. 31	1975 Nov. 26	1975 Oct. 29	1975 Sept. 24	1975 Aug. 27	1975 July 30	Net change during— 1976 I	1975 IV	1975 III	1975 II	1975 2nd half[r]
Durable goods manufacturing:														
Primary metals	1,290	1,335	1,341	1,372	1,381	1,320	1,338	1,286	1,269	-82	34	50	4	84
Machinery	3,139	3,072	3,117	3,313	3,451	3,538	3,737	3,825	3,864	-174	-424	-240	-94	-664
Transportation equipment	1,691	1,643	1,686	1,615	1,727	1,624	1,693	1,722	1,725	76	-78	-47	68	-125
Other fabricated metal products	909	1,035	1,041	1,024	1,087	1,175	1,268	1,228	1,196	-115	-244	46	-90	-198
Other durable goods	1,793	1,838	1,874	1,823	1,905	1,950	2,012	2,042	2,058	30	-189	-78	-161	267
Nondurable goods manufacturing:														
Food, liquor, and tobacco	1,391	1,536	1,547	1,578	1,544	1,451	1,471	1,461	1,440	-187	107	-43	-47	64
Textiles, apparel, and leather	993	1,055	1,032	995	1,072	1,074	1,103	1,077	1,116	-2	-108	8	-63	-100
Petroleum refining	1,685	1,886	1,859	1,831	1,860	1,914	1,967	1,889	1,828	-146	-136	258	226	122
Chemicals and rubber	1,540	1,603	1,588	1,622	1,549	1,605	1,665	1,645	1,678	-82	-43	-97	-84	-140
Other nondurable goods	962	942	925	888	955	995	1,056	1,023	1,085	74	-168	-87	13	-255
Mining, including crude petroleum and natural gas	4,904	4,731	4,528	4,484	3,867	3,896	3,847	3,754	3,801	420	637	113	197	750
Trade: Commodity dealers	190	182	196	172	168	162	150	148	152	18	22	2	2	24
Other wholesale	1,344	1,279	1,290	1,276	1,308	1,403	1,319	1,371	1,344	68	43	10	-121	-53
Retail	2,007	1,987	2,007	1,996	2,115	2,150	2,153	2,139	2,111	11	-157	17	147	-140
Transportation	4,250	4,329	4,291	4,390	4,324	4,420	4,391	4,405	4,399	-140	1	34	99	-35
Communication	998	1,095	1,101	1,081	1,112	1,122	1,132	1,149	1,136	-83	-51	-1	-2	-52
Other public utilities	3,898	3,940	3,995	3,979	3,942	4,027	3,966	3,902	4,018	-81	13	79	11	66
Construction	1,917	2,141	2,258	2,181	2,207	2,267	2,359	2,367	2,360	-264	-178	45	117	-133
Services	5,368	5,147	5,038	5,135	5,082	5,097	5,122	5,010	5,155	233	13	18	-290	-5
All other domestic loans	2,697	3,093	3,396	3,299	3,116	3,054	3,244	3,257	3,232	-602	55	14	176	41
Foreign commercial and industrial loans	2,984	3,001	2,999	2,921	2,851	2,834	2,763	2,695	2,676	63	158	169	66	327
Total loans	45,950	46,870	47,109	46,975	46,623	47,078	47,756	47,395	47,643	-1,025	-781	40	-322	-821

NOTE.—About 160 weekly reporting banks are included in this series; these banks classify by industry, commercial and industrial loans amounting to about 90 per cent of such loans held by all weekly reporting banks and about 70 per cent of those held by all commercial banks.

For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1967 BULLETIN, p. 209.

Commercial and industrial "term" loans are all outstanding loans with an original maturity of more than 1 year and all outstanding loans granted under a formal agreement—revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.

Effective Mar. 24, 1976, reclassification of loans in Chicago City resulted in the following major revisions: all other domestic loans, – $859 million; total classified loans, – $673 million. These reclassifications are not reflected in data prior to Mar. 24, 1976.

GROSS DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS[1]

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, IPC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
All insured commercial banks:						
1970—Dec.	17.3	92.7	53.6	1.3	10.3	175.1
1971—Dec.	18.5	98.4	58.6	1.3	10.7	187.5
1972—Mar.	20.2	92.6	54.7	1.4	12.3	181.2
June	17.9	97.6	60.5	1.4	11.0	188.4
Sept.	18.0	101.5	63.1	1.4	11.4	195.4
Dec.	18.9	109.9	65.4	1.5	12.3	208.0
1973—Mar.	18.6	102.8	65.1	1.7	11.8	200.0
June	18.6	106.6	67.3	2.0	11.8	206.3
Sept.	18.8	108.3	69.1	2.1	11.9	210.3
Dec.	19.1	116.2	70.1	2.4	12.4	220.1
1974—Mar.	18.9	108.4	70.6	2.3	11.0	211.2
June	18.2	112.1	71.4	2.2	11.1	215.0
Sept.	17.9	113.9	72.0	2.1	10.9	216.8
Dec.	19.0	118.8	73.3	2.3	11.7	225.0
1975—Mar.	18.6	111.3	73.2	2.3	10.9	216.3
June	19.4	115.1	74.8	2.3	10.6	222.2
Sept.	19.0	118.7	76.5	2.2	10.6	227.0
Dec.	20.1	125.1	78.0	2.4	11.3	236.9
Weekly reporting banks:						
1971—Dec.	14.4	64.4	27.1	1.4	6.6	114.3
1972—Dec.	14.7	66.2	28.0	2.2	6.8	118.1
1973—Dec.	14.9	66.9	29.0	2.2	6.8	119.7
1974—Dec.	14.8	63.1	27.9	2.3	6.2	113.9
1975—Mar.	14.1	63.2	28.2	2.2	6.4	114.1
Apr.	15.0	63.3	30.1	2.2	6.5	117.0
May	14.2	63.1	29.2	2.3	6.2	115.0
June	15.1	65.1	29.5	2.2	6.2	118.1
July	15.0	65.3	29.8	2.2	6.5	118.7
Aug.	14.4	64.6	29.1	2.0	5.9	116.1
Sept.	14.7	65.5	29.6	2.1	6.2	118.1
Oct.	15.1	66.7	29.0	2.2	6.3	119.3
Nov.	15.4	68.1	29.4	2.2	6.4	121.6
Dec.	15.6	69.9	29.9	2.3	6.6	124.4
1976—Jan.	15.2	68.0	30.3	2.2	6.7	122.4
Feb.p	15.3	65.6	29.2	2.2	6.4	119.0

[1] Including cash items in process of collection.

NOTE.—Daily-average balances maintained during month as estimated from reports supplied by a sample of commercial banks. For a detailed description of the type of depositor in each category, see June 1971 BULLETIN, p. 466.

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1973	Dec. 31, 1974	June 30, 1975	Sept. 30, 1975
All commercial	507	389	338	....
Insured	503	387	335	323
National member	288	236	223	222
State member	64	39	36	35
All member	352	275	260	257
All member—Cont.				
Other large banks[1]	58	69	74	74
All other member[1]	294	206	186	183
All nonmember	155	115	79	66
Insured	152	112	76	66
Noninsured	3	3	3	....

[1] Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than $400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Other large" and "All other member" parallel the previous "Reserve City" (other than in New York City and the City of Chicago) and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and "Loans" in the monthly (and year-end) series as shown on p. A-14; from the figures for weekly reporting banks as shown on pp. A-18–A-22 (consumer instalment loans); and from the figures in the table at the bottom of p. A-13. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-14–A-17.

LOANS SOLD OUTRIGHT BY LARGE COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To selected related institutions[1]			
	Total	By type of loan		
		Commercial and industrial	Real estate	All other
1975—Dec. 3	4,677	2,800	201	1,676
10	4,441	2,597	207	1,637
17	4,416	2,575	207	1,634
24	4,486	2,650	204	1,632
31	4,375	2,530	206	1,639
1976—Jan. 7	4,424	2,618	205	1,601
14	4,369	2,617	205	1,547
21	4,355	2,598	205	1,552
28	4,292	2,522	208	1,562
Feb. 4	4,313	2,560	208	1,545
11	4,455	2,710	208	1,537
18	4,441	2,719	205	1,517
25	4,478	2,725	200	1,553
Mar. 3	4,482	2,731	201	1,550
10	4,390	2,653	197	1,540
17	4,348	2,604	200	1,544
24	4,239	2,531	201	1,507
31	4,235	2,553	197	1,485

[1] To bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

NOTE.—Series changed on Aug. 28, 1974. For a comparison of the old and new data for that date, see p. 741 of the Oct. 1974 BULLETIN. Revised figures received since Oct. 1974 that affect that comparison are shown in note 2 to this table in the Dec. 1974 BULLETIN, p. A-27.

COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial paper						Dollar acceptances										
	All issuers	Financial companies[1]		Non-financial companies[4]	Bank-related[5]		Total	Held by—						Based on—		
								Accepting banks			F.R. Banks		Others			
		Dealer-placed[2]	Directly-placed[3]		Dealer-placed	Directly-placed		Total	Own bills	Bills bought	Own acct.	Foreign corr.[6]		Imports into United States	Exports from United States	All other
1966	13,645	2,332	10,556	757	....	....	3,603	1,198	983	215	193	191	2,022	997	829	1,778
1967	17,085	2,790	12,184	2,111	....	....	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241
1968	21,173	4,427	13,972	2,774	....	....	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053
1969	32,600	6,503	20,741	5,356	1,160	3,134	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408
1970	33,071	5,514	20,424	7,133	352	1,997	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895
1971	32,126	5,297	20,582	6,247	524	1,449	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509
1972	34,721	5,655	22,098	6,968	1,226	1,411	6,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458
1973	41,073	5,487	27,204	8,382	1,938	2,943	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120
1974	49,144	4,611	31,839	12,694	r1,814	6,518	18,484	4,226	3,685	542	999	1,109	12,150	4,023	4,067	10,394
1975—Jan.	51,685	5,029	32,008	14,648	1,822	6,784	18,602	4,357	3,903	454	966	560	12,718	4,120	4,314	10,168
Feb.	52,415	5,167	32,516	14,732	1,786	7,318	18,579	4,864	4,370	494	993	325	12,398	3,974	4,210	10,396
Mar.	50,827	5,342	31,221	14,264	1,682	7,272	18,730	4,773	4,085	688	665	263	13,029	3,845	4,296	10,589
Apr.	51,623	5,461	32,144	14,018	1,618	7,002	18,727	4,485	3,900	585	1,185	235	r12,822	3,690	4,206	10,831
May	51,317	5,889	32,821	12,607	1,543	7,096	18,108	4,450	3,892	558	865	234	12,559	3,665	4,186	10,257
June	48,765	5,604	31,115	12,045	1,561	7,230	17,740	4,774	4,224	550	682	319	11,965	3,466	4,080	10,193
July	49,352	6,018	31,263	12,072	1,649	7,038	16,930	4,778	4,275	503	685	329	11,138	3,474	3,865	9,591
Aug.	49,810	5,645	32,172	11,993	1,511	7,392	16,456	4,546	3,988	558	840	304	10,766	3,305	3,806	9,344
Sept.	48,274	5,574	30,513	12,187	1,464	7,333	16,790	5,002	4,190	812	948	302	10,538	3,313	3,783	9,693
Oct.	50,437	6,360	32,351	11,726	1,590	7,157	17,304	r5,213	4,288	924	1,047	284	10,760	3,467	3,947	9,890
Nov.	49,557	6,389	32,048	11,120	1,671	7,019	17,875	6,497	5,684	813	727	279	10,372	3,545	3,888	10,443
Dec.	47,739	6,239	31,325	10,175	1,712	6,941	18,727	7,333	5,899	1,435	1,126	293	9,975	3,726	4,001	11,000
1976—Jan.	48,910	6,072	31,357	11,481	1,604	6,969	18,677	6,294	5,367	927	1,230	248	10,904	3,891	3,906	10,880

[1] Financial companies are institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

[2] As reported by dealers; includes all financial company paper sold in the open market.

[3] As reported by financial companies that place their paper directly with investors.

[4] Nonfinancial companies include public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

[5] Included in dealer- and directly-placed financial company columns. Coverage of bank-related companies was expanded in Aug. 1974. Most of the increase resulting from this expanded coverage occurred in directly-placed paper.

[6] Beginning November 1974, the Board of Governors terminated the System guarantee on acceptances purchased for foreign official accounts.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate	Effective date	Rate	Effective date	Rate	Monthly average rate	
1974—Apr. 11	10	1975—Jan. 9	10¼	1975—July 18	7¼	1974—Oct.	11.68
19	10¼	15	10	28	7½	Nov.	10.83
25	10½	20	9¾	Aug. 12	7¾	Dec.	10.50
May 2	10¾	28	9½	Sept. 15	8	1975—Jan.	10.05
6	11	Feb. 3	9¼	Oct. 27	7¾	Feb.	8.96
10	11¼	10	9	Nov. 5	7½	Mar.	7.93
17	11½	18	8¾	Dec. 2	7¼	Apr.	7.50
June 26	11¾	24	8½	1976—Jan. 12	7	May	7.40
July 5	12	Mar. 5	8¼	21	6¾	June	7.07
Oct. 7	11¾	10	8			July	7.15
21	11½	18	7¾			Aug.	7.66
28	11¼	24	7½			Sept.	7.88
Nov. 4	11	May 20	7¼			Oct.	7.96
14	10¾	June 9	7			Nov.	7.53
25	10½					Dec.	7.26
						1976—Jan.	7.00
						Feb.	6.75
						Mar.	6.75

NOTE.—Effective Apr. 16, 1973, with the adoption of a two-tier or "dual prime rate," this table shows only the "large-business prime rate," which is the range of rates charged by commercial banks on short-term loans to large businesses with the highest credit standing.

RATES ON BUSINESS LOANS OF BANKS

Center	All sizes		Size of loan (in thousands of dollars): 1–9		10–99		100–499		500–999		1,000 and over	
	Nov. 1975	Aug. 1975	Nov. 1975	Aug. 1975	Nov. 1975	Aug. 1975	Nov. 1975	Aug. 1975	Nov. 1975	Aug. 1975	Nov. 1975	Aug. 1975
	Short-term											
35 centers	8.29	8.22	9.56	9.42	9.15	9.02	8.62	8.48	8.38	8.29	8.04	8.00
New York City	7.99	8.00	9.34	9.28	8.98	8.89	8.52	8.44	8.17	7.93	7.87	7.93
7 Other Northeast	8.53	8.43	10.01	9.83	9.36	9.33	8.83	8.71	8.61	8.67	8.15	8.01
8 North Central	8.15	8.12	9.13	9.01	8.97	8.79	8.51	8.39	8.27	8.25	7.91	7.94
7 Southeast	8.70	8.41	9.68	9.58	9.39	9.21	8.74	8.57	8.62	8.32	8.36	7.94
8 Southwest	8.37	8.28	9.38	9.21	8.94	8.76	8.44	8.27	8.18	8.32	8.15	8.06
4 West Coast	8.67	8.45	9.73	9.67	9.29	9.21	8.77	8.51	8.76	8.28	8.56	8.37
	Revolving credit											
35 centers	8.26	8.17	9.93	9.73	9.15	9.06	8.59	8.45	8.41	8.68	8.20	8.07
New York City	8.08	8.37	9.01	8.91	8.90	8.94	8.54	8.41	8.44	8.30	8.03	8.37
7 Other Northeast	8.63	8.09	10.38	10.11	8.91	9.01	8.09	8.01	8.19	8.78	8.72	7.98
8 North Central	8.62	8.27	10.11	9.70	9.57	9.58	9.34	8.81	8.65	8.56	8.49	8.12
7 Southeast	9.50	7.82	10.12	10.07	9.53	9.47	8.74	8.35	8.30	7.50	10.12	7.50
8 Southwest	8.51	8.41	9.18	9.36	9.15	8.88	8.62	8.46	8.49	8.11	8.42	8.49
4 West Coast	8.15	8.02	9.71	9.27	8.99	8.84	8.34	8.39	8.32	9.10	8.09	7.83
	Long-term											
35 centers	8.88	8.89	9.76	9.45	9.18	9.47	9.11	9.01	9.16	8.54	8.79	8.89
New York City	8.44	8.77	7.37	8.80	9.09	8.53	9.13	8.86	9.46	8.01	8.32	8.80
7 Other Northeast	9.10	8.96	9.84	9.35	9.39	10.09	9.02	9.56	8.02	9.28	9.33	8.60
8 North Central	9.03	9.45	9.71	9.71	8.55	9.24	8.94	8.50	9.90	8.23	8.97	9.81
7 Southeast	8.87	8.91	7.82	8.87	8.84	9.66	9.06	9.54	9.36	8.04	8.54	8.30
8 Southwest	8.88	8.41	11.60	9.69	9.44	9.38	9.39	8.67	8.97	8.62	8.65	8.18
4 West Coast	9.27	8.57	9.90	9.60	9.90	9.24	9.32	9.28	9.49	8.47	9.21	8.47

MONEY MARKET RATES

(Per cent per annum)

Period	Prime commercial paper[1] 90–119 days	Prime commercial paper[1] 4 to 6 months	Finance co. paper placed directly, 3 to 6 months[2]	Prime bankers' acceptances, 90 days[3]	Federal funds rate[4]	U.S. Government securities[5] 3-month bills[6] Rate on new issue	3-month bills[6] Market yield	6-month bills[6] Rate on new issue	6-month bills[6] Market yield	9- to 12-month issues 1-year bill (market yield)[6]	9- to 12-month issues Other[7]	3- to 5-year issues[7]
1967	....	5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968	....	5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969	....	7.83	7.16	7.61	8.21	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970	....	7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971	....	5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972	4.66	4.69	4.52	4.47	4.44	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973	8.20	8.15	7.40	8.08	8.74	7.041	7.03	7.178	7.20	7.01	7.30	6.92
1974	10.05	9.87	8.62	9.92	10.51	7.886	7.84	7.926	7.95	7.71	8.25	7.81
1975	6.26	6.33	6.16	6.30	5.82	5.838	5.80	6.122	6.11	6.30	6.70	7.55
1975—Mar.	6.06	6.06	6.00	6.22	5.54	5.544	5.49	5.635	5.62	5.70	6.10	7.00
Apr.	6.11	6.15	5.97	6.15	5.49	5.694	5.61	6.012	6.00	6.40	6.83	7.76
May	5.70	5.82	5.74	5.76	5.22	5.315	5.23	5.649	5.59	5.91	6.31	7.49
June	5.67	5.79	5.53	5.70	5.55	5.193	5.34	5.463	5.61	5.86	6.26	7.26
July	6.32	6.44	6.02	6.40	6.10	6.164	6.13	6.492	6.50	6.64	7.07	7.72
Aug.	6.59	6.70	6.39	6.74	6.14	6.463	6.44	6.940	6.94	7.16	7.55	8.12
Sept.	6.79	6.86	6.53	6.83	6.24	6.383	6.42	6.870	6.92	7.20	7.54	8.22
Oct.	6.35	6.48	6.43	6.28	5.82	6.081	5.96	6.385	6.25	6.48	6.89	7.80
Nov.	5.78	5.91	5.79	5.79	5.22	5.468	5.48	5.751	5.80	6.07	6.40	7.51
Dec.	5.88	5.97	5.86	5.72	5.20	5.504	5.44	5.933	5.85	6.16	6.51	7.50
1976—Jan.	5.15	5.27	5.16	5.08	4.87	4.961	4.87	5.238	5.14	5.44	5.71	7.18
Feb.	5.13	5.23	5.09	4.99	4.77	4.852	4.88	5.144	5.20	5.53	5.78	7.18
Mar.	5.25	5.37	5.27	5.18	4.84	5.047	5.00	5.488	5.44	5.82	6.12	7.25
Week ending—												
1975—Dec. 6	5.85	5.98	5.88	5.80	5.25	5.550	5.57	5.995	6.04	6.30	6.65	7.59
13	5.98	6.03	5.95	5.81	5.26	5.633	5.60	6.144	6.06	6.43	6.79	7.67
20	5.95	6.03	5.95	5.72	5.17	5.491	5.44	5.914	5.85	6.20	6.54	7.50
27	5.84	5.94	5.75	5.65	5.18	5.340	5.28	5.678	5.60	5.91	6.25	7.37
1976—Jan. 3	5.69	5.81	5.69	5.52	5.18	5.208	5.19	5.507	5.49	5.77	6.11	7.28
10	5.33	5.40	5.33	5.25	5.12	5.226	5.07	5.521	5.32	5.58	5.91	7.20
17	5.10	5.23	5.13	5.04	4.76	4.826	4.84	5.066	5.11	5.41	5.68	7.14
24	5.10	5.23	5.10	5.01	4.81	4.783	4.78	5.046	5.06	5.37	5.65	7.18
31	5.00	5.13	5.00	4.94	4.80	4.763	4.72	5.052	5.00	5.32	5.53	7.16
Feb. 7	5.05	5.15	5.00	4.95	4.82	4.811	4.90	5.066	5.15	5.45	5.71	7.16
14	5.13	5.25	5.13	4.97	4.73	4.872	4.85	5.133	5.13	5.47	5.74	7.17
21	5.22	5.28	5.13	5.02	4.70	4.854	4.87	5.171	5.22	5.58	5.79	7.20
28	5.13	5.25	5.13	5.04	4.80	4.870	4.90	5.204	5.28	5.62	5.86	7.18
Mar. 6	5.25	5.38	5.23	5.26	4.95	5.258	5.20	5.724	5.65	5.98	6.30	7.36
13	5.25	5.38	5.28	5.21	4.86	5.060	4.99	5.487	5.47	5.86	6.19	7.30
20	5.35	5.45	5.38	5.19	4.77	4.981	4.98	5.459	5.43	5.82	6.13	7.25
27	5.23	5.35	5.28	5.12	4.79	4.890	4.87	5.283	5.26	5.67	5.93	7.14
Apr. 3	5.15	5.30	5.13	5.10	4.84	4.929	4.97	5.327	5.34	5.76	6.03	7.14

1 Averages of the most representative daily offering rate quoted by dealers.

2 Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90–179 day range.

3 Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

4 Seven-day averages of daily effective rates for week ending Wednesday. Since July 19, 1973, the daily effective Federal funds rate is an average of the rates on a given day weighted by the volume of transactions at these rates. Prior to this date, the daily effective rate was the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

5 Except for new bill issues, yields are averages computed from daily closing bid prices.

6 Bills quoted on bank-discount-rate basis.

7 Selected note and bond issues.

NOTE.—Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds				Corporate bonds								Stocks		
	United States (long-term)	State and local			Aaa utility		Total[1]	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total[1]	Aaa	Baa	New issue	Recently offered	Seasoned issues:	Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
1970	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.46
1971	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	6.75	3.14	5.41
1972	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	7.27	2.84	5.50
1973	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.83	7.23	3.06	7.12
1974	6.99	6.19	5.89	6.53	9.33	9.34	8.98	8.57	9.50	8.78	8.98	9.27	8.23	4.47	11.60
1975	6.98	7.05	6.42	7.62	9.40	9.41	9.46	8.83	10.39	9.25	9.39	9.88	8.38	4.31	....
1975—Mar.	6.73	6.70	6.28	7.25	9.35	9.38	9.28	8.67	10.29	9.05	9.25	9.67	8.04	4.42	10.10
Apr.	7.03	6.95	6.46	7.43	9.67	9.65	9.49	8.95	10.34	9.30	9.39	9.88	8.27	4.34	....
May	6.99	6.95	6.42	7.48	9.63	9.65	9.55	8.90	10.46	9.37	9.49	9.93	8.51	4.08	....
June	6.86	6.96	6.28	7.48	9.25	9.32	9.45	8.77	10.40	9.29	9.40	9.81	8.34	4.02	8.28
July	6.89	7.07	6.39	7.60	9.41	9.42	9.43	8.84	10.33	9.26	9.37	9.81	8.24	4.02	....
Aug.	7.06	7.12	6.40	7.71	9.46	9.49	9.51	8.95	10.35	9.29	9.41	9.93	8.41	4.36	....
Sept.	7.29	7.40	6.70	7.96	9.68	9.57	9.55	8.95	10.38	9.35	9.42	9.98	8.56	4.39	9.06
Oct.	7.29	7.40	6.67	8.01	9.45	9.43	9.51	8.86	10.37	9.32	9.40	9.94	8.58	4.22	....
Nov.	7.21	7.41	6.64	8.08	9.20	9.26	9.44	8.78	10.33	9.27	9.36	9.83	8.50	4.07	....
Dec.	7.17	7.29	6.50	7.96	9.36	9.21	9.45	8.79	10.35	9.26	9.37	9.87	8.57	4.14	....
1976—Jan.	6.94	7.08	6.22	7.81	8.70	8.79	9.33	8.60	10.24	9.16	9.32	9.68	8.16	3.80	....
Feb.	6.92	6.94	6.04	7.76	8.63	8.63	9.23	8.55	10.10	9.12	9.25	9.50	8.00	3.67	....
Mar.	6.87	6.90	5.99	7.72	8.62	8.61	9.18	8.52	9.99	9.10	9.16	9.43	8.07	3.65	....
Week ending—															
1976—Feb. 7	6.93	6.90	6.00	7.70	8.68	8.62	9.26	8.56	10.14	9.14	9.28	9.52	7.91	3.63	....
14	6.96	6.95	6.05	7.77	....	8.68	9.25	8.57	10.12	9.13	9.27	9.52	7.95	3.67	....
21	6.94	6.96	6.06	7.78	8.64	8.67	9.23	8.56	10.09	9.12	9.23	9.50	7.99	3.71	....
28	6.88	6.96	6.06	7.78	8.58	8.56	9.19	8.51	10.04	9.10	9.20	9.44	8.14	3.65	....
Mar. 6	6.96	6.99	6.10	7.79	8.72	8.72	9.20	8.55	10.04	9.12	9.19	9.46	8.00	3.71	....
13	6.91	6.94	6.05	7.75	8.63	8.64	9.20	8.55	10.01	9.12	9.17	9.46	8.06	3.67	....
20	6.89	6.91	6.01	7.74	8.61	8.60	9.18	8.54	9.98	9.11	9.16	9.44	8.10	3.68	....
27	6.80	6.74	5.81	7.60	8.53	8.50	9.16	8.50	9.97	9.07	9.16	9.40	8.03	3.59	....
Apr. 3	6.78	6.70	5.77	7.56	8.60	8.54	9.10	8.46	9.92	9.04	9.11	9.34	8.14	3.61	....
Number of issues[2]	15	20	5	5	....	....	121	20	30	41	30	40	14	500	500

1 Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.

2 Number of issues varies over time; figures shown reflect most recent count.

NOTE.—Annual yields are averages of weekly, monthly, or quarterly data.

Bonds: Monthly and weekly yields are computed as follows: (1) *U.S. Govt.*, averages of daily figures for bonds maturing or callable in 10 years or more; from Federal Reserve Bank of New York. (2) *State and local govt.*, general obligations only, based on Thurs. figures, from Moody's Investors Service. (3) *Corporate*, rates for "New issue" and "Recently offered" Aaa utility bonds, weekly averages compiled by the Board of Governors of the Federal Reserve System; and rates for seasoned issues, averages of daily figures from Moody's Investors Service.

Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures. Earnings/price ratios as of end of period. Preferred stock ratio based on 8 median yields for a sample of non-callable issues—12 industrial and 2 public utility. Common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

NOTES TO TABLES ON OPPOSITE PAGE:

Security Prices:

NOTE.—Annual data are averages of daily or weekly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: *U.S. Govt. bonds*, derived from average market yields in table on p. A-28 on basis of an assumed 3 per cent, 20-year bond. *Municipal and corporate bonds*, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. *Common stocks*, derived from component common stock prices. *Average daily volume of trading*, presently conducted 5 days per week for 6 hours per day.

Stock Market Customer Financing:

1 Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (Dec. 1970 BULLETIN, p. 920). Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.

2 In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

3 Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of over the counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

4 Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

SECURITY PRICES

Period	Bond prices (per cent of par)			Common stock prices											Volume of trading in stocks (thousands of shares)	
				New York Stock Exchange										American Stock Exchange total index (Aug. 31, 1973=100)		
				Standard and Poor's index (1941-43=10)				New York Stock Exchange index (Dec. 31, 1965=50)								
	U.S. Govt. (long-term)	State and local	Corporate AAA	Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility	Finance			NYSE	AMEX
1970	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.03	32.14	37.24	54.64		96.63	10,532	3,376
1971	67.73	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38		113.40	15,381	4,234
1972	68.71	84.4	65.9	109.20	121.79	44.11	56.90	60.29	65.73	50.17	38.48	78.35		129.10	16,487	4,447
1973	62.80	85.4	63.7	107.43	120.44	38.05	53.47	57.42	63.08	37.74	37.69	70.12		103.80	16,374	3,004
1974	57.45	76.3	58.8	82.85	92.91	37.53	38.91	43.84	48.08	31.89	29.82	49.67		79.97	13,883	1,908
1975	57.44	68.9	56.2	85.17	96.15	37.48	41.21	45.73	51.88	30.73	31.45	46.62		83.15	18,568	2,150
1975—Mar.	59.33	70.9	56.2	83.78	93.90	38.35	39.55	44.35	48.63	31.62	31.04	47.83		79.15	22,680	2,665
Apr.	57.05	69.5	55.8	84.72	95.27	38.55	38.19	44.91	49.74	31.70	30.01	47.35		82.03	20,334	2,302
May	57.40	69.6	56.6	90.10	101.05	38.92	39.69	47.76	53.22	32.28	31.02	49.97		86.94	21,785	2,521
June	58.33	69.8	56.7	92.40	103.68	38.97	43.65	49.21	54.61	r32.38	32.78	52.20		90.57	r21,286	2,743
July	58.09	68.5	56.6	92.49	103.84	38.04	43.67	49.54	54.96	r32.90	32.98	52.51		93.28	20,076	2,750
Aug.	56.84	68.3	55.6	85.71	96.21	35.13	41.04	45.71	50.71	r30.08	31.02	46.55		85.74	13,404	1,476
Sept.	55.23	66.1	55.8	84.62	94.96	34.94	40.53	44.97	50.05	29.46	30.65	43.38		84.26	12,717	1,439
Oct.	55.23	66.1	56.0	88.57	99.29	36.92	42.59	46.87	52.26	30.79	31.87	44.36		83.46	15,893	1,629
Nov.	55.77	66.2	56.3	90.07	100.86	37.81	43.77	47.64	52.91	r32.09	r32.99	r45.10		85.60	16,795	1,613
Dec.	56.03	67.4	56.1	88.74	94.89	37.07	43.25	46.78	63.70	31.61	32.75	43.86		82.50	15,859	1,977
1976—Jan.	57.75	69.7	57.0	96.86	108.45	41.42	46.99	51.31	56.72	35.77	35.23	48.83		91.47	32,794	3,070
Feb.	57.86	68.8	57.1	100.64	113.43	43.40	47.22	53.73	59.79	38.53	36.12	52.06		100.58	31,375	4,765
Mar.	58.23	69.2	57.3	101.08	113.73	44.54	45.67	54.01	61.60	39.19	35.44	r52.59		104.04	23,069	3,479
Week ending—																
1976—Mar. 6	57.62	68.2	57.0	99.72	112.09	43.68	45.67	53.37	59.49	39.13	35.30	51.85		103.59	24,110	4,004
13	57.94	68.3	56.9	100.89	113.50	44.49	45.66	53.94	60.25	39.57	35.34	52.08		104.68	27,210	4,040
20	58.11	68.7	57.0	100.52	113.07	44.57	45.47	53.72	59.93	39.00	35.36	52.51		103.50	21,392	3,292
27	58.79	70.1	57.6	102.41	115.34	45.01	45.69	54.64	67.09	39.14	35.57	53.42		104.24	23,098	3,128
Apr. 3	58.91	70.6	57.9	102.34	115.16	45.10	46.08	54.59	60.98	38.98	35.71	53.49		104.15	17,756	2,702

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks [1]										Free credit balances at brokers [4]	
	Regulated [2]									Unregulated [3]		
	By source			By type								
				Margin stock		Convertible bonds		Subscription issues				
	Total	Brokers	Banks	Brokers	Banks	Brokers	Banks	Brokers	Banks	Nonmargin stock credit at banks	Margin accts.	Cash accts.
1975—Feb.	5,099	4,269	830	4,130	783	136	34	3	13	1,897	480	1,610
Mar.	5,164	4,320	844	4,180	800	134	30	6	14	1,882	515	1,770
Apr.	5,327	4,503	824	4,360	781	138	30	5	13	1,885	505	1,790
May	5,666	4,847	819	4,700	779	140	27	7	13	1,883	520	1,705
June	5,984	5,140	844	4,990	805	146	28	4	11	2,434	520	1,790
July	6,266	5,446	820	5,300	780	143	29	3	10	2,387	555	1,710
Aug.	6,197	5,365	832	5,220	791	142	30	3	11	2,457	515	1,500
Sept.	6,251	5,399	852	5,250	811	145	30	4	10	2,520	470	1,455
Oct.	6,455	5,448	1,007	5,300	956	144	36	4	15	2,311	545	1,495
Nov.	6,527	5,519	1,008	5,370	958	146	37	3	13	2,270	490	1,470
Dec.	6,500	5,540	960	5,390	909	147	36	3	15	2,281	475	1,525
1976—Jan.	6,568	5,568	1,000	5,420	946	146	34	2	20	2,321	655	1,975
Feb.	....	....	1,037	....	984	....	34	....	20	2,333	....	....

For notes see opposite page.

EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars)[1]	Equity class (per cent) 80 or more	70–79	60–69	50–59	40–49	Under 40
1975—Jan..	3,950	5.6	7.3	13.5	24.6	28.1	21.2
Feb..	4,130	5.9	7.2	14.6	25.4	28.5	18.4
Mar..	4,180	6.5	8.0	15.3	27.6	25.8	16.9
Apr..	4,360	7.1	8.7	16.1	28.7	23.5	15.9
May.	4,700	7.0	9.1	16.7	31.5	21.0	13.4
June.	4,990	7.4	9.9	18.3	32.7	20.4	11.4
July..	5,300	6.0	8.3	13.9	23.6	30.4	17.9
Aug..	5,220	5.5	6.8	11.3	20.7	31.0	24.7
Sept..	5,250	5.1	7.3	10.6	19.6	31.0	26.5
Oct...	5,300	5.5	6.7	11.2	21.8	29.7	25.2
Nov..	5,370	5.2	6.7	12.2	23.2	28.6	24.0
Dec..	5,390	5.3	6.9	11.6	22.3	28.8	25.0
1976—Jan...	5,420	7.0	r9.4	r18.3	21.3	28.8	15.5

1 Note 1 appears at the bottom of p. A-28.

NOTE.—Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.

SPECIAL MISCELLANEOUS ACCOUNT BALANCES AT BROKERS, BY EQUITY STATUS OF ACCOUNTS

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status: 60 per cent or more	Less than 60 per cent	Total balance (millions of dollars)
1975—Jan.	41.1	39.3	19.8	7,185
Feb.	42.2	40.1	17.8	7,303
Mar.	44.4	40.1	15.5	7,277
Apr.	45.2	41.1	13.7	7,505
May	44.5	43.2	12.3	7,601
June	45.9	43.1	11.0	7,875
July	45.6	41.1	13.1	7,772
Aug.	43.5	40.6	16.0	7,494
Sept.	45.3	38.9	15.8	7,515
Oct.	44.4	40.1	15.5	7,362
Nov.	45.3	40.2	14.5	7,425
Dec.	43.8	40.8	15.4	7,290
1976—Jan.	45.8	44.0	r10.3	7,774

NOTE.—Special miscellaneous accounts contain credit balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

MUTUAL SAVINGS BANKS

(In millions of dollars)

End of period	Loans: Mortgage	Loans: Other	Securities: U.S. Govt.	Securities: State and local govt.	Securities: Corporate and other[1]	Cash	Other assets	Total assets—Total liabilities and general reserve accts.	Deposits	Other liabilities	General reserve accounts	Mortgage loan commitments[2] classified by maturity (in months): 3 or less	3–6	6–9	Over 9	Total
1971	62,069	2,808	3,334	385	17,674	1,389	1,711	89,369	81,440	1,810	6,118	1,047	627	463	1,310	3,447
1972[3]	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624	4,539
1973	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1974	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1975	77,127	4,028	4,777	1,541	27,964	2,367	3,195	120,999	109,796	2,770	8,433	896	301	203	403	1,803
1975—Jan.	74,957	4,287	2,571	967	22,979	1,706	2,663	110,130	99,211	2,948	7,971	726	400	225	620	1,971
Feb.	75,057	4,658	2,677	1,017	23,402	1,856	2,709	111,376	100,149	3,211	8,016	654	360	217	579	1,810
Mar.	75,127	4,736	2,975	1,095	24,339	2,101	2,672	113,045	102,285	2,712	8,049	824	312	294	564	1,994
Apr.	75,259	4,407	3,419	1,121	24,994	1,841	2,780	113,821	102,902	2,849	8,071	913	335	312	538	2,098
May	75,440	4,593	3,616	1,137	25,579	2,077	2,811	115,252	104,056	3,080	8,116	955	383	300	573	2,211
June	75,763	4,492	3,744	1,240	26,470	2,088	2,954	116,751	105,993	2,594	8,164	973	510	195	565	2,243
July	76,097	4,396	3,965	1,436	26,976	1,835	3,004	117,709	106,533	2,970	8,208	957	463	266	526	2,212
Aug.	76,310	4,405	4,187	1,451	27,104	1,730	3,067	118,254	106,745	3,255	8,254	981	431	237	573	2,222
Sept.	76,429	4,487	4,279	1,495	27,033	1,783	3,136	118,643	107,560	2,778	8,304	1,011	372	256	499	2,138
Oct.	76,655	4,481	4,368	1,523	27,106	1,805	3,152	119,089	107,812	2,950	8,328	950	368	275	394	1,987
Nov.	76,855	4,550	4,601	1,551	27,421	1,872	3,223	120,073	108,480	3,215	8,378	972	323	222	379	1,896
Dec.	77,127	4,028	4,777	1,541	27,964	2,367	3,195	120,999	109,796	2,770	8,433	896	301	203	403	1,803
1976—Jan.p	77,211	4,832	4,958	1,577	28,451	1,993	3,239	122,263	110,904	2,899	8,459	923	315	195	426	1,859

1 Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

2 Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans.

3 Balance sheet data beginning 1972 are reported on a gross-of-valuation-reserves basis. The data differ somewhat from balance sheet data previously reported by National Assn. of Mutual Savings Bank, which were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—NAMSB data; figures are estimates for all savings banks in the United States and differ somewhat from those shown elsewhere in the BULLETIN; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies.

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mort-gages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign[1]	Total	Bonds	Stocks				
1971	222,102	11,000	4,455	3,363	3,182	99,805	79,198	20,607	75,496	6,904	17,065	11,832
1972	239,730	11,372	4,562	3,367	3,443	112,985	86,140	26,845	76,948	7,295	18,003	13,127
1973	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,369	7,693	20,199	14,057
1974	263,817	11,890	4,396	3,653	3,841	119,580	97,430	22,150	86,258	8,249	22,899	14,941
1975	289,084	14,582	5,894	4,440	4,248	135,014	106,755	28,259	89,358	9,634	24,389	16,107
1975—Jan.	266,823	12,065	4,461	3,669	3,935	121,986	98,876	23,110	86,526	8,313	23,058	14,875
Feb.	269,715	12,161	4,512	3,686	3,960	124,158	99,571	24,587	86,929	8,402	23,224	14,841
Mar.	272,143	12,338	4,581	3,712	4,045	125,512	100,116	25,399	87,187	8,582	23,391	15,133
Apr.	273,523	12,374	4,608	3,719	4,047	126,256	99,725	26,531	87,638	8,782	23,459	15,014
May	275,816	12,464	4,678	3,739	4,047	127,847	100,478	27,369	87,882	8,843	23,570	15,210
June	278,343	12,560	4,738	3,762	4,060	129,838	101,238	28,600	88,035	8,989	23,675	15,246
July	279,354	12,814	4,843	3,902	4,069	130,298	102,675	27,623	88,162	9,058	23,794	15,228
Aug.	280,482	13,022	4,895	4,039	4,088	130,659	103,496	27,163	88,327	9,112	23,919	15,443
Sept.	281,847	13,150	4,914	4,122	4,114	131,524	104,529	26,995	88,445	9,210	24,048	15,470
Oct.	284,829	13,793	5,505	4,148	4,140	133,237	105,473	27,764	88,655	9,356	24,171	15,617
Nov.	286,975	14,129	5,762	4,210	4,157	134,495	106,385	28,110	88,850	9,464	24,271	15,766
Dec.	289,084	14,582	5,894	4,440	4,248	135,014	106,755	28,259	89,358	9,634	24,389	16,107
1976—Jan.[p]	293,870	15,380	6,446	4,652	4,282	138,965	108,130	30,835	89,395	9,661	24,498	15,971

[1] Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE.—Institute of Life Insurance estimates for all life insurance companies in the United States.

Figures are annual statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total in "Other assets."

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets—Total liabilities	Liabilities					Mortgage loan commitments outstanding at end of period[4]
	Mort-gages	Invest-ment secur-ities[1]	Cash	Other		Savings capital	Net worth[2]	Bor-rowed money[3]	Loans in process	Other	
1971	174,250	18,185	2,857	10,731	206,023	174,197	13,592	8,992	5,029	4,213	7,328
1972	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973[5]	231,733	21,055		19,117	271,905	226,968	17,056	17,172	4,667	6,042	9,526
1974	249,293	23,240		22,991	295,524	242,959	18,436	24,780	3,244	6,105	7,454
1975[p]	278,693	30,900		28,802	338,395	286,042	19,776	20,730	5,187	6,659	10,675
1975—Feb.	250,828	27,003		23,669	301,500	249,524	18,816	21,895	3,049	8,216	8,787
Mar.	252,442	28,304		24,210	304,956	256,017	18,654	20,373	3,275	6,637	10,050
Apr.	254,727	29,047		24,868	308,642	258,875	18,882	19,845	3,608	7,432	11,653
May	257,911	30,648		25,520	314,079	262,770	19,128	19,317	4,105	8,759	12,557
June	261,336	30,880		25,786	318,003	268,978	18,992	18,881	4,446	6,706	12,363
July	264,458	32,054		26,311	322,823	272,032	19,266	18,765	4,771	7,989	12,611
Aug.	267,717	31,694		27,127	326,538	273,504	19,495	19,237	4,995	9,307	12,673
Sept.	270,600	30,786		27,745	329,131	277,201	19,414	20,052	5,128	7,336	12,585
Oct.	273,596	31,652		28,145	333,393	279,465	19,663	20,327	5,207	8,731	11,748
Nov.	275,919	32,498		28,610	337,027	281,711	19,919	20,434	5,164	9,799	11,365
Dec.	278,693	30,900		28,802	338,395	286,042	19,776	20,730	5,187	6,659	10,675
1976—Jan.	280,071	34,271		29,716	344,058	291,418	19,948	19,652	5,051	7,989	11,111
Feb.[p]	282,393	36,099		30,338	348,830	295,358	20,164	18,734	5,133	9,441	12,926

[1] Excludes stock of the Federal Home Loan Bank Board. Compensating changes have been made in "Other" assets.

[2] Includes net undistributed income, which is accrued by most, but not all, associations.

[3] Advances from FHLBB and other borrowing.

[4] Data comparable with those shown for mutual savings banks (on opposite page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

[5] Beginning 1973, participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, loans and notes insured by the Farmers Home Administration, and certain other Govt.-insured mortgage-type investments, previously included in mortgage loans, are included in other assets. The effect of this change was to reduce the mortgage total by about $0.6 billion.

Also, GNMA-guaranteed, mortgage-backed securities of the pass-through type, previously included in "Cash" and "Investment securities" are included in "Other" assets. These amounted to about $2.4 billion at the end of 1972.

NOTE.—FHLBB data; figures are estimates for all savings and loan assns. in the United States. Data are based on monthly reports of insured assns. and annual reports of noninsured assns. Data for current and preceding year are preliminary even when revised.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget			Means of financing								
				Borrowings from the public						Less: Cash and monetary assets		Other means of financing, net[2]
	Receipts	Outlays	Surplus or deficit (−)	Public debt securities	Agency securities	Less: Investments by Govt. accounts		Less: Special notes[1]	Equals: Total	Treasury operating balance	Other	
						Special issues	Other					
Fiscal year:												
1972	208,649	231,876	−23,227	29,131	−1,269	6,796	1,623	....	19,442	1,362	1,108	6,255
1973	232,225	246,526	−14,301	30,881	216	11,712	109	....	19,275	2,459	−1,613	−4,129
1974	264,932	268,392	−3,460	16,918	903	13,673	1,140	....	3,009	−3,417	889	−2,077
1975	280,997	324,601	−43,604	58,953	−1,069	8,112	−1,081	....	50,853	−1,570	1,890	−6,920
Half year:												
1974—Jan.-June	140,676	138,030	2,646	5,162	426	8,297	295	....	−3,005	−1,215	1,208	352
July-Dec.	139,607	153,147	−13,540	18,429	−689	2,840	150	....	14,751	−3,228	557	−3,881
1975—Jan.-June	*141,189*	*171,202*	*−30,013*	40,524	−423	5,272	−1,231	....	36,059	1,657	1,643	−2,746
July-Dec.	139,453	184,545	−45,092	43,460	−39	−4,739	−1,186	....	49,347	866	−980	−4,368
Month:												
1975—Feb.[r]	19,973	25,746	−5,773	5,571	−307	1,224	−492	....	4,531	−2,359	−65	−1,183
Mar.	20,134	27,986	−7,852	9,949	5	−1,216	−79	....	11,249	3,115	285	3
Apr.	31,451	29,601	1,850	7,081	−37	10	−451	....	7,485	7,666	1,847	178
May	12,793	28,186	−15,394	*11,418*	−6	3,296	−440	....	8,556	−5,757	−732	349
June	31,817	30,296	1,521	5,030	−55	4,131	276	....	567	−949	56	−2,981
July	20,197	31,249	−11,052	5,051	−23	−2,427	−346	....	7,800	−3,390	−1,373	−1,511
Aug.	23,584	30,634	−7,050	9,472	6	2,384	−94	....	7,189	−630	−263	−1,032
Sept.	28,615	29,044	−429	5,935	9	−2,151	−367	....	8,463	6,961	446	−627
Oct.	19,316	32,425	−13,109	8,352	−5	−3,656	260	....	11,743	−203	−348	815
Nov.	21,745	29,401	−7,656	4,800	−3	−749	−390	....	5,936	−3,844	392	−1,732
Dec.	25,995	31,792	−5,797	9,850	−24	1,860	−249	....	8,215	1,971	166	−281
1976—Jan.	25,634	30,725	−5,091	7,757	−2	−393	328	....	7,820	3,532	114	918
Feb.	20,845	29,833	−8,987	9,465	5	1,062	−564	....	8,972	64	−125	−46

End of period	Selected balances										Memo: Debt of Govt.-sponsored corps.—Now private[4]
	Treasury operating balance				Borrowing from the public.						
	F.R. Banks	Tax and loan accounts	Other depositaries[3]	Total	Public debt securities	Agency securities	Less: Investments of Govt. accounts		Less: Special notes[1]	Equals: Total	
							Special issues	Other			
Fiscal year:											
1971	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	37,086
1972	2,344	7,634	139	10,117	427,260	10,894	89,536	24,023	825	323,770	41,814
1973	4,038	8,433	106	12,576	458,142	11,109	101,248	24,133	825	343,045	51,325
1974	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
1975	5,773	1,475	343	7,591	533,188	10,943	123,033	24,192	(5)	396,906	76,092
Calendar year:											
1973	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857
1974	3,113	2,745	70	5,928	492,664	11,323	117,761	25,423	(5)	360,804	76,459
1975	7,286	1,159	7	8,452	576,649	10,904	118,294	23,006	....	446,253	....
Month:											
1975—Feb.	2,885	410	220	3,515	499,710	11,037	116,812	24,886	....	369,049	75,964
Mar.	4,271	2,142	220	6,633	509,659	11,042	115,596	24,807	....	380,298	76,392
Apr.	8,364	5,415	521	14,299	516,740	11,004	115,606	24,355	....	387,783	77,124
May	7,040	984	521	8,545	528,158	10,998	118,902	23,916	....	396,339	75,140
June	5,773	1,475	343	7,591	533,188	10,943	123,033	24,192	....	396,906	76,092
July	2,776	878	444	4,098	538,240	10,920	120,606	23,847	....	404,707	77,173
Aug.	2,349	1,214	−141	3,423	547,711	10,926	122,990	23,752	....	411,895	76,659
Sept.	8,074	2,162	529	10,765	553,647	10,935	120,839	23,385	....	420,358	77,026
Oct.	8,517	1,251	559	10,327	561,999	10,931	117,183	23,645	....	432,102	78,016
Nov.	4,919	1,558	9	6,485	566,799	10,928	116,434	23,255	....	438,037	78,451
Dec.	7,286	1,159	7	8,452	576,649	10,904	118,294	23,006	....	446,253	78,842
1976—Jan.	10,075	1,905	7	11,987	584,405	10,902	117,901	23,333	....	454,072	79,355
Feb.	10,366	1,678	7	1,205	593,871	10,907	118,963	22,770	....	463,045	....

1 Represents non-interest-bearing public debt securities issued to the International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.

2 Includes accrued interest payable on public debt securities until June 1973 and total accrued interest payable to the public thereafter; deposit funds; miscellaneous liability (includes checks outstanding) and asset accounts; seigniorage; increment on gold; fiscal 1974 conversion of interest receipts of Govt. accounts to an accrual basis; gold holdings, gold certificates and other liabilities, and gold balance beginning Jan. 1974; and net gain/loss for U.S. currency valuation adjustment beginning June 1975.

3 As of Jan. 3, 1972, the Treasury operating balance was redefined to exclude the gold balance and to include previously excluded "Other depositaries" (deposits in certain commercial depositaries that have been converted from a time to a demand basis to permit greater flexibility in Treasury cash management).

4 Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), and Federal intermediate credit banks and banks for cooperatives (both beginning Dec. 1968).

5 Beginning July 1974, public debt securities excludes $825 million of notes issued to International Monetary Fund to conform with Office of Management and Budget's presentation of the budget.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period	Total	Budget receipts: Individual income taxes: Withheld	Pres. Election Campaign Fund[1]	Nonwithheld	Refunds	Net total	Corporation income taxes: Gross receipts	Refunds	Social insurance taxes and contributions: Employment taxes and contributions[2]: Payroll taxes	Self-empl.	Unempl. insur.	Other net receipts[3]	Net total	Excise taxes	Customs	Estate and gift	Misc. receipts[4]
Fiscal year:																	
1972	208,649	83,200	......	25,679	14,143	94,737	34,926	2,760	44,088	2,032	4,357	3,437	53,914	15,477	3,287	5,436	3,633
1973	232,225	98,093	......	27,017	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921
1974	264,932	112,092	28	30,812	23,952	118,952	41,744	3,125	62,878	3,008	6,837	4,051	76,780	16,844	3,334	5,035	5,369
1975	280,997	122,071	32	34,296	34,013	122,386	45,747	5,125	71,789	3,417	6,770	4,466	86,441	16,551	3,676	4,611	6,711
Half year:																	
1974—Jan.-June	140,676	59,100	28	24,605	22,953	60,782	25,155	1,631	32,919	2,807	3,862	2,084	41,671	7,878	1,701	2,521	2,601
July-Dec.	139,607	61,378	......	7,098	1,016	67,461	18,247	2,016	34,418	254	2,914	2,187	39,774	8,761	1,958	2,284	3,140
1975—Jan.-June	141,190	60,694	......	27,198	32,997	54,926	27,500	3,109	37,371	3,163	3,856	2,279	46,667	7,790	1,718	2,327	3,370
July-Dec.	139,453	59,549	......	7,649	1,362	65,835	18,810	2,735	35,443	268	2,861	2,314	40,886	8,759	1,927	2,573	3,397
Month:																	
1975—Feb.	r19,973	r10,953	7	1,046	r4,263	r7,743	1,275	496	7,670	225	732	r355	r8,982	1,277	260	399	535
Mar.	20,134	9,624	8	2,661	8,152	4,134	7,228	649	6,268	208	21	373	6,870	1,160	295	356	741
Apr.	31,451	9,558	15	12,766	6,258	16,065	5,819	726	5,438	1,743	557	388	8,126	1,166	286	317	399
May	12,793	10,300	......	819	12,749	−1,630	1,192	18	7,689	340	2,209	350	10,588	1,373	270	459	559
June	31,817	10,027	......	4,541	1,444	13,123	10,241	664	5,552	373	92	413	6,431	1,464	301	412	508
July	20,197	9,205	......	908	498	9,615	1,838	471	5,309	......	444	374	6,128	1,514	313	503	757
Aug.	23,584	10,246	......	488	331	10,403	1,045	425	8,085	......	1,257	372	9,713	1,394	302	430	723
Sept.	28,615	9,182	......	4,809	382	13,609	6,277	264	5,555	251	75	400	6,280	1,430	312	431	539
Oct.	19,316	9,983	......	589	81	10,653	1,694	821	4,551	......	259	395	5,206	1,462	343	396	382
Nov.	21,745	10,195	......	283	124	10,354	1,072	399	6,900	......	716	377	7,994	1,476	310	428	511
Dec.	25,995	10,738	......	571	109	11,200	6,884	354	5,043	17	110	395	5,565	1,482	347	386	485
1976—Jan.	25,634	9,518	1	5,843	86	15,276	1,771	218	5,540	225	223	442	6,430	1,335	348	401	292
Feb.	20,845	10,938	7	933	4,100	7,778	1,203	422	8,330	237	693	370	9,631	1,354	288	475	538

Budget outlays

Period	Total	National defense	Intl. affairs	General science, space, and tech.	Agriculture	Natural resources, envir., and energy	Commerce and transp.	Commun. and region. development	Education, training, employment, and social serv.	Health and welfare	Veterans	Interest	General Govt., law enforce., and justice	Revenue shar. and fiscal assistance	Undistrib. offsetting receipts[5]
Fiscal year:															
1973	246,526	75,072	2,956	4,030	4,855	5,947	9,930	5,529	11,874	91,790	12,013	22,813	4,813	[6]7,222	−12,318
1974	268,392	78,569	3,593	3,977	2,230	6,571	13,096	4,911	11,598	106,505	13,386	28,072	5,789	6,746	−16,651
1975	324,601	86,585	4,358	3,989	1,660	9,537	16,010	4,431	15,248	136,252	16,597	30,974	6,031	7,005	−14,075
1976[7]	373,535	92,759	5,665	4,311	2,875	11,796	17,801	5,802	18,900	160,646	19,035	34,835	6,949	7,169	−15,208
TQ[7,8]	97,971	25,028	1,334	1,157	742	3,289	4,819	1,529	4,403	41,033	4,362	9,769	1,875	2,046	−3,589
1977[7]	394,237	101,129	6,824	4,507	1,729	13,772	16,498	5,532	16,615	171,508	17,196	41,297	6,859	7,351	−18,840
Month:															
1975—Feb.r	25,746	7,473	383	213	−90	970	666	74	733	11,450	1,596	2,597	442	8	−770
Mar.	27,986	7,435	503	379	347	723	1,415	19	1,209	12,154	1,811	2,656	568	3	−1,236
Apr.	29,601	7,555	109	368	275	611	1,088	309	1,838	12,379	1,466	2,716	416	1,524	−1,053
May	28,186	8,000	408	384	42	679	995	383	1,647	11,968	1,468	2,607	479	....	−873
June	30,296	7,854	557	256	179	788	1,289	453	1,684	14,158	1,412	2,521	759	−14	−1,601
July	31,249	7,307	531	476	270	821	2,256	402	1,237	13,092	1,367	2,637	321	1,625	−1,094
Aug.	30,634	8,229	448	402	117	770	2,165	568	1,690	12,431	1,447	2,672	553	213	−1,071
Sept.	29,044	6,923	47	398	507	844	1,899	440	1,571	12,738	1,334	2,859	548	4	−1,068
Oct.	32,425	8,192	362	398	312	740	1,965	462	896	13,575	1,518	2,957	492	1,592	−1,035
Nov.	29,401	7,533	419	405	196	786	1,203	315	1,653	12,612	1,624	2,996	531	15	−887
Dec.	31,792	7,981	290	409	175	814	1,994	433	1,515	13,721	1,704	2,820	1,154	1	−1,221
1976—Jan.	30,725	6,915	351	336	228	718	1,819	421	1,478	13,714	1,626	2,813	121	1,627	−1,441
Feb.	29,833	6,120	320	413	315	1,833	900	421	1,530	13,360	1,696	3,143	570	53	−841

1 Collections of these receipts, totaling $2,427 million for fiscal year 1973, were included as part of nonwithheld income taxes prior to Feb. 1974.

2 Old-age, disability, and hospital insurance, and Railroad Retirement accounts.

3 Supplementary medical insurance premiums and Federal employee retirement contributions.

4 Deposits of earnings by F. R. Banks and other miscellaneous receipts.

5 Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and Govt. contributions for employee retirement.

6 Contains retroactive payments of $2,617 million for fiscal 1972.

7 Estimates presented in *Budget of the U.S. Government, Fiscal Year 1977*. Figures for outlay categories exclude special allowances for contingencies and civilian agency pay raises totaling $200 million for fiscal year 1976, $175 million for the **transition quarter** (TQ), and $2,260 million for fiscal year 1977, and therefore do not add to totals.

8 Effective in calendar year 1976, the fiscal year for the U.S. Govt. is being changed from July 1–June 30 to Oct. 1–Sept. 30. The period July 1–Sept. 30 of 1976, data for which are shown separately from fiscal year 1976 and fiscal year 1977 totals, will be a transition quarter.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt [1]	Public issues (interest-bearing)										Special issues [5]
		Total	Marketable					Convertible bonds	Nonmarketable			
			Total	Bills	Certificates	Notes	Bonds [2]		Total [3]	Foreign issues [4]	Savings bonds and notes	
1968—Dec.	358.0	296.0	236.8	75.0	....	76.5	85.3	2.5	56.7	4.3	52.3	59.1
1969—Dec.	368.2	295.2	235.9	80.6	....	85.4	69.9	2.4	56.9	3.8	52.2	71.0
1970—Dec.	389.2	309.1	247.7	87.9	....	101.2	58.6	2.4	59.1	5.7	52.5	78.1
1971—Dec.	424.1	336.7	262.0	97.5	....	114.0	50.6	2.3	72.3	16.8	54.9	85.7
1972—Dec.	449.3	351.4	269.5	103.9	....	121.5	44.1	2.3	79.5	20.6	58.1	95.9
1973—Dec.	469.9	360.7	270.2	107.8	....	124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974—Dec.	492.7	373.4	282.9	119.7	....	129.8	33.4	2.3	88.2	22.8	63.8	118.2
1975—Mar.	509.7	392.6	300.0	124.0	....	141.9	34.1	2.3	90.4	24.0	64.8	116.0
Apr.	516.7	399.8	307.2	127.0	....	145.0	35.3	2.3	90.3	23.6	65.2	116.0
May	528.2	407.8	314.9	131.5	....	146.5	36.8	2.3	90.6	23.5	65.5	119.2
June	533.2	408.8	315.6	128.6	....	150.3	36.8	2.3	90.9	23.2	65.9	123.3
July	538.2	416.3	323.7	133.4	....	153.6	36.7	2.3	90.4	22.2	66.3	120.9
Aug.	547.7	423.5	331.1	138.1	....	155.2	37.8	2.3	90.1	21.6	66.6	123.3
Sept.	553.6	431.5	338.9	142.8	....	158.5	37.7	2.3	90.3	21.5	66.9	121.1
Oct.	562.0	443.6	350.9	147.1	....	166.3	37.6	2.3	90.5	21.2	67.2	117.4
Nov.	566.8	447.5	355.9	151.1	....	166.1	36.7	2.3	89.3	21.3	67.6	116.7
Dec.	576.6	457.1	363.2	157.5	....	167.1	38.6	2.3	91.7	21.6	67.9	118.5
1976—Jan.	584.4	463.8	369.3	159.6	....	171.1	38.6	2.3	92.2	21.6	68.2	118.1
Feb.	593.9	473.7	378.8	162.1	....	177.6	39.1	2.3	92.7	21.7	68.6	119.2
Mar.	600.5	480.7	385.3	163.1	....	183.1	39.0	2.3	93.1	21.7	69.0	118.5

[1] Includes non-interest-bearing debt (of which $614 million on Mar. 31, 1976, was not subject to statutory debt limitation).

[2] Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

[3] Includes (not shown separately): depositary bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local government bonds, and Treasury deposit funds.

[4] Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency-series issues.

[5] Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on *Monthly Statement of the Public Debt of the United States*, published by U.S. Treasury. See also second paragraph in NOTE to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—		Held by private investors									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Commercial banks	Mutual savings banks	Insurance companies	Other corporations	State and local govts.	Individuals		Foreign and international [1]	Other misc. investors [2]
										Savings bonds	Other securities		
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.8	8.4	14.2	24.9	51.9	23.3	14.3	21.9
1969—Dec.	368.2	89.0	57.2	222.0	56.8	3.1	7.6	10.4	27.2	51.8	29.0	11.2	25.0
1970—Dec.	389.2	97.1	62.1	229.9	62.7	3.1	7.4	7.3	27.8	52.1	29.1	20.6	19.9
1971—Dec.	424.1	106.0	70.2	247.9	65.3	3.1	7.0	11.4	25.4	54.4	18.8	46.9	15.6
1972—Dec.	449.3	116.9	69.9	262.5	67.7	3.4	6.6	9.8	28.9	57.7	16.2	55.3	17.0
1973—Dec.	469.9	129.6	78.5	261.7	60.3	2.9	6.4	10.9	29.2	60.3	16.9	55.6	19.3
1974—Dec.	492.7	141.2	80.5	271.0	55.6	2.5	6.1	11.0	29.2	63.4	21.5	58.4	23.2
1975—Feb.	499.7	139.8	81.1	278.9	56.5	2.7	6.2	11.4	30.5	64.0	21.3	64.6	21.6
Mar.	509.7	138.5	81.4	289.8	61.8	2.9	6.6	12.0	29.7	64.4	21.4	65.0	26.1
Apr.	516.7	138.0	87.8	290.9	64.1	3.2	6.7	12.5	29.8	64.7	21.4	64.9	23.6
May	528.2	140.9	85.6	301.7	67.7	3.4	6.9	13.7	29.8	65.1	21.5	66.8	26.8
June	533.2	145.3	84.7	303.2	69.2	3.5	7.1	13.2	29.6	65.5	21.6	66.0	27.4
July	538.2	142.5	81.9	313.8	71.4	3.7	7.3	16.2	31.3	65.9	21.8	66.7	29.5
Aug.	547.2	144.8	82.5	320.4	75.4	3.9	7.4	16.0	31.2	66.2	22.6	67.3	30.5
Sept.	553.6	142.3	87.0	324.4	78.4	4.0	7.6	15.0	32.2	66.5	23.0	65.5	32.3
Oct.	562.0	138.8	87.2	336.0	80.5	4.2	7.9	17.5	33.8	66.8	23.2	66.9	35.2
Nov.	566.8	137.7	85.1	343.9	82.6	4.4	8.8	20.0	33.9	67.1	23.5	66.1	37.5
Dec.	r576.6	137.4	87.9	r349.4	85.8	4.5	9.3	20.2	33.8	67.3	r23.6	66.5	38.3
1976—Jan.	584.4	139.3	89.8	355.3	87.0	4.7	9.9	21.2	34.6	67.7	23.6	68.3	38.3

[1] Consists of investments of foreign and international accounts in the United States.

[2] Consists of savings and loan assns., nonprofit institutions, corporate pensions trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts. Beginning in July 1974, total gross public debt includes Federal Financing Bank bills and excludes notes issued to the IMF ($825 million).

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1–5 years	5–10 years	10–20 years	Over 20 years
		Total	Bills	Other				
All holders:								
1973—Dec. 31	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Dec. 31	282,891	148,086	119,747	28,339	85,311	27,897	14,833	6,764
1975 Dec. 31	366,191	199,692	157,483	42,209	112,270	26,436	14,264	10,530
1976 Jan.	369,316	201,854	159,645	42,209	114,283	28,448	14,222	10,509
Feb.	378,773	200,775	162,088	38,687	120,331	32,382	14,187	11,098
U.S. Govt. agencies and trust funds:								
1973—Dec. 31	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—Dec. 31	21,391	2,400	588	1,812	7,823	4,721	4,670	1,777
1975—Dec. 31	19,347	2,769	207	2,562	7,058	3,283	4,233	2,053
1976 Jan.	19,703	2,994	420	2,574	7,061	3,348	4,239	2,060
Feb.	19,158	3,081	455	2,626	6,652	3,113	4,239	2,074
Federal Reserve Banks:								
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Dec. 31	80,501	45,388	36,990	8,399	23,282	9,664	1,453	713
1975—Dec. 31	87,934	46,845	38,018	8,827	30,518	6,463	1,507	2,601
1976—Jan.	89,782	46,783	37,751	9,032	32,043	6,790	1,517	2,649
Feb.	88,990	45,819	38,240	7,579	31,195	7,562	1,532	2,883
Held by private investors:								
1973—Dec. 31	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—Dec. 31	180,999	100,298	82,168	18,130	54,206	13,512	8,710	4,274
1975—Dec. 31	255,860	150,078	119,258	30,820	74,694	16,690	8,524	5,876
1976—Jan.	259,831	152,077	121,474	30,603	75,179	18,310	8,466	5,800
Feb.	270,625	151,875	123,393	28,482	82,484	21,707	8,416	6,141
Commercial banks:								
1973—Dec. 31	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Dec. 31	42,755	14,873	6,952	7,921	22,717	4,151	733	280
1975—Dec. 31	64,398	29,875	17,481	12,394	29,629	4,071	552	271
1976—Jan.	67,461	30,396	17,582	12,814	31,377	4,869	559	260
Feb.	66,041	27,390	16,289	11,101	33,270	4,597	525	259
Mutual savings banks:								
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—Dec. 31	1,477	399	207	192	614	174	202	88
1975—Dec. 31	3,300	983	554	429	1,524	448	232	112
1976—Jan.	3,442	951	525	426	1,602	562	221	106
Feb.	3,662	946	528	418	1,805	584	220	108
Insurance companies:								
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—Dec. 31	4,741	722	414	308	1,061	1,310	1,297	351
1975—Dec. 31	7,565	2,024	1,513	511	2,359	1,592	1,154	436
1976—Jan.	8,228	2,473	1,910	563	2,481	1,710	1,147	417
Feb.	8,312	2,213	1,759	454	2,761	1,750	1,154	434
Nonfinancial corporations:								
1973—Dec. 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Dec. 31	4,246	2,623	1,859	764	1,423	115	26	59
1975—Dec. 31	9,365	7,105	5,829	1,276	1,967	175	61	57
1976—Jan.	10,500	8,412	7,264	1,148	1,806	174	62	46
Feb.	11,531	9,251	8,175	1,076	2,009	166	56	49
Savings and loan associations:								
1973—Dec. 31	2,103	576	121	455	1,011	320	151	45
1974—Dec. 31	1,663	350	87	263	835	282	173	23
1975—Dec. 31	2,793	914	518	396	1,558	216	82	22
1976 Jan.	3,332	1,284	837	447	1,674	271	87	16
Feb.	3,662	1,373	979	394	1,981	203	89	16
State and local governments:								
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Dec. 31	7,864	4,121	3,319	802	1,796	815	800	332
1975—Dec. 31	9,285	5,288	4,566	722	1,761	782	896	558
1976—Jan.	9,769	5,789	4,964	825	1,779	824	826	551
Feb.	10,573	6,296	5,522	774	2,033	835	802	605
All others:								
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Dec. 31	118,253	77,210	69,330	7,880	25,760	6,664	5,479	3,141
1975—Dec. 31	159,154	103,889	88,797	15,092	35,894	9,405	5,546	4,420
1976 Jan.	157,100	102,771	88,392	14,379	34,459	9,902	5,564	4,404
Feb.	166,846	104,407	90,142	14,265	38,625	13,573	5,569	4,671

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting: (1) 5,531 commercial banks, 471 mutual savings banks, and 730 insurance companies combined, each about 90 per cent; (2) 457 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 501 State and local govts., about 40 per cent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

DAILY-AVERAGE DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt. agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1-5 years	5-10 years	Over 10 years	U.S. Govt. securities dealers	U.S. Govt. securities brokers	Commercial banks	All other[1]	
1975—Feb.	5,770	3,353	1,521	711	185	698	2,044	1,511	1,518	1,233
Mar.	4,467	2,812	994	464	197	671	1,183	1,198	1,415	929
Apr.	5,197	3,682	1,096	285	134	704	1,450	1,242	1,801	904
May	6,419	4,181	1,615	466	158	981	1,917	1,454	2,067	1,049
June	5,732	3,745	1,484	372	132	801	1,689	1,336	1,906	1,217
July	4,675	3,301	1,131	172	71	669	1,294	1,100	1,613	778
Aug.	5,183	3,375	1,340	333	134	742	1,405	1,185	1,851	845
Sept.	5,566	4,032	1,315	128	91	931	1,405	1,198	2,033	787
Oct.	8,714	5,929	2,332	309	144	1,271	2,675	1,839	2,929	1,250
Nov.	7,594	5,519	1,353	534	189	1,070	2,176	1,875	2,474	1,217
Dec.	7,586	5,919	1,270	278	120	1,190	2,217	1,977	2,202	1,059
1976—Jan.	9,509	r7,049	1,765	569	126	r1,265	r3,118	2,192	r2,231	1,417
Feb.	8,329	5,863	1,553	755	158	951	2,389	2,196	2,793	1,163
Week ending—										
1976—Feb. 4	7,988	6,066	1,046	764	112	928	2,425	1,945	2,690	853
11	8,986	6,074	1,708	1,061	143	976	2,776	2,195	3,039	r1,071
18	7,852	5,788	1,236	675	153	948	1,869	2,423	2,613	r1,283
25	8,896	6,195	1,947	544	209	1,085	2,444	2,420	2,946	r1,186
Mar. 3	8,589	6,310	1,615	507	158	1,088	2,776	2,130	2,594	1,368
10	10,232	7,880	1,784	474	95	1,279	3,533	2,580	2,840	906
17	7,485	5,777	1,355	271	82	1,152	2,168	1,874	2,291	831
24	10,237	7,506	2,224	358	149	1,589	3,261	2,486	2,901	1,806
31	8,180	5,804	1,990	260	127	1,281	2,020	2,213	2,666	1,279

[1] Since Jan. 1972 has included transactions of dealers and brokers in securities other than U.S. Govt.

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York. They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

DAILY-AVERAGE DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1-5 years	5-10 years	Over 10 years	
1975—Feb.	5,588	3,658	1,180	536	213	1,469
Mar.	5,737	3,435	1,486	618	198	1,444
Apr.	4,453	3,123	1,036	218	77	937
May	6,332	4,917	1,094	248	73	896
June	6,768	5,923	748	100	−3	790
July	5,736	4,978	775	47	−64	626
Aug.	5,501	4,491	609	262	138	610
Sept.	5,718	5,214	410	56	39	529
Oct.	7,322	6,019	1,091	111	102	r491
Nov.	6,752	5,011	640	594	506	953
Dec.	6,061	5,274	322	218	247	r982
1976—Jan.	6,305	5,287	449	398	170	r694
Feb.	6,263	5,477	381	224	183	599
Week ending—						
1976—Jan. 7	5,969	5,032	461	257	220	792
14	7,551	6,541	440	367	202	720
21	6,629	5,172	643	643	171	724
28	5,372	4,562	350	340	120	600
Feb. 4	5,882	5,343	177	246	115	638
11	6,967	5,590	761	356	259	658
18	6,977	6,283	309	199	186	605
25	5,765	5,196	270	151	149	564

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.

Average of daily figures based on number of trading days in the period.

DAILY-AVERAGE DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks		Corporations[1]	All other
		New York City	Elsewhere		
1975—Feb.	6,295	1,672	1,077	714	2,832
Mar.	6,881	1,879	1,650	838	2,513
Apr.	5,696	1,655	1,326	583	2,132
May	6,656	1,684	1,567	452	2,953
June	7,682	1,955	1,979	737	3,012
July	6,594	1,365	1,435	929	2,865
Aug.	6,167	1,009	1,148	1,120	2,890
Sept.	6,576	1,160	1,640	972	2,804
Oct.	6,940	1,658	1,792	817	2,673
Nov.	7,215	1,958	1,393	991	2,873
Dec.	7,107	2,001	1,304	1,086	2,716
1976—Jan.	6,766	1,757	1,337	1,147	2,526
Feb.	6,700	1,705	850	1,017	3,128
Week ending—					
1976—Jan. 7	6,541	1,514	1,313	1,138	2,576
14	7,275	2,165	1,573	1,375	2,163
21	7,266	1,881	1,762	1,172	2,451
28	5,707	1,466	769	984	2,488
Feb. 4	7,075	1,721	1,037	908	3,409
11	6,370	1,842	960	935	2,634
18	7,435	1,734	1,084	1,037	3,582
25	6,405	1,535	544	1,059	3,267

[1] All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the table on the left.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks: Assets: Advances to members	Assets: Investments	Assets: Cash and deposits	Liabilities and capital: Bonds and notes	Liabilities and capital: Member deposits	Liabilities and capital: Capital Stock	Federal National Mortgage Assn. (secondary market operations): Mortgage loans (A)	FNMA: Debentures and notes (L)	Banks for cooperatives: Loans to cooperatives (A)	Banks for cooperatives: Bonds (L)	Federal intermediate credit banks: Loans and discounts (A)	Federal intermediate credit banks: Bonds (L)	Federal land banks: Mortgage loans (A)	Federal land banks: Bonds (L)
1970	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971	7,936	2,520	142	7,139	1,789	1,618	17,791	17,701	2,076	1,801	5,669	5,503	7,917	7,063
1972	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974	21,804	3,094	144	21,878	2,484	2,624	29,709	28,201	3,575	3,561	8,848	8,400	13,643	12,427
1975—Feb.	19,460	4,838	99	20,822	2,819	2,698	29,846	27,730	3,821	3,592	9,031	8,484	14,326	13,021
Mar.	18,164	6,415	154	20,754	3,025	2,677	29,870	28,420	3,741	3,439	9,303	8,703	14,641	13,021
Apr.	17,528	6,836	98	20,738	2,651	2,660	29,931	28,257	3,650	3,329	9,520	9,061	14,917	13,571
May	17,145	5,745	98	19,463	2,708	2,656	29,977	27,714	3,499	2,982	9,763	9,231	15,180	13,571
June	16,803	6,259	134	19,396	2,831	2,653	30,136	28,237	3,371	2,948	10,031	9,357	15,437	13,961
July	16,685	6,174	119	19,446	2,436	2,656	30,453	28,419	3,520	2,914	10,163	9,556	15,654	14,351
Aug.	16,945	4,680	89	18,736	2,281	2,660	30,881	28,718	3,738	3,004	10,176	9,715	15,851	14,351
Sept.	17,482	4,247	114	18,720	2,275	2,679	31,157	28,933	3,847	3,109	10,100	9,657	16,044	14,351
Oct.	17,578	4,368	70	18,766	2,291	2,685	31,466	29,373	4,087	3,453	9,933	9,505	16,247	14,774
Nov.	17,606	4,439	87	18,874	2,527	2,690	31,647	29,319	4,041	3,664	8,784	9,319	16,380	14,774
Dec.	17,845	4,376	109	18,863	2,701	2,705	31,916	29,963	3,979	3,643	9,947	9,211	16,564	14,773
1976—Jan.	17,106	5,549	97	18,850	2,971	2,802	31,866	29,809	4,356	3,793	9,944	9,201	16,746	15,243
Feb.	16,380	5,286	69	17,738	3,085	2,829	31,704	29,758	4,546	3,878	10,013	9,254	16,930	15,120

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly offered securities (excluding, for FHLB's, bonds held within the FHLB System) are not guaranteed by the U.S. Govt. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding): Total	Type of issue: General obligations	Type of issue: Revenue	Type of issue: HAA[1]	Type of issue: U.S. Govt. loans	Type of issuer: State	Type of issuer: Special district and stat. auth.	Type of issuer: Other[2]	Total amount delivered[3]	Issues for new capital: Total	Use of proceeds: Education	Use of proceeds: Roads and bridges	Use of proceeds: Utilities[4]	Use of proceeds: Housing[5]	Use of proceeds: Veterans' aid	Use of proceeds: Other purposes
1971	24,963	15,220	8,681	1,000	62	5,999	8,714	10,246	....	24,495	5,278	2,642	5,214	2,068	......	9,293
1972	23,653	13,305	9,332	959	57	4,991	9,496	9,165	....	19,959	4,981	1,689	4,638	1,910	......	6,741
1973	23,969	12,257	10,632	1,022	58	4,212	9,505	10,249	....	22,397	4,311	1,458	5,654	2,639	......	8,335
1974	24,315	13,563	10,212	461	79	4,784	8,638	10,817	....	23,508	4,730	768	5,634	1,064	......	11,312
1975	30,607	16,020	14,511	....	76	7,438	12,441	10,660	....	29,495	4,689	1,277	7,209	647	......	15,673
1975—Feb.	2,392	1,723	664	....	5	877	629	880	....	2,353	478	209	425	105	......	1,136
Mar.	2,137	1,284	851	....	2	376	717	1,048	....	2,083	471	94	474	35	......	1,009
Apr.	2,413	1,501	905	....	7	368	880	1,161	....	2,316	405	61	734	38	......	1,078
May	2,905	1,885	1,015	....	5	811	1,197	889	....	2,784	419	211	559	25	......	1,570
June	3,066	1,772	1,292	....	2	938	1,137	989	....	2,840	430	164	821	28	......	1,397
July	3,586	1,371	2,209	....	6	1,577	1,063	941	....	3,554	400	123	879	37	......	2,115
Aug.	2,786	1,058	1,725	....	3	376	1,665	747	....	2,561	379	55	626	67	......	1,434
Sept.	2,171	907	1,252	....	12	357	1,185	614	....	2,123	279	134	447	48	......	1,215
Oct.	2,337	1,120	1,203	....	14	482	979	855	....	2,241	212	60	487	44	......	1,438
Nov.	2,385	1,040	1,341	....	4	470	1,244	667	....	2,318	219	88	618	28	......	1,365
Dec.	2,062	995	1,057	....	10	434	1,043	576	....	1,990	287	29	495	20	......	1,159
1976—Jan.[r]	2,327	1,087	1,229	....	11	639	1,051	629	....	2,242	425	95	590	88	......	1,044
Feb.	2,519	1,237	1,267	....	15	434	1,368	699	....	2,451	268	100	535	130	......	1,418

1 Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

2 Municipalities, counties, townships, school districts.

3 Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

4 Water, sewer, and other utilities.

5 Includes urban redevelopment loans.

NOTE.—Security Industries Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.

Components may not add to totals due to rounding.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues[1]										
	Total	Noncorporate				Corporate					
		U.S. Govt.[2]	U.S. Govt. agency[3]	State and local (U.S.)[4]	Other[5]	Total	Bonds			Stock	
							Total	Publicly offered	Privately placed	Preferred	Common
1971	105,233	17,235	16,283	24,370	2,165	44,914	31,999	24,790	7,209	3,679	9,236
1972	96,522	17,080	12,825	23,070	1,589	40,787	27,727	18,347	9,378	3,373	9,689
1973	100,417	19,057	23,883	22,700	1,385	33,391	22,268	13,649	8,620	3,372	7,750
1974	....	....	....	....	....	37,837	31,551	25,337	6,214	2,253	4,033
1974 Nov.	....	....	....	....	....	3,746	3,346	3,016	330	93	307
Dec.	....	....	....	....	....	3,505	3,052	2,172	880	152	301
1975 Jan.	....	....	....	....	....	5,365	4,792	3,657	1,135	235	338
Feb.	....	....	....	....	....	4,528	3,906	3,201	705	173	449
Mar.	....	....	....	....	....	5,378	4,481	3,971	510	253	644
Apr.	....	....	....	....	....	4,294	3,194	2,771	423	349	751
May	....	....	....	....	....	5,798	4,298	3,796	502	346	1,154
June	....	....	....	....	....	5,618	4,613	3,943	670	230	775
July	....	....	....	....	....	4,390	3,733	2,658	1,075	198	459
Aug.	....	....	....	....	....	2,396	1,833	1,356	477	129	434
Sept.	....	....	....	....	....	2,838	2,002	1,414	588	308	528
Oct.	....	....	....	....	....	4,619	3,072	2,389	683	332	1,215
Nov.	....	....	....	....	....	3,965	3,182	1,666	1,516	440	343

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1971	9,551	2,102	2,158	2,370	2,006	434	7,576	4,201	4,222	1,596	6,484	2,204
1972	4,796	1,812	2,669	2,878	1,767	187	6,398	4,967	3,680	1,127	8,415	2,096
1973	4,329	643	1,283	1,559	1,881	43	5,585	4,661	3,535	1,369	5,661	2,860
1974	9,890	543	1,851	956	983	22	8,872	3,964	3,710	222	6,241	587
1974 Nov.	1,697	2	116	100	336	....	739	225	62	31	397	44
Dec.	1,456	196	180	23	14	....	435	194	150	25	817	15
1975 Jan.	1,901	3	179	58	84	....	764	507	933	5	931	....
Feb.	1,631	44	65	60	75	....	1,471	486	126	1	539	32
Mar.	2,368	111	271	74	83	....	828	679	317	....	614	34
Apr.	1,498	233	294	211	97	....	794	586	354	61	156	9
May	2,266	384	242	141	415	1	845	704	153	260	379	10
June	2,195	123	384	194	231	....	838	640	362	....	603	47
July	1,116	64	229	231	338	....	715	324	254	16	1,081	22
Aug.	607	101	141	70	17	....	719	305	93	19	255	68
Sept.	591	106	57	37	151	....	720	541	249	48	234	105
Oct.	759	142	325	152	626	....	562	676	373	555	427	23
Nov.	873	229	53	68	1,000	....	848	420	40	10	368	57

1 Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

2 Includes guaranteed issues.

3 Issues not guaranteed.

4 See NOTE to table at bottom of preceding page.

5 Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

NOTE.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers: All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1971	46,687	9,507	37,180	31,917	8,190	23,728	14,769	1,318	13,452
1972	42,306	10,224	32,082	27,065	8,003	19,062	15,242	2,222	13,018
1973	33,559	11,804	21,754	21,501	8,810	12,691	12,057	2,993	9,064
1974	39,334	9,935	29,399	31,554	6,255	25,098	7,980	3,678	4,302
1974—III	8,452	2,985	5,467	6,611	1,225	5,386	1,841	1,759	82
IV	12,272	2,871	9,401	10,086	2,004	8,082	2,186	866	1,319
1975—I	15,211	2,088	13,123	12,759	1,587	11,172	2,452	501	1,951
II	15,602	3,211	12,390	11,460	2,336	9,124	4,142	875	3,266
III	9,079	2,576	6,503	6,654	2,111	4,543	2,425	465	1,960

Period	Type of issues: Manufacturing		Commercial and other [2]		Transportation [3]		Public utility		Communication		Real estate and financial [1]	
	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks
1971	6,585	2,534	827	2,290	900	800	6,486	4,206	3,925	1,600	5,005	2,017
1972	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973	801	658	−109	1,411	1,044	−93	4,265	4,509	3,165	1,399	3,523	1,181
1974	7,404	17	1,116	−135	341	−20	7,308	3,834	3,499	398	5,428	207
1974—III	1,479	421	189	664	49	6	1,358	862	1,116	222	1,194	88
IV	3,098	126	240	−47	342	9	2,079	1,107	628	107	1,695	17
1975—I	5,134	262	373	77	1	1	2,653	1,569	1,269	24	1,742	18
II	4,574	500	483	490	429	7	1,977	1,866	810	359	852	43
III	1,442	412	221	108	147	53	1,395	1,043	472	97	866	247

1 Excludes investment companies.
2 Extractive and commercial and miscellaneous companies.
3 Railroad and other transportation companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on preceding page, new issues exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements are defined in the same way and also include securities retired with internal funds or with proceeds of issues for that purpose.

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares: Sales [1]	Redemptions	Net sales	Assets (market value at end of period): Total [2]	Cash position [3]	Other
1963	2,460	1,504	952	25,214	1,341	23,873
1964	3,404	1,875	1,528	29,116	1,329	27,787
1965	4,359	1,962	2,395	35,220	1,803	33,417
1966	4,671	2,005	2,665	34,829	2,971	31,858
1967	4,670	2,745	1,927	44,701	2,566	42,135
1968	6,820	3,841	2,979	52,677	3,187	49,490
1969	6,717	3,661	3,056	48,291	3,846	44,445
1970	4,624	2,987	1,637	47,618	3,649	43,969
1971	5,145	4,751	394	55,045	3,038	52,007
1972	4,892	6,563	−1,671	59,831	3,035	56,796
1973	4,358	5,651	−1,261	46,518	4,002	42,516
1974	5,346	3,937	1,409	35,777	5,637	30,140
1975	10,057	9,571	486	42,179	3,748	38,431

Month	Sales and redemption of own shares [4]: Sales [1]	Redemptions	Net sales	Assets (market value at end of period): Total [2]	Cash position [3]	Other
1975—Feb.	889	470	419	39,330	4,006	35,324
Mar.	847	623	224	40,449	3,870	36,579
Apr.	808	791	17	42,353	3,841	38,512
May	677	735	−58	43,832	3,879	39,953
June	703	811	−108	45,538	3,640	41,898
July	r813	1,052	−239	42,896	3,591	39,305
Aug.	753	788	−35	41,672	3,660	38,012
Sept.	760	874	−114	40,234	3,664	36,570
Oct.	914	995	−81	41,860	3,601	38,259
Nov.	786	911	−125	42,460	3,733	38,727
Dec.	1,040	1,093	−53	42,179	3,748	38,431
1976—Jan.	411	538	r 47	46,529	r3,287	r43,242
Feb.	262	571	−309	46,540	3,084	43,546

1 Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.
2 Market value at end of period less current liabilities.
3 Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.
4 Beginning Jan. 1976, sales and redemption figures exclude money market funds.

NOTE.—Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

SALES, REVENUE, PROFITS, AND DIVIDENDS OF LARGE MANUFACTURING CORPORATIONS

(In millions of dollars)

Industry	1972	1973	1974	1973		1974				1975		
				III	IV	I	II	III	IV	I	II	III
Total (170 corps.):												
Sales	371,946	442,254	563,950	108,370	120,985	126,797	142,974	144,936	149,243	138,245	145,753	147,853
Total revenue	376,604	448,795	572,368	109,984	123,108	128,695	145,125	147,134	151,409	140,343	147,662	149,687
Profits before taxes	41,164	53,833	67,650	12,411	14,742	16,588	18,191	17,837	15,033	12,873	14,812	15,425
Profits after taxes	21,753	28,772	32,502	6,762	7,750	7,739	9,280	8,420	7,068	5,538	6,678	7,048
Memo: PAT unadj.[1]	21,233	28,804	32,705	6,732	7,930	7,626	9,210	8,487	7,383	5,662	6,566	7,031
Dividends	10,538	11,513	12,302	2,767	3,393	2,906	2,928	3,076	3,390	3,129	3,031	3,089
Nondurable goods industries (86 corps.):[2]												
Sales	176,329	210,118	308,699	53,168	59,207	68,767	77,090	80,425	82,417	77,224	78,537	82,228
Total revenue	178,915	213,904	314,256	54,098	60,357	70,049	78,552	81,905	83,746	78,548	79,817	83,462
Profits before taxes	21,799	30,200	46,380	7,610	8,988	11,880	11,972	12,595	9,930	9,357	9,942	10,886
Profits after taxes	11,154	15,538	20,536	4,018	4,463	5,056	5,728	5,464	4,291	3,575	3,890	4,424
Memo: PAT unadj.[1]	10,859	15,421	20,433	3,957	4,517	4,957	5,677	5,389	4,411	3,567	3,870	4,423
Dividends	5,780	6,103	6,872	1,527	1,633	1,625	1,645	1,722	1,882	1,816	1,783	1,793
Durable goods industries (84 corps.):[3]												
Sales	195,618	232,136	255,251	55,202	61,778	58,029	65,884	64,511	66,826	61,021	67,216	65,625
Total revenue	197,690	234,891	258,112	55,886	62,751	58,646	66,573	65,229	67,663	61,795	67,845	66,225
Profits before taxes	19,365	23,633	21,271	4,801	5,754	4,708	6,219	5,242	5,102	3,516	4,870	4,539
Profits after taxes	10,599	13,234	11,966	2,744	3,287	2,683	3,552	2,956	2,776	1,963	2,788	2,624
Memo: PAT unadj.[1]	10,374	13,383	12,272	2,775	3,413	2,669	3,533	3,098	2,973	2,095	2,696	2,608
Dividends	4,758	5,410	5,430	1,240	1,760	1,281	1,283	1,354	1,508	1,313	1,248	1,296
Selected industries:												
Food and kindred products (28 corps.):												
Sales	37,624	42,628	52,753	11,014	11,871	11,885	12,729	13,663	14,476	13,490	14,117	14,600
Total revenue	38,091	43,198	53,728	11,201	11,938	12,110	12,996	13,939	14,683	13,708	14,356	14,844
Profits before taxes	3,573	3,957	4,603	1,031	1,067	1,046	1,190	1,289	1,077	1,066	1,190	1,385
Profits after taxes	1,845	2,063	2,298	546	543	529	607	645	517	502	607	719
Memo: PAT unadj.[1]	1,805	2,074	2,328	546	573	533	610	646	540	526	615	745
Dividends	893	935	1,010	236	240	243	248	253	267	268	271	274
Chemical and allied products (22 corps.):												
Sales	36,638	43,208	55,084	10,828	11,534	12,507	13,892	14,606	14,078	13,618	14,329	14,660
Total revenue	37,053	43,784	55,677	10,968	11,704	12,667	14,066	14,778	14,165	13,761	14,498	14,794
Profits before taxes	4,853	6,266	8,264	1,599	1,572	1,856	2,293	2,194	1,920	1,641	1,622	1,858
Profits after taxes	2,672	3,504	4,875	901	883	1,044	1,247	1,223	1,362	925	929	1,034
Memo: PAT unadj.[1]	2,671	3,469	4,745	871	880	1,031	1,245	1,180	1,289	927	937	1,028
Dividends	1,395	1,496	1,646	374	417	383	405	422	437	431	425	429
Petroleum refining (15 corps.):												
Sales	74,662	93,505	165,150	23,586	27,752	36,103	41,362	42,747	44,938	41,988	41,342	43,873
Total revenue	76,133	95,722	168,680	23,988	28,584	36,913	42,261	43,659	45,847	42,851	42,100	44,633
Profits before taxes	11,461	17,494	30,659	4,371	5,724	8,296	7,564	8,339	6,458	6,227	6,612	6,961
Profits after taxes	5,562	8,550	11,775	2,230	2,662	3,098	3,349	3,181	2,147	1,905	2,078	2,300
Memo: PAT unadj.[1]	5,325	8,505	11,747	2,192	2,688	3,011	3,304	3,132	2,299	1,871	2,040	2,268
Dividends	2,992	3,147	3,635	789	832	864	853	899	1,019	966	937	939
Primary metals and products (23 corps.):												
Sales	34,359	42,400	54,045	10,602	11,379	11,888	13,976	14,285	13,895	12,482	12,393	12,274
Total revenue	34,797	43,104	55,049	10,764	11,715	12,045	14,171	14,504	14,328	12,782	12,603	12,479
Profits before taxes	1,969	3,221	5,580	799	919	973	1,586	1,791	1,229	1,015	711	457
Profits after taxes	1,195	1,966	3,199	480	561	589	927	1,028	655	631	478	366
Memo: PAT unadj.[1]	1,109	2,039	3,485	496	608	607	942	1,137	799	639	485	381
Dividends	653	789	965	184	227	221	209	238	297	273	227	223
Machinery (27 corps.):												
Sales	55,615	65,041	73,452	16,306	17,871	16,830	18,836	18,853	18,935	18,245	19,881	19,764
Total revenue	56,348	65,925	74,284	16,519	18,168	17,012	19,023	19,075	19,174	18,464	20,104	19,956
Profits before taxes	6,358	7,669	7,643	1,936	2,149	1,829	2,074	1,943	1,797	1,727	2,089	2,219
Profits after taxes	3,522	4,236	4,213	1,069	1,200	1,006	1,149	1,074	985	971	1,178	1,224
Memo: PAT unadj.[1]	3,388	4,208	4,168	1,070	1,188	996	1,137	1,096	939	975	1,173	1,231
Dividends	1,497	1,606	1,839	407	410	441	441	r476	481	483	485	519
Motor vehicles and equipment (9 corps.):												
Sales	70,653	83,016	80,386	17,959	21,186	18,467	20,979	19,443	21,497	18,863	22,275	21,005
Total revenue	71,139	83,671	80,882	18,142	21,362	18,597	21,146	19,593	21,545	19,011	22,341	21,083
Profits before taxes	6,955	7,429	2,919	729	1,280	636	1,115	231	938	−98	854	590
Profits after taxes	3,626	3,992	1,686	431	709	369	657	133	527	−127	451	328
Memo: PAT unadj.[1]	3,640	4,078	1,742	450	763	361	648	147	586	−12	455	280
Dividends	1,762	2,063	1,538	404	817	384	382	386	385	294	276	274

1 Profits after taxes unadjusted are as reported by the individual companies. These data are not adjusted to eliminate differences in accounting treatments of special charges, credits, and other nonoperating items.
2 Includes 21 corporations in groups not shown separately.
3 Includes 25 corporations in groups not shown separately.

NOTE—Data are obtained from published reports of companies and reports made to the Securities and Exchange Commission. Sales are net of returns, allowances, and discounts, and exclude excise taxes paid directly by the company. Total revenue data include, in addition to sales, income from nonmanufacturing operations and nonoperating income. Profits are before dividend payments and have been adjusted to exclude special charges and credits to surplus reserves and extraordinary items not related primarily to the current reporting period. Income taxes (not shown) include Federal, State and local government, and foreign.

Previous series last published in June 1972 BULLETIN, p. A-50.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits
1968	85.6	39.3	46.2	21.9	24.2	1973 IV	119.1	48.6	70.5	29.5	41.0
1969	83.5	39.7	43.8	22.6	21.2						
1970	71.5	34.5	37.0	22.9	14.1	1974 I	128.3	49.4	78.9	30.0	48.9
1971	82.0	37.7	44.3	23.0	21.3	II	129.6	52.6	77.1	30.9	46.2
1972	96.2	41.4	54.6	24.6	30.0	III	146.7	59.3	87.4	31.7	55.7
1973	117.0	48.2	68.8	27.8	40.9	IV	123.9	49.2	74.7	31.7	43.0
1974	132.1	52.6	79.5	31.1	48.4						
						1975—I	97.1	37.5	59.6	32.1	27.5
						II	108.2	41.6	66.6	32.6	34.0
						III	129.5	50.7	76.8	33.5	45.3

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets							Current liabilities				
		Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt.[1]	Other				U.S. Govt.[1]	Other		
1970	187.4	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6
1971	203.6	529.6	53.3	11.0	3.5	217.6	200.4	43.8	326.0	4.9	215.6	13.1	92.4
1972	221.3	573.5	57.5	9.3	3.4	240.0	215.2	48.1	352.2	4.0	230.4	15.1	102.6
1973—II	235.4	608.2	59.0	10.0	2.9	255.4	230.1	50.8	372.7	4.5	241.7	15.0	111.6
III	239.5	625.3	58.9	9.7	3.0	264.4	238.0	51.3	385.8	4.4	250.2	16.5	114.7
IV	242.3	643.2	61.6	11.0	3.5	266.1	246.7	54.4	401.0	4.3	261.6	18.1	117.0
1974—I	250.1	666.2	59.4	12.1	3.2	276.2	258.4	56.9	416.1	4.5	266.5	20.6	124.5
II	253.9	685.4	58.8	10.7	3.4	289.8	269.2	53.5	431.5	4.7	278.5	19.0	129.1
III	259.5	708.6	60.3	11.0	3.5	295.5	282.1	56.1	449.1	5.1	287.0	22.7	134.3
IV	261.5	712.2	62.7	11.7	3.5	289.7	288.0	56.6	450.6	5.2	287.5	23.2	134.8
1975—I	260.4	698.4	60.6	12.1	3.2	281.9	285.2	55.4	438.0	5.3	271.2	21.8	139.8
II	269.0	703.2	63.7	12.7	3.3	284.8	281.4	57.3	434.2	5.8	270.1	17.7	140.6
III	271.8	716.5	65.6	14.3	3.3	294.7	279.6	59.0	444.7	6.2	273.4	19.4	145.6

[1] Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

NOTE.—Based on Securities and Exchange Commission estimates.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other[1]	Total (S.A. A.R.)
		Durable	Nondurable		Railroad	Air	Other	Electric	Gas and other			
1971	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.68	2.44	10.77	18.05	....
1972	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	....
1973	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.94	2.76	12.85	21.40	....
1974	112.40	22.62	23.39	3.18	2.54	2.00	2.12	17.93	2.92	13.96	22.05	....
1974—I	24.10	4.74	4.75	.68	.50	.47	.34	3.85	.52	3.19	5.05	107.27
II	28.16	5.59	5.69	.78	.64	.61	.49	4.56	.75	3.60	5.46	111.40
III	28.23	5.65	5.96	.80	.64	.43	.58	4.42	.78	3.39	5.57	113.99
IV	31.92	6.64	6.99	.91	.78	.48	.71	4.80	.87	3.78	5.97	116.22
1975—I	25.82	5.10	5.74	.91	.59	.44	.62	3.84	.58	3.11	4.88	114.57
II	28.43	5.59	6.55	.97	.71	.47	.77	4.15	.79	3.22	5.19	112.46
III	27.79	5.16	6.51	.94	.62	.50	.85	4.16	.91	3.14	5.00	112.16
IV	30.74	5.99	7.30	.97	.62	.43	.93	4.85	.85	3.26	5.52	111.80
1976—I	26.56	4.94	6.12	.89	.49	.35	.67	4.41	.65	8.04		118.70
II[2]	30.19	5.65	7.19	.97	.51	.39	.82	5.01	.86	8.79		119.62

[1] Includes trade, service construction, finance, and insurance.
[2] Anticipated by business.

NOTE.—Dept. of Commerce estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

MORTGAGE DEBT OUTSTANDING BY TYPE OF HOLDER

(In millions of dollars)

Type of holder, and type of property	End of year			End of quarter				
	1971	1972	1973	1974	1975			
				IV	I	II	III	IV
ALL HOLDERS	**499,767**	**564,825**	**634,954**	**688,652**	**695,369**	**r709,153**	**r724,993**	**r741,259**
1- to 4-family	307,204	345,372	384,738	412,168	415,607	425,132	436,511	447,583
Multifamily	67,387	76,667	85,296	91,222	91,522	r91,733	r92,316	r93,653
Commercial	92,318	107,349	125,572	140,965	142,701	145,353	148,182	151,058
Farm	32,858	35,437	39,348	44,297	45,539	46,935	47,984	48,965
PRIVATE FINANCIAL INSTITUTIONS	**394,239**	**450,000**	**505,400**	**542,552**	**546,689**	**558,179**	**569,499**	**580,314**
1- to 4-family	253,581	288,018	320,420	340,007	342,313	350,198	358,275	365,608
Multifamily	52,472	59,398	64,750	68,161	68,095	68,453	68,931	69,579
Commercial	78,330	92,063	108,735	121,948	123,684	126,634	129,263	131,939
Farm	9,856	10,521	11,495	12,436	12,597	12,894	13,030	13,188
Commercial banks[1]	*82,515*	*99,314*	*119,068*	*132,105*	*131,903*	*133,012*	*134,025*	*135,125*
1- to 4-family	48,020	57,004	67,998	74,758	74,696	75,356	75,979	76,616
Multifamily	3,984	5,778	6,932	7,619	7,176	6,816	6,701	6,621
Commercial	26,306	31,751	38,696	43,679	43,924	44,598	45,032	45,537
Farm	4,205	4,781	5,442	6,049	6,107	6,242	6,313	6,351
Mutual savings banks	*61,978*	*67,556*	*73,230*	*74,920*	*75,157*	*75,796*	*76,429*	*77,127*
1- to 4-family	38,641	41,650	44,246	44,670	44,795	45,175	45,552	45,968
Multifamily	14,386	15,490	16,843	17,234	17,291	17,433	17,579	17,739
Commercial	8,901	10,354	12,084	12,956	12,996	13,112	13,221	13,343
Farm	50	62	57	60	75	76	77	77
Savings and loan associations	*174,250*	*206,182*	*231,733*	*249,293*	*252,442*	*261,336*	*270,600*	*278,704*
1- to 4-family	142,275	167,049	187,750	201,553	204,099	211,290	218,780	225,332
Multifamily	17,355	20,783	22,524	23,683	23,831	24,409	24,895	25,362
Commercial	14,620	18,350	21,459	24,057	24,512	25,637	26,925	28,010
Life insurance companies	*75,496*	*76,948*	*81,369*	*86,234*	*87,187*	*88,035*	*88,445*	*89,358*
1- to 4-family	24,645	22,315	20,426	19,026	18,723	18,377	17,964	17,692
Multifamily	16,747	17,347	18,451	19,625	19,797	19,795	19,756	19,857
Commercial	28,503	31,608	36,496	41,256	42,252	43,287	44,085	45,049
Farm	5,601	5,678	5,996	6,327	6,415	6,576	6,640	6,760
FEDERAL AND RELATED AGENCIES	**39,366**	**45,790**	**55,664**	**72,380**	**76,010**	**79,952**	**84,522**	**89,073**
1- to 4-family	26,416	30,170	35,579	46,322	48,455	51,195	54,697	58,436
Multifamily	4,601	6,063	8,364	11,329	11,995	12,348	12,753	12,992
Commercial	11	.....	.....	.....	.....	.....	.....	.....
Farm	8,338	9,557	11,721	14,729	15,560	16,409	17,072	17,645
Government National Mortgage Association	*5,332*	*5,113*	*4,029*	*4,846*	*5,599*	*5,610*	*6,534*	*7,438*
1- to 4-family	2,733	2,513	1,455	2,248	2,787	2,787	3,692	4,728
Multifamily	2,588	2,600	2,574	2,598	2,812	2,823	2,842	2,710
Commercial	11	.....	.....	.....	.....	.....	.....	.....
Farmers Home Administration	*819*	*837*	*1,200*	*1,600*	*1,700*	*1,800*	*1,900*	*2,000*
1- to 4-family	398	387	550	734	780	826	872	918
Farm	421	450	650	866	920	974	1,028	1,082
Federal Housing and Veterans Administrations	*3,389*	*3,338*	*3,476*	*4,015*	*4,047*	*4,297*	*4,681*	*5,004*
1- to 4-family	2,517	2,199	2,013	2,009	1,879	1,915	1,951	1,986
Multifamily	872	1,139	1,463	2,006	2,168	2,382	2,730	3,018
Federal National Mortgage Association	*17,791*	*19,791*	*24,175*	*29,578*	*29,754*	*30,015*	*31,055*	*31,824*
1- to 4-family	16,681	17,697	20,370	23,778	23,743	23,988	25,049	25,813
Multifamily	1,110	2,094	3,805	5,800	6,011	6,027	6,006	6,011
Federal land banks (farm only)	7,917	9,107	11,071	13,863	14,640	15,435	16,044	16,563
Federal Home Loan Mortgage Corporation	*964*	*1,789*	*2,604*	*4,586*	*4,608*	*4,944*	*5,033*	*4,987*
1- to 4-family	934	1,754	2,446	4,217	4,231	4,543	4,632	4,588
Multifamily	30	35	158	369	377	401	401	399
GNMA Pools	*3,154*	*5,815*	*9,109*	*13,892*	*15,662*	*17,851*	*19,275*	*21,257*
1- to 4-family	3,153	5,620	8,745	13,336	15,035	17,136	18,501	20,403
Multifamily	1	195	364	556	627	715	774	854
INDIVIDUALS AND OTHERS[2]	**66,162**	**69,035**	**73,890**	**73,720**	**72,670**	**r71,022**	**r70,972**	**r71,872**
1- to 4-family	27,207	27,184	28,739	25,839	24,839	23,739	23,539	23,539
Multifamily	10,314	11,206	12,182	11,732	11,432	r10,932	r10,632	r11,082
Commercial	13,977	15,286	16,837	19,017	19,017	18,719	18,919	19,119
Farm	14,664	15,359	16,132	17,132	17,382	17,632	17,882	18,132

1 Includes loans held by nondeposit trust companies but not bank trust departments.

2 Includes some U.S. agencies for which amounts are small or separate data are not readily available.

NOTE.—Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, where not reported directly, and interpolations and extrapolations where required, estimated mainly by Federal Reserve. Multifamily debt refers to loans on structures of 5 or more units.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION—SECONDARY MORTGAGE MARKET ACTIVITY

(In millions of dollars)

End of period	FNMA							FHLMC						
	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments		Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total[1]	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding	Total	FHA-VA	Conventional	Purchases	Sales	Made during period	Outstanding
1971	17,791	12,681	5,110	3,574	336	9,828	6,497	968	821	147	778	64	....	182
1972	19,791	14,624	5,112	3,699	211	8,797	8,124	1,789	1,503	286	1,297	408	1,606	198
1973	24,175	16,852	6,352	6,127	71	8,914	7,889	2,604	1,743	861	1,334	409	1,629	186
1974	29,578	19,189	8,310	6,953	5	10,765	7,960	4,586	1,904	2,682	2,191	52	4,553	2,390
1975	31,824	19,732	9,573	4,263	2	6,106	4,126	4,987	1,824	3,163	1,716	1,020	982	111
1975—Feb.	29,718	19,256	8,313	169	....	137	6,672	4,533	1,893	2,640	113	309	21	2,070
Mar.	29,754	19,277	8,304	151	1	639	6,636	4,608	1,887	2,722	113	19	52	1,040
Apr.	29,815	19,282	8,337	271	....	913	6,890	4,634	1,890	2,744	121	71	297	1,161
May	29,858	19,251	8,395	247	....	621	6,615	4,773	1,920	2,854	203	38	42	969
June	30,015	19,282	8,498	326	....	557	6,549	4,944	1,936	3,008	210	5	28	700
July	30,351	19,385	8,693	538	....	575	6,119	5,015	1,943	3,072	161	63	139	530
Aug.	30,777	19,507	8,942	594	....	814	5,888	4,942	1,863	3,080	98	145	132	509
Sept.	31,055	19,560	9,122	488	....	575	5,399	5,033	1,852	3,181	148	31	79	403
Oct.	31,373	19,641	9,309	508	....	282	4,685	5,119	1,843	3,276	176	59	45	201
Nov.	31,552	19,648	9,430	372	....	332	4,385	4,971	1,834	3,137	104	225	50	124
Dec.	31,824	19,732	9,573	451	....	517	4,126	4,987	1,824	3,163	69	30	71	111
1976—Jan.	31,772	19,674	9,554	76	....	189	3,170	4,958	1,816	3,142	47	57	42	99
Feb.	31,618	19,541	9,521	56	55	355	3,201	....	....	....	....	....	....	....

1 Includes conventional loans not shown separately.

NOTE.—Data from FNMA and FHLMC, respectively.

For FNMA: Holdings include loans used to back bond issues guaranteed by GNMA. Commitments include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA–GNMA Tandem Plans.

For FHLMC: Holdings and transactions cover participations as well as whole loans. Holdings include loans used to back bond issues guranteed by GNMA. Commitments cover the conventional and Govt.-underwritten loan programs.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES

Item	Date of auction											
	1975						1976					
	Oct. 20	Nov. 3	Nov. 17	Dec. 1	Dec. 15	Dec. 29	Jan. 12	Jan. 26	Feb. 9	Feb. 23	Mar. 8	Mar. 22
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered[1]	43.2	69.8	293.1	255.9	287.1	95.3	58.4	103.9	252.2	126.9	299.9	146.3
Accepted	23.2	41.7	180.6	138.5	158.8	52.7	31.5	57.7	179.9	81.2	171.9	121.6
Conventional loans												
Offered[1]	9.7	19.6	68.6	73.9	69.7	41.8	42.7	33.4	57.8	44.0	75.4	46.2
Accepted	9.2	15.2	34.6	40.5	31.2	11.8	32.1	24.7	36.9	23.3	45.0	33.7
Average yield (per cent) on short-term commitments[2]												
Govt.-underwritten loans	9.65	9.32	9.33	9.32	9.31	9.29	9.13	9.07	9.07	9.04	9.06	9.03
Conventional loans	9.81	9.54	9.40	9.38	9.36	9.35	9.28	9.22	9.17	9.14	9.15	9.13

1 Mortgage amounts offered by bidders are total bids received.

2 Average accepted bid yield (before deduction of 38 basis-point fee paid for mortgage servicing) for home mortgages assuming a prepayment period of 12 years for 30-year loans, without special adjustment for FNMA commitment fees and FNMA stock purchase and holding requirements. Commitments mature in 4 months.

MAJOR HOLDERS OF FHA-INSURED AND VA-GUARANTEED RESIDENTIAL MORTGAGE DEBT

(End of period, in billions of dollars)

Holder	Mar. 31, 1974	June 30, 1974	Sept. 30, 1974	Dec. 31, 1974	Mar. 31, 1975	June 30, 1975	Sept. 30, 1975
All holders	136.7	137.8	138.6	140.3	142.0	143.0	144.9
FHA	85.0	84.9	84.1	84.1	84.3	85.0	85.1
VA	51.7	52.9	54.5	56.2	57.7	58.0	59.8
Commercial banks	11.1	11.0	10.7	10.4	10.5	9.6	9.7
FHA	7.8	7.6	7.4	7.2	7.2	6.4	6.4
VA	3.3	3.4	3.3	3.2	3.3	3.2	3.3
Mutual savings banks	28.2	27.9	27.8	27.5	r27.3	27.2	27.0
FHA	15.3	15.1	15.0	14.8	14.7	14.7	14.5
VA	12.9	12.8	12.8	12.7	r12.6	12.5	12.5
Savings and loan assns.	.....	.....	.....	.....	.....	.....	.....
FHA VA	29.8	29.7	29.9	29.9	29.9	30.2	30.4
Life insurance cos.	13.3	13.1	12.9	12.7	12.5	12.2	12.1
FHA	9.0	8.8	8.7	8.6	8.4	8.2	8.1
VA	4.3	4.3	4.2	4.2	4.1	4.0	4.0
Others	54.3	56.1	57.4	59.9	61.6	62.2	65.7
FHA	.....	.....	.....	.....	.....	.....	.....
VA	.....	.....	.....	.....	.....	.....	.....

NOTE.—VA-guaranteed residential mortgage debt is for 1- to 4-family properties while FHA-insured includes some debt in multifamily structures.

Detail by type of holder partly estimated by Federal Reserve for first and third quarters, and for most recent quarter.

COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES

Period	Number of loans	Total amount committed (millions of dollars)	Averages: Loan amount (thousands of dollars)	Contract interest rate (per cent)	Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1971	1,664	3,982.5	2,393	9.07	22/10	74.9	10.0	1.29	10.4
1972	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1973	2,140	4,833.3	2,259	8.76	23/3	74.3	9.5	1.29	10.0
1974	1,166	2,603.0	2,232	9.47	21/3	74.3	10.1	1.29	10.6
1974—Dec.	37	140.0	3,784	10.28	19/10	74.8	11.0	1.33	11.3
1975—Jan.	31	43.8	1,414	10.44	18/4	71.9	11.0	1.33	11.9
Feb.	46	94.6	2,057	10.08	22/11	74.3	10.9	1.34	11.0
Mar.	46	109.6	2,382	10.37	23/1	74.1	11.3	1.34	11.3
Apr.	32	108.4	3,386	10.02	23/0	75.6	10.8	1.36	10.8
May	73	227.5	3,116	10.23	20/9	74.7	10.8	1.30	11.1
June	61	167.5	2,745	10.11	21/9	73.0	10.5	1.29	11.2
July	53	178.6	3,370	10.19	20/7	74.6	10.9	1.31	11.3
Aug.	44	106.5	2,420	10.26	21/2	72.7	10.8	1.32	11.4
Sept.	57	123.8	2,172	10.24	22/8	73.6	10.7	1.37	11.1
Oct.	57	144.7	2,538	10.29	20/10	74.3	10.7	1.28	11.3
Nov.	47	252.8	5,378	10.24	22/7	72.7	10.9	1.35	11.2
Dec.	52	159.4	3,065	10.15	23/4	73.7	11.0	1.34	11.0

NOTE.—American Life Insurance Association data for new commitments of $100,000 and over each on mortgages for multifamily and nonresidential nonfarm properties located largely in the United States. The 15 companies account for a little more than one-half of both the total assets and the nonfarm mortgages held by all U.S. life insurance companies. Averages, which are based on number of loans, vary in part with loan composition by type and location of property, type and purpose of loan, and loan amortization and prepayment terms. Data for the following are limited to cases where information was available or estimates could be made: capitalization rate (net stabilized property earnings divided by property value); debt coverage ratio (net stabilized earnings divided by debt service); and per cent constant (annual level payment, including principal and interest, per $100 of debt). All statistics exclude construction loans, increases in existing loans in a company's portfolio, reapprovals, and loans secured by land only.

TERMS AND YIELDS ON NEW HOME MORTGAGES

Period	Conventional mortgages: Terms[1]: Contract rate (per cent)	Fees and charges (per cent)[2]	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	Yields (per cent) in primary market: FHLBB series[3]	HUD series[4]	FHA-insured loans—Yield in private secondary market[5]
1971	7.60	.87	26.2	74.3	36.3	26.5	7.74	7.75	7.70
1972	7.45	.88	27.2	76.8	37.3	28.1	7.60	7.64	7.53
1973	7.78	1.11	26.3	77.3	37.1	28.1	7.95	8.30	8.19
1974	8.71	1.30	26.3	75.8	40.1	29.8	8.92	9.22	9.55
1975	8.75	1.54	26.8	76.1	44.6	33.3	9.01	9.10	9.19
1975—Feb.	8.88	1.44	26.8	76.5	44.4	33.0	9.12	9.05	8.84
Mar.	8.79	1.61	26.5	75.1	45.9	33.7	9.06	8.90	8.69
Apr.	8.71	1.53	26.5	76.4	44.5	33.4	8.96	9.00	....
May	8.63	1.63	27.0	75.5	43.5	32.2	8.90	9.05	9.16
June	8.73	1.42	26.5	76.4	43.1	32.4	8.96	9.00	9.06
July	8.66	1.40	26.0	75.9	44.1	32.9	8.89	9.00	9.13
Aug.	8.63	1.56	26.7	77.0	44.6	33.7	8.89	9.15	9.32
Sept.	8.70	1.46	26.7	75.9	45.6	34.1	8.94	9.25	9.74
Oct.	8.75	1.59	27.3	77.5	43.9	33.2	9.01	9.25	9.53
Nov.	8.74	1.65	27.6	76.5	46.4	34.8	9.01	9.20	9.41
Dec.	8.74	1.65	27.8	76.9	45.9	34.7	9.01	9.15	9.32
1976—Jan.	8.71	1.74	27.4	76.9	47.2	35.4	8.99	9.05	9.06
Feb.[p]	8.69	1.50	26.0	75.0	45.2	33.5	8.94	9.00	9.04

1 Weighted averages based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes, as compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are not strictly comparable with earlier figures beginning Jan. 1973.

2 Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, but exclude closing costs related solely to transfer of property ownership.

3 Effective rate, reflecting fees and charges as well as contract rates (as shown in first column of this table) and an assumed prepayment at end of 10 years.

4 Rates on first mortgages, unweighted and rounded to the nearest 5 basis points.

5 Based on opinion reports submitted by field offices of prevailing local conditions as of the first of the succeeding month. Yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates.

FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT

(Per cent per annum)

Month	Commercial banks: New automobiles (36 mos.)	Mobile homes (84 mos.)	Other consumer goods (24 mos.)	Personal loans (12 mos.)	Credit-card plans	Finance companies: Automobiles: New	Automobiles: Used	Mobile homes	Other consumer goods	Personal loans
1974—Mar.	10.50	10.92	12.82	13.04	17.23	12.29	16.69	13.15	18.69	20.53
Apr.	10.51	11.07	12.81	13.00	17.25	12.28	16.76	....	....	....
May	10.63	10.96	12.88	13.10	17.25	12.36	16.86	13.08	18.90	20.54
June	10.81	11.21	13.01	13.20	17.23	12.50	17.06	....	....	....
July	10.96	11.46	13.14	13.42	17.20	12.58	17.18	13.22	19.25	20.74
Aug.	11.15	11.71	13.10	13.45	17.21	12.67	17.32	....	....	....
Sept.	11.31	11.72	13.20	13.41	17.15	12.84	17.61	13.43	19.31	20.87
Oct.	11.53	11.94	13.28	13.60	17.17	12.97	17.78	....	....	....
Nov.	11.57	11.87	13.16	13.47	17.16	13.06	17.88	13.60	19.49	21.11
Dec.	11.62	11.71	13.27	13.60	17.21	13.10	17.89	....	....	....
1975—Jan.	11.61	11.66	13.28	13.60	17.12	13.08	17.27	13.60	19.80	21.09
Feb.	11.51	12.14	13.20	13.44	17.24	13.07	17.39	....	....	....
Mar.	11.46	11.66	13.07	13.40	17.15	13.07	17.52	13.59	20.00	20.82
Apr.	11.44	11.78	13.22	13.55	17.17	13.07	17.58	....	....	....
May	11.39	11.57	13.11	13.41	17.21	13.09	17.65	13.57	19.63	20.72
June	11.26	12.02	13.10	13.40	17.10	13.12	17.67	....	....	....
July	11.30	11.94	13.13	13.49	17.15	13.09	17.69	13.78	19.87	20.93
Aug.	11.31	11.80	13.05	13.37	17.14	13.10	17.70	....	....	....
Sept.	11.33	11.99	13.06	13.41	17.14	13.18	17.73	13.78	19.69	21.16
Oct.	11.24	12.05	13.00	13.38	17.11	13.15	17.79	....	....	....
Nov.	11.24	11.76	12.96	13.40	17.06	13.17	17.82	13.43	19.66	21.09
Dec.	11.25	11.83	13.11	13.46	17.13	13.19	17.86	....	....	....
1976—Jan.	11.21	11.76	13.14	13.40	17.08	13.18	17.25	....	....	....
Feb.	11.18	11.77	13.02	13.24	17.14	....	....	....	....	....

NOTE.—Rates are reported on an annual percentage rate basis as specified in Regulation Z (Truth in Lending) of the Board of Governors. Commercial bank rates are "most common" rates for direct loans with specified maturities; finance company rates are weighted averages for purchased contracts (except personal loans). For back figures and description of the data, see BULLETIN for Sept. 1973.

INSTALMENT CREDIT—TOTAL OUTSTANDING, AND NET CHANGE

(In millions of dollars)

Holder, and type of credit	1973	1974	1975	1975					1976	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	Amounts outstanding (end of period)									
TOTAL	148,273	158,101	161,819	156,765	157,720	158,390	159,200	161,819	160,745	160,094
By holder:										
Commercial banks	71,871	75,846	75,710	74,701	75,024	75,286	75,174	75,710	75,342	75,010
Finance companies	37,243	38,925	38,932	38,340	38,375	38,411	38,642	38,932	38,737	38,660
Credit unions	19,609	22,116	25,354	24,043	24,510	24,706	24,934	25,354	25,250	25,492
Retailers[1]	16,395	17,933	18,328	16,172	16,232	16,444	16,860	18,328	17,771	17,192
Others[2]	3,155	3,281	3,495	3,509	3,579	3,543	3,590	3,495	3,645	3,740
By type of credit:										
Automobile, total	51,274	52,209	53,629	52,545	52,852	53,286	53,479	53,629	53,318	53,519
Commercial banks	31,502	30,994	30,198	30,000	30,031	30,259	30,235	30,198	29,862	29,872
Purchase	18,997	18,687	17,620	17,773	17,737	17,848	17,761	17,620	17,500	17,409
Direct	12,505	12,306	12,578	12,227	12,294	12,411	12,474	12,578	12,363	12,463
Finance companies	11,927	12,435	13,364	12,982	13,066	13,203	13,325	13,364	13,407	13,490
Credit unions	7,456	8,414	9,653	9,149	9,329	9,403	9,491	9,653	9,612	9,704
Others	389	366	414	414	426	421	428	414	437	453
Mobile homes:										
Commercial banks	8,340	8,972	8,420	8,583	8,566	8,519	8,502	8,420	8,351	8,279
Finance companies	3,378	3,570	3,504	3,498	3,499	3,498	3,519	3,504	3,464	3,440
Home improvement, total	7,453	8,398	8,301	8,329	8,372	8,374	8,361	8,301	8,263	8,254
Commercial banks	4,083	4,694	4,813	4,757	4,797	4,824	4,827	4,813	4,777	4,757
Revolving credit:										
Bank credit cards	6,838	8,281	9,078	8,259	8,414	8,450	8,500	9,078	9,150	8,987
Bank check credit	2,254	2,797	2,883	2,793	2,826	2,834	2,822	2,883	2,911	2,912
All other	68,736	73,874	76,004	72,757	73,192	73,430	74,018	76,004	75,287	74,703
Commercial banks, total	18,854	20,108	20,318	20,308	20,390	20,401	20,289	20,318	20,290	20,203
Personal loans	12,873	13,771	14,035	13,856	13,935	14,005	13,943	14,035	14,049	14,010
Finance companies, total	21,021	21,927	21,465	21,119	21,104	21,037	21,158	21,465	21,279	21,152
Personal loans	16,587	17,176	17,179	16,868	16,858	16,822	16,942	17,179	17,035	16,952
Credit unions	11,564	13,037	14,937	14,170	14,443	14,559	14,692	14,937	14,878	15,020
Retailers	16,395	17,933	18,328	16,172	16,232	16,444	16,860	18,328	17,771	17,192
Others	902	869	956	988	1,022	989	1,019	956	1,069	1,136
	Net change (during period)[3]									
TOTAL	20,826	9,824	3,719	637	759	830	805	894	1,295	1,169
By holder:										
Commercial banks	11,002	3,971	-134	209	295	309	233	310	208	475
Finance companies	5,155	1,682	7	21	95	36	157	34	260	198
Credit unions	2,696	2,507	3,237	291	428	255	270	471	387	420
Retailers	1,632	1,538	395	181	−107	258	84	125	185	58
Others	341	126	214	−65	49	−29	61	−44	254	17
By type of credit:										
Automobile, total	6,980	935	1,420	213	385	389	404	540	488	632
Commercial banks	4,196	−508	−796	8	117	164	163	260	−44	293
Purchase	2,674	−310	−1,067	−95	6	76	33	48	40	34
Direct	1,523	199	272	103	111	88	130	213	−84	259
Finance companies	1,753	508	929	126	91	103	144	89	275	174
Credit unions	1,024	958	1,239	86	154	122	91	184	203	165
Other	7	−23	48	−7	23	1	5	6	54	*
Mobile homes:										
Commercial banks	1,933	634	−553	−24	−17	−62	−6	−61	−26	−45
Finance companies	462	192	−66	−11	−10	−7	26	−10	−28	−19
Home improvement, total	1,196	946	−100	−4	19	−6	38	23	106	57
Commercial banks	483	612	114	24	27	23	42	41	30	32
Revolving credit:										
Bank credit cards	1,428	1,442	798	113	106	78	29	−49	107	133
Bank check credit	479	543	86	12	14	17	2	13	23	19
All other	8,344	5,141	2,133	338	262	420	312	440	625	392
Commercial banks, total	2,479	1,257	213	76	48	89	2	107	118	43
Personal loans	1,491	900	265	48	45	119	−6	149	100	33
Finance companies, total	2,520	906	−462	−58	49	−27	20	−4	20	49
Personal loans	1,675	589	3	−38	59	−7	15	23	40	114
Credit unions	1,591	1,473	1,900	189	260	127	173	274	173	242
Retailers	1,632	1,538	395	181	−107	258	84	125	185	58
Others	122	−33	87	−49	13	−28	33	−61	129	*

[1] Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.
[2] Mutual savings banks, savings and loan associations, and auto dealers.
[3] Figures for all months are seasonally adjusted and equal extensions minus liquidations (repayments, charge-offs, and other credits).

INSTALMENT CREDIT EXTENSIONS AND REPAYMENTS

(In millions of dollars)

Holder, and type of credit	1973	1974	1975	1975 Aug.	1975 Sept.	1975 Oct.	1975 Nov.	1975 Dec.	1976 Jan.	1976 Feb.
					Extensions[1]					
TOTAL	164,527	166,170	166,833	14,427	14,555	14,832	14,877	15,295	16,205	15,824
By holder:										
Commercial banks	72,216	72,602	73,186	6,362	6,529	6,518	6,599	6,796	6,687	6,939
Finance companies	43,221	41,809	39,543	3,387	3,459	3,412	3,712	3,530	4,231	4,054
Credit unions	21,143	22,403	24,151	2,056	2,156	2,187	1,995	2,381	2,253	2,248
Retailers[2]	25,440	27,034	27,369	2,479	2,164	2,531	2,302	2,431	2,578	2,347
Others[3]	2,507	2,322	2,584	144	247	183	268	158	456	236
By type of credit:										
Automobile, total	46,486	43,431	46,530	4,032	4,235	4,189	4,218	4,405	4,511	4,378
Commercial banks	29,368	26,407	26,693	2,355	2,436	2,434	2,460	2,591	2,361	2,545
Purchase	17,497	15,575	14,758	1,264	1,301	1,333	1,310	1,450	1,314	1,377
Direct	11,871	10,831	11,936	1,091	1,135	1,101	1,150	1,141	1,047	1,168
Finance companies	9,685	8,851	9,651	805	865	836	831	897	987	912
Credit unions	7,009	7,788	9,702	840	873	878	885	875	1,068	881
Others	424	385	484	31	61	41	42	42	95	40
Mobile homes:										
Commercial banks	4,437	3,486	2,349	211	222	198	233	203	209	211
Finance companies	1,673	1,627	1,018	82	83	81	97	88	79	71
Home improvement, total	4,828	4,854	4,333	363	388	392	409	418	459	429
Commercial banks	2,489	2,790	2,515	219	224	238	243	253	231	241
Revolving credit:										
Bank credit cards	13,862	17,098	19,567	1,689	1,737	1,698	1,752	1,719	1,840	1,931
Bank check credit	3,373	4,228	4,214	353	350	357	348	412	397	407
All other	89,864	91,455	88,818	7,697	7,539	7,915	7,819	8,051	8,711	8,397
Commercial banks, total	18,683	18,602	17,844	1,535	1,560	1,593	1,562	1,619	1,649	1,604
Personal loans	12,927	13,177	12,623	1,083	1,105	1,144	1,076	1,178	1,145	1,139
Finance companies, total	31,032	30,764	28,654	2,482	2,489	2,474	2,771	2,527	3,139	3,041
Personal loans	18,915	18,827	18,406	1,653	1,624	1,613	1,674	1,513	1,980	1,916
Credit unions	13,768	14,228	13,992	1,169	1,238	1,269	1,074	1,461	1,141	1,319
Retailers	25,440	27,034	27,369	2,479	2,164	2,531	2,302	2,431	2,578	2,347
Others	941	827	959	32	89	48	111	14	204	86
					Repayments[1]					
TOTAL	143,701	156,346	163,113	13,790	13,795	14,002	14,072	14,401	14,910	14,656
By holder:										
Commercial banks	61,214	68,631	73,320	6,153	6,234	6,209	6,367	6,486	6,479	6,464
Finance companies	38,066	40,127	39,536	3,366	3,364	3,376	3,555	3,496	3,971	3,856
Credit unions	18,447	19,896	20,914	1,764	1,728	1,932	1,725	1,910	1,866	1,828
Retailers[2]	23,808	25,496	26,974	2,298	2,271	2,273	2,218	2,306	2,393	2,289
Others[3]	2,166	2,196	2,370	208	198	212	208	202	202	219
By type of credit:										
Automobile, total	39,506	42,496	45,110	3,818	3,849	3,800	3,814	3,865	4,023	3,746
Commercial banks	25,172	26,915	27,489	2,347	2,319	2,271	2,297	2,331	2,405	2,252
Purchase	14,822	15,886	15,825	1,359	1,295	1,257	1,277	1,402	1,274	1,343
Direct	10,348	11,028	11,663	988	1,024	1,013	1,020	928	1,131	909
Finance companies	7,932	8,343	8,722	679	773	733	687	808	712	738
Credit unions	5,985	6,830	8,463	755	719	756	794	691	865	716
Others	417	408	436	38	38	40	37	36	41	40
Mobile homes:										
Commercial banks	2,504	2,852	2,902	235	239	260	239	264	235	256
Finance companies	1,211	1,435	1,084	93	94	88	72	98	107	90
Home improvement, total	3,632	3,908	4,434	367	369	398	371	395	353	372
Commercial banks	2,006	2,178	2,400	195	197	214	202	212	201	209
Revolving credit:										
Bank credit cards	12,434	15,656	18,769	1,576	1,631	1,619	1,723	1,768	1,733	1,798
Bank check credit	2,894	3,685	4,128	341	336	340	346	399	374	388
All other	81,520	86,314	86,689	7,359	7,277	7,496	7,507	7,611	8,086	8,005
Commercial banks, total	16,204	17,345	17,635	1,459	1,512	1,504	1,560	1,512	1,531	1,561
Personal loans	11,436	12,277	12,361	1,035	1,060	1,025	1,082	1,029	1,045	1,106
Finance companies, total	28,512	29,858	29,116	2,540	2,440	2,501	2,751	2,531	3,119	2,992
Personal loans	17,240	18,238	18,403	1,691	1,565	1,620	1,659	1,490	1,940	1,802
Credit unions	12,177	12,755	12,092	981	978	1,142	901	1,187	968	1,077
Retailers	23,808	25,496	26,974	2,298	2,271	2,273	2,218	2,306	2,393	2,289
Others	819	860	872	81	76	76	77	75	75	86

1 Monthly figures are seasonally adjusted.
2 Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.
3 Mutual savings banks, savings and loan associations, and auto dealers.

MARKET GROUPINGS

(Seasonally adjusted, 1967 = 100)

Grouping	1967 proportion	1975 average	1975 Mar.	1975 Apr.	1975 May	1975 June	1975 July	1975 Aug.	1975 Sept.	1975 Oct.	1975 Nov.	1975 Dec.[r]	1976 Jan.[r]	1976 Feb.[p]	1976 Mar.[e]
Total index	100.0	113.8	110.0	109.9	110.1	111.1	112.2	114.2	116.2	116.7	[c]117.6	118.4	119.4	120.2	120.9
Products, total	**62.21**	**115.7**	**112.4**	**[c]113.0**	**113.4**	**114.2**	**115.3**	**115.8**	**116.9**	**116.9**	**[c]118.0**	**119.3**	**120.2**	**121.1**	**121.5**
Final products	*48.95*	*115.5*	*112.2*	*112.6*	*113.7*	*114.5*	*115.7*	*115.9*	*116.9*	*117.0*	*117.9*	*119.0*	*119.7*	*120.5*	*121.0*
Consumer goods	28.53	124.1	118.2	[c]119.7	121.2	123.3	125.5	125.7	126.8	127.0	[c]128.9	130.2	130.9	131.6	132.2
Equipment	20.42	103.6	103.9	103.0	102.9	102.2	102.2	102.3	102.8	102.6	[c]102.5	103.5	104.2	105.0	105.4
Intermediate products	13.26	116.3	112.7	113.4	112.4	112.8	114.3	115.4	116.6	117.0	118.5	120.3	122.2	122.9	123.3
Materials	**37.79**	**110.5**	**105.9**	**105.2**	**104.9**	**106.0**	**106.8**	**111.5**	**115.1**	**116.5**	**[c]116.8**	**116.8**	**118.1**	**118.8**	**120.2**
Consumer goods															
Durable consumer goods	*7.86*	*112.6*	*103.1*	*107.8*	*110.5*	*113.2*	*115.9*	*116.1*	*118.3*	*118.3*	*118.8*	*119.5*	*120.8*	*122.4*	*123.8*
Automotive products	2.84	99.2	86.8	93.6	97.6	103.4	106.9	105.9	106.7	108.9	[c]109.3	111.3	111.6	115.1	117.2
Autos	1.87	86.9	73.1	82.4	86.3	93.2	97.7	96.8	97.9	101.2	100.0	100.1	99.2	105.2	108.0
Auto parts and allied goods	.97	122.8	113.2	115.2	119.3	122.8	124.8	123.2	123.5	123.9	[c]127.2	132.7	135.2	134.2	134.5
Home goods	5.02	120.2	112.3	115.9	117.8	118.8	121.0	121.9	125.0	123.6	124.2	124.1	126.1	126.6	127.5
Appliances, TV, and radios	1.41	101.9	85.0	96.7	102.4	103.5	[c]104.8	106.5	108.4	105.4	104.6	106.0	110.3	110.6	112.0
Appliances and A/C	.92	118.4	99.1	114.2	118.4	118.3	118.9	122.2	124.1	123.4	122.8	123.9	128.5	129.7	......
TV and home audio	.49	70.8	......	......	......	......	......	......	......	......	......	......	......	......	......
Carpeting and furniture	1.08	133.8	127.9	127.8	128.6	131.1	135.5	136.0	137.6	137.9	139.3	138.7	140.4	143.1	......
Misc. home goods	2.53	124.6	121.0	121.4	121.7	122.1	124.0	124.5	129.0	127.4	[c]128.8	128.1	128.9	128.4	129.6
Nondurable consumer goods	*20.67*	*128.4*	*[c]124.2*	*124.0*	*125.3*	*127.2*	*129.0*	*129.4*	*130.1*	*130.5*	*132.7*	*134.4*	*134.8*	*135.0*	*135.4*
Clothing	4.32	98.7	90.9	89.2	94.4	97.7	101.6	102.0	101.5	104.5	106.2	108.2	109.5	......	......
Consumer staples	16.34	136.3	132.7	133.3	133.5	134.9	136.3	136.6	137.8	137.3	[c]139.7	141.4	141.5	141.6	142.1
Consumer foods and tobacco	8.37	125.3	120.7	122.7	122.4	[c]124.2	125.5	125.8	126.4	127.2	130.0	130.6	131.3	131.5	132.2
Nonfood staples	7.98	147.8	145.3	144.3	145.3	146.4	147.7	148.0	149.9	148.1	[c]150.0	152.7	152.1	152.2	152.6
Consumer chemical products	2.64	161.5	158.2	157.6	158.4	159.2	161.2	160.4	161.6	161.7	167.9	169.0	167.9	165.9	......
Consumer paper products	1.91	125.0	120.9	118.4	122.8	123.3	124.1	126.7	127.7	126.4	125.5	131.9	132.0	133.3	......
Consumer fuel and lighting	3.43	150.0	[c]148.9	148.6	147.8	149.4	150.4	150.3	153.2	149.5	[c]149.8	151.7	151.0	152.1	......
Residential utilities	2.25	161.9	163.1	161.9	160.9	161.3	160.5	161.1	164.8	160.1	[c]161.5	163.1	......	......	......
Equipment															
Business equipment	*12.74*	*116.6*	*117.0*	*115.4*	*115.0*	*113.9*	*113.9*	*114.9*	*115.6*	*115.7*	*[c]116.5*	*118.2*	*119.1*	*120.6*	*121.4*
Industrial equipment	6.77	116.7	118.8	116.4	115.3	114.0	113.3	113.4	114.5	115.4	[c]116.3	118.4	118.4	119.5	120.3
Building and mining equip.	1.45	133.6	137.7	132.3	131.7	127.7	126.9	128.3	129.7	133.1	136.5	138.0	139.8	140.1	140.5
Manufacturing equipment	3.85	105.9	106.6	105.6	105.0	104.3	105.5	[c]105.2	104.5	104.0	103.6	105.9	106.3	107.0	107.8
Power equipment	1.47	128.2	131.8	128.9	126.2	125.8	120.3	120.8	125.7	127.9	[c]129.3	131.3	132.0	131.9	133.0
Commercial, transit, farm equip.	5.97	116.6	115.1	114.2	114.7	113.9	114.6	[c]116.4	116.9	116.2	116.7	118.0	119.8	121.6	122.6
Commercial equipment	3.30	125.0	127.8	123.2	121.5	120.7	123.0	123.4	122.6	123.3	123.3	125.3	126.9	128.3	129.4
Transit equipment	2.00	98.0	88.8	92.2	98.6	98.0	98.0	101.5	105.0	100.4	101.7	102.9	105.2	107.8	108.5
Farm equipment	.67	130.5	130.2	135.7	129.0	127.3	122.9	127.7	124.3	128.0	[c]128.6	126.8	128.5	130.1	......
Defense and space equipment	*7.68*	*82.0*	*82.1*	*82.4*	*82.7*	*82.9*	*82.6*	*81.4*	*81.6*	*81.1*	*[c]79.4*	*79.0*	*79.3*	*79.1*	*78.9*
Military products	5.15	80.8	80.3	80.7	82.0	82.0	82.1	80.6	80.7	80.2	77.3	77.0	76.5	76.5	76.1
Intermediate products															
Construction products	5.93	112.4	109.1	110.1	107.6	106.8	108.0	109.3	112.0	112.5	112.5	114.2	116.7	117.0	117.2
Misc. intermediate products	7.34	119.7	115.6	116.1	116.2	[c]117.4	119.3	120.3	120.3	120.7	[c]123.3	125.4	126.7	127.6	......
Materials															
Durable goods materials	*20.91*	*106.5*	*104.7*	*101.6*	*100.2*	*99.8*	*100.3*	*106.1*	*108.7*	*[c]110.2*	*[c]110.9*	*110.8*	*112.8*	*114.0*	*115.4*
Consumer durable parts	4.75	94.1	84.7	86.0	87.7	90.8	92.8	101.7	103.0	102.4	[c]102.8	103.1	104.7	105.2	107.2
Equipment parts	5.41	106.3	108.7	104.6	102.1	97.3	96.8	100.7	102.4	105.2	[c]107.9	107.9	108.7	109.5	110.0
Durable materials n.e.c.	10.75	112.1	111.4	106.9	104.7	105.1	105.3	111.0	114.5	116.3	[c]116.1	115.7	118.6	120.2	121.9
Nondurable goods materials	*13.99*	*114.9*	*105.3*	*107.9*	*109.5*	*112.3*	*114.0*	*[c]118.3*	*123.4*	*125.0*	*[c]124.9*	*125.7*	*126.0*	*126.3*	*126.8*
Textile, paper, and chem. mat.	8.58	121.1	106.2	110.4	113.2	117.0	118.9	126.0	133.9	136.1	136.3	137.7	138.4	138.6	139.0
Nondurable materials n.e.c.	5.41	105.0	103.9	104.0	103.7	105.1	106.2	106.0	106.7	107.3	[c]106.9	106.6	106.8	107.1	107.4
Fuel and power, industrial	2.89	118.7	118.0	117.5	118.0	119.5	121.1	118.4	121.3	120.6	120.7	117.2	118.1	117.2	122.8
Supplementary groups															
Home goods and clothing	9.34	110.3	102.3	103.6	106.9	109.1	112.0	112.8	114.2	114.7	[c]115.8	116.7	118.4	119.1	120.0
Containers	1.82	129.9	122.3	124.2	124.3	128.4	132.8	133.5	142.7	137.6	[c]133.9	133.3	140.8	140.9	......
Gross value of products in market structure															
(In billions of 1963 dollars)															
Products, total	**286.3**	......	**405.1**	**409.6**	**408.6**	**414.5**	**416.1**	**418.1**	**426.1**	**425.8**	**[c]430.9**	**435.1**	**438.2**	**441.3**	**443.2**
Final products	*221.4*	......	*315.3*	*319.0*	*319.4*	*325.0*	*325.2*	*326.3*	*332.9*	*333.7*	*[c]336.5*	*339.1*	*340.8*	*343.1*	*345.4*
Consumer goods	156.3	......	213.2	217.6	217.8	223.6	224.9	225.4	230.8	231.7	[c]234.9	237.1	237.7	239.0	240.3
Equipment	65.3	......	102.2	101.4	101.5	101.3	100.5	100.9	102.3	101.7	[c]101.8	102.0	103.1	104.3	104.9
Intermediate products	64.9	......	90.0	90.5	89.2	89.6	91.1	92.9	92.9	93.0	[c]94.1	96.0	97.5	98.0	98.2

For NOTE see opposite page.

INDUSTRY GROUPINGS

(Seasonally adjusted, 1967 = 100)

Grouping	1967 proportion	1974 average	1975 Mar.	1975 Apr.	1975 May	1975 June	1975 July	1975 Aug.	1975 Sept.	1975 Oct.	1975 Nov.	1975 Dec. r	1976 Jan. r	1976 Feb. r	1976 Mar. e
Manufacturing	*88.55*	*112.2*	*107.7*	*107.9*	*108.2*	*109.5*	*110.6*	*112.8*	*114.7*	*115.8*	*r116.3*	*117.0*	*118.0*	*119.3*	*119.9*
Durable	52.33	105.8	103.5	103.3	102.5	103.2	r103.4	105.4	107.0	107.6	r107.8	108.1	109.0	110.3	111.2
Nondurable	36.22	121.5	113.7	114.8	r116.2	118.6	120.8	123.4	125.7	127.2	r128.7	130.0	131.2	132.1	132.6
Mining and utilities	11.45	127.5	128.8	r128.0	126.5	126.8	r127.5	127.0	127.8	127.0	127.6	127.7	128.9	127.7	130.4
Mining	6.37	106.5	108.9	108.5	105.9	106.3	106.4	105.0	105.3	106.4	r106.9	105.4	106.0	102.9	107.2
Utilities	5.08	153.8	r154.1	153.1	152.3	152.6	r153.9	154.6	156.1	152.9	r153.9	155.8	157.6	158.7	159.6
Durable manufactures															
Primary and fabricated metals	*12.55*	*105.5*	*105.1*	*103.2*	*99.8*	*100.8*	*100.7*	*104.1*	*106.1*	*105.9*	*r107.1*	*105.6*	*108.3*	*110.9*	*111.9*
Primary metals	6.61	97.2	98.1	95.0	89.9	91.8	92.8	96.5	97.2	97.0	r98.1	95.1	99.9	103.9	105.5
Iron and steel, subtotal	4.23	96.1	103.1	99.4	90.1	88.7	87.0	90.4	91.3	93.2	96.0	92.2	96.2	101.3	103.0
Fabricated metal products	5.94	114.8	112.9	112.4	100.9	110.9	109.7	112.7	116.1	115.9	117.3	117.3	117.7	118.7	119.2
Machinery and allied goods	*32.44*	*104.0*	*101.5*	*101.9*	*101.7*	*102.3*	*102.4*	*103.7*	*105.0*	*105.8*	*106.2*	*106.8*	*106.5*	*107.5*	*108.3*
Machinery	17.39	112.8	112.2	110.8	109.0	108.2	108.4	110.0	111.7	112.9	114.2	115.1	114.9	115.9	116.7
Nonelectrical machinery	9.17	118.6	119.3	r116.8	113.7	112.3	112.9	115.1	116.7	117.7	119.2	119.9	119.5	120.1	120.9
Electrical machinery	8.22	106.3	104.3	104.0	103.8	103.8	103.4	104.4	106.1	107.6	r108.6	109.6	109.9	111.3	112.1
Transportation equipment	9.29	88.3	81.0	84.7	87.6	90.5	91.0	92.9	94.3	94.7	r94.1	95.5	94.2	95.9	97.4
Motor vehicles and parts	4.56	98.1	85.4	93.1	95.0	100.0	103.2	107.2	110.1	111.0	109.4	110.4	109.6	113.7	117.7
Aerospace and misc. trans. eq.	4.73	79.0	76.7	76.6	80.4	81.3	79.3	79.1	79.2	79.0	r79.4	81.1	79.4	78.7	77.7
Instruments	2.07	133.7	130.6	131.1	129.7	r131.0	132.4	132.1	134.5	134.5	137.0	138.7	142.8	143.2	142.6
Ordnance, private and Govt.	3.69	85.3	86.7	86.7	86.7	87.7	86.4	84.3	84.2	83.9	81.7	78.7	77.8	77.6	77.3
Lumber, clay, and glass	*4.44*	*109.2*	*102.6*	*104.8*	*105.9*	*107.0*	*r108.2*	*110.6*	*113.1*	*114.4*	*r112.6*	*113.9*	*118.1*	*117.9*	*118.3*
Lumber and products	1.65	109.9	99.8	104.1	108.0	110.3	112.0	114.5	115.5	116.8	r115.0	116.1	122.2	121.4	......
Clay, glass, and stone products	2.79	108.8	104.2	105.4	104.7	105.1	106.2	108.3	111.7	113.0	111.2	112.6	115.7	115.9	......
Furniture and miscellaneous	*2.90*	*121.5*	*118.7*	*117.6*	*119.7*	*120.1*	*r121.1*	*123.1*	*124.3*	*124.6*	*r122.9*	*124.1*	*125.4*	*127.1*	*128.3*
Furniture and fixtures	1.38	109.5	106.7	105.6	109.6	107.9	109.4	109.6	110.6	110.8	111.0	112.2	115.1	118.8	......
Miscellaneous manufactures	1.52	132.4	129.7	128.5	129.0	131.1	131.8	135.3	136.7	137.2	r133.7	135.1	134.7	134.7	......
Nondurable manufactures															
Textiles, apparel, and leather	*6.90*	*97.9*	*87.5*	*90.4*	*93.2*	*94.9*	*97.4*	*100.2*	*104.0*	*106.0*	*108.4*	*109.7*	*110.5*	*110.6*	*110.6*
Textile mill products	2.69	109.8	96.8	100.4	103.8	106.9	110.7	115.0	121.2	123.2	125.2	126.8	125.2	124.3	......
Apparel products	3.33	94.6	86.4	88.2	90.9	91.5	92.9	95.8	96.1	98.0	r101.3	103.2	106.0	......	......
Leather and products	.88	73.8	63.5	68.0	70.0	71.2	73.5	71.7	81.2	83.8	r83.5	81.5	83.4	84.9	......
Paper and printing	*7.92*	*109.7*	*104.2*	*102.4*	*103.9*	*107.3*	*r107.4*	*110.8*	*113.9*	*114.8*	*r114.7*	*116.8*	*119.2*	*120.0*	*120.7*
Paper and products	3.18	115.8	104.5	105.8	105.8	109.5	111.7	116.4	124.0	127.0	127.3	129.2	132.6	133.1	......
Printing and publishing	4.74	105.5	104.0	100.2	102.6	105.9	104.4	107.1	107.1	106.5	106.2	108.5	110.1	111.2	111.7
Chemicals, petroleum, and rubber	*11.92*	*140.4*	*130.2*	*131.0*	*r132.4*	*136.2*	*r140.1*	*143.6*	*146.2*	*148.5*	*150.2*	*151.1*	*151.5*	*153.5*	*154.2*
Chemicals and products	7.86	143.1	133.6	132.8	135.7	138.2	143.4	146.3	148.8	152.5	155.2	156.3	156.8	158.2	158.7
Petroleum products	1.80	124.7	120.1	120.2	118.5	122.4	124.6	126.7	127.1	126.5	r126.8	128.7	124.2	125.9	127.2
Rubber and plastics products	2.26	143.3	126.8	133.5	132.7	140.1	141.6	147.8	152.0	153.1	r151.5	151.2	155.1	159.0	......
Foods and tobacco	*9.48*	*124.6*	*120.0*	*r122.5*	*122.4*	*123.5*	*124.8*	*125.2*	*126.0*	*126.3*	*r128.0*	*129.3*	*130.7*	*131.2*	*131.9*
Foods	8.81	125.9	121.3	122.9	r123.7	125.1	126.3	126.7	127.4	127.3	r129.1	130.7	131.9	132.6	133.2
Tobacco products	.67	108.0	102.6	115.9	103.8	102.2	104.8	105.7	109.3	111.9	r113.7	109.9	114.8	......	......
Mining															
Metal, stone, and earth minerals	*1.26*	*109.9*	*113.4*	*113.3*	*106.2*	*101.5*	*105.0*	*107.2*	*107.2*	*108.0*	*r110.0*	*108.2*	*112.1*	*113.0*	*114.0*
Metal mining	.51	121.7	125.4	125.8	114.8	110.6	110.3	119.2	118.5	119.8	122.1	120.9	124.8	126.1	......
Stone and earth minerals	.76	101.8	105.1	104.7	100.4	95.3	101.4	98.9	99.5	100.0	101.7	99.6	103.6	104.2	......
Coal, oil, and gas	*5.11*	*105.7*	*107.7*	*107.4*	*105.8*	*107.6*	*106.7*	*104.4*	*104.8*	*106.1*	*105.9*	*104.7*	*104.5*	*100.4*	*105.5*
Coal	.69	114.0	117.4	112.2	113.6	120.4	120.6	105.7	113.6	114.6	r119.9	107.8	109.4	104.8	126.4
Oil and gas extraction	4.42	104.4	106.1	106.6	104.5	105.5	104.5	104.2	103.4	104.8	103.8	104.3	103.7	99.8	102.2
Utilities															
Electric	3.90	164.9	r165.3	r164.2	163.0	163.3	r164.9	r165.9	167.8	163.4	r165.0	167.6	......	......	......
Gas	1.17	117.1	......	......	......	......	......	......	......	......	......	......	......	......	......

NOTE.—Data for the complete year of 1972 are available in a pamphlet *Industrial Production Indexes 1972* from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Published groupings include series and subtotals not shown separately. Figures for individual series and subtotals are published in the monthly Industrial Production release.

SELECTED BUSINESS INDEXES

(1967=100, except as noted)

Period	Industrial production: Total	Market: Total	Market: Products: Final: Total	Market: Products: Final: Consumer goods	Market: Products: Final: Equipment	Market: Products: Intermediate	Market: Materials	Industry: Manufacturing	Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Nonagricultural employment Total[1]	Manufacturing[2]: Employment	Manufacturing[2]: Payrolls	Total retail sales[3]	Prices[4]: Consumer	Prices[4]: Wholesale commodity
1955	58.5	56.6	54.9	59.5	48.9	62.6	61.5	58.2	90.0	....	76.9	92.9	61.1	59	80.2	87.8
1956	61.1	59.7	58.2	61.7	53.7	65.3	63.1	60.5	88.2	....	79.6	93.9	64.6	61	81.4	90.7
1957	61.9	61.1	59.9	63.2	55.9	65.3	63.1	61.2	84.5	....	80.3	92.2	65.4	64	84.3	93.3
1958	57.9	58.6	57.1	62.6	50.0	63.9	56.8	56.9	75.1	....	78.0	83.9	60.3	64	86.6	94.6
1959	64.8	64.4	62.7	68.7	54.9	70.5	65.5	64.1	81.4	....	81.0	88.1	67.8	69	87.3	94.8
1960	66.2	66.2	64.8	71.3	56.4	71.0	66.4	65.4	80.1	68.6	82.4	88.0	68.8	70	88.7	94.9
1961	66.7	66.9	65.3	72.8	55.6	72.4	66.4	65.6	77.6	70.2	82.1	84.5	68.0	70	89.6	94.5
1962	72.2	72.1	70.8	77.7	61.9	76.9	72.4	71.4	81.4	78.1	84.4	87.3	73.3	75	90.6	94.8
1963	76.5	76.2	74.9	82.0	65.6	81.1	77.0	75.8	83.0	86.1	86.1	87.8	76.0	79	91.7	94.5
1964	81.7	81.2	79.6	86.8	70.1	87.3	82.6	81.2	85.5	89.4	88.6	89.3	80.1	83	92.9	94.7
1965	89.2	88.1	86.8	93.0	78.7	93.0	91.0	89.1	89.0	93.2	92.3	93.9	88.1	90	94.5	96.6
1966	97.9	96.8	96.1	98.6	93.0	99.2	99.8	98.3	91.9	94.8	97.1	99.9	97.8	97	97.2	99.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	87.9	100.0	100.0	100.0	100.0	100	100.0	100.0
1968	105.7	105.8	105.8	106.6	104.7	105.7	105.7	105.7	87.7	113.2	103.2	101.4	108.3	109	104.2	102.5
1969	110.7	109.7	109.0	111.1	106.1	112.0	112.4	110.5	86.5	123.7	106.9	103.2	116.6	114	109.8	106.5
1970	106.6	106.0	104.5	110.3	96.3	111.7	107.7	105.2	78.3	123.1	107.7	98.1	114.1	119	116.3	110.4
1971	106.8	106.4	104.7	115.7	89.4	112.6	107.4	105.2	75.0	145.4	108.1	94.2	116.7	130	121.2	113.9
1972	115.2	113.8	111.9	123.6	95.5	121.1	117.4	114.0	78.6	165.3	111.9	97.6	131.5	142	125.3	119.8
1973	125.6	123.4	121.3	131.7	106.7	131.1	129.3	125.2	83.0	r179.5	116.8	103.2	149.2	160	133.1	134.7
1974	124.8	123.1	121.7	128.8	111.7	128.3	127.4	124.4	78.9	r169.7	119.1	102.1	157.1	171	147.7	160.1
1975	113.8	115.7	115.5	124.1	103.6	116.3	110.5	112.2	....	166.0	116.9	91.4	151.0	....	....	....
1975—Feb.	111.2	113.7	113.3	118.8	105.3	115.2	107.4	109.2	5 68.2	139.0	116.6	91.2	143.5	179	157.2	171.3
Mar.	110.0	112.4	112.2	118.2	103.9	112.7	105.9	107.7		153.0	116.1	90.3	143.3	176	157.8	170.4
Apr.	109.9	r113.0	112.6	r119.7	103.0	113.4	105.2	107.9		189.0	116.1	89.9	144.7	179	158.6	172.1
May	110.1	113.4	113.7	121.2	102.9	112.4	104.9	108.2	67.0	182.0	116.2	90.1	144.7	184	159.3	173.2
June	111.1	114.2	114.5	123.3	102.2	112.8	106.0	109.5		174.0	115.9	89.8	146.4	186	160.6	173.7
July	112.2	115.3	115.7	125.5	102.2	114.3	106.8	110.6		165.0	116.4	89.7	148.7	190	162.3	175.7
Aug.	114.2	115.8	115.9	125.7	102.3	115.4	111.5	112.8	r69.0	208.0	116.9	90.9	154.2	191	162.8	176.7
Sept.	116.2	116.9	116.9	126.8	102.8	116.6	115.1	114.7		157.0	117.4	92.0	157.0	189	163.6	177.7
Oct.	116.7	116.9	117.0	127.0	102.6	117.0	116.5	115.8		166.0	117.8	92.5	158.4	192	164.6	178.9
Nov.	r117.6	r118.0	117.9	r128.9	r102.5	r118.5	r116.8	r116.3	r70.7	148.0	117.8	92.4	158.9	192	165.6	178.2
Dec.p	118.4	119.3	119.0	130.2	103.5	120.3	116.8	117.0		137.0	118.1	93.0	162.3	198	166.3	178.7
1976—Jan.p	119.4	120.2	119.7	130.9	104.2	122.2	118.1	118.0		183.0	118.7	94.0	165.9	197	166.7	179.4
Feb.p	120.2	121.1	120.5	131.6	105.0	122.9	118.8	119.3	71.0	170.0	118.9	94.3	165.5	200	167.1	179.4
Mar.	120.9	121.5	121.0	132.2	105.4	123.3	120.2	119.9		....	119.2	94.7	167.0	....	....	179.8

1 Employees only: excludes personnel in the Armed Forces.
2 Production workers only. Revised back to 1973.
3 F.R. index based on Census Bureau figures.
4 Prices are not seasonally adjusted. Latest figure is final.
5 Figure is for first quarter 1975.

NOTE.—*All series:* Data are seasonally adjusted unless otherwise noted.

Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Dept. of Commerce.

Construction contracts: McGraw-Hill Informations Systems Company, F.W. Dodge Division, monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1974	1975	1975: Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1976: Jan.	Feb.
Total construction contracts 1	**93,685**	**90,237**	**4,955**	**6,574**	**9,598**	**9,143**	**9,324**	**9,044**	**10,037**	**7,692**	**7,767**	**5,573**	**5,431**	**6,390**	**6,149**
By type of ownership:															
Public	32,062	31,415	2,031	2,182	2,768	2,875	3,891	3,784	3,040	2,725	2,544	1,597	1,724	1,655	1,719
Private 1	61,623	58,822	2,924	4,393	6,830	6,268	5,432	5,260	6,997	4,967	5,223	3,976	3,708	4,734	4,430
By type of construction:															
Residential building 1	33,567	31,347	1,583	2,316	3,029	3,073	3,116	3,093	2,784	2,966	3,189	2,404	2,233	2,157	2,546
Nonresidential building	33,131	30,301	2,199	2,402	2,987	2,877	3,169	3,165	2,666	2,526	2,629	1,859	1,865	1,939	1,996
Nonbuilding	26,987	28,313	1,172	1,856	3,582	3,193	3,040	2,786	4,587	2,200	1,949	1,309	1,334	2,294	1,608
Private housing units authorized (In thousands, S.A., A.R.)	1,074	925	701	677	837	912	949	1,042	995	1,095	1,079	1,085	1,028	r1,120	1,127

1 Because of improved procedures for collecting data for 1-family homes, some totals are not strictly comparable with those prior to 1968. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE.—Dollar value of construction contracts as reported by the McGraw-Hill Informations Systems Company, F.W. Dodge Division. Totals of monthly data may differ from annual totals because adjustments are made in accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 14,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total [1]	Private: Total	Private: Residential	Nonresidential: Total	Buildings: Industrial	Buildings: Commercial	Buildings: Other buildings [2]	Public Utilities and Other	Public [1]: Total	Public: Military	Public: Highway	Public: Conservation and development	Public: Other
1967	78,082	52,546	25,564	26,982	....	....	....	....	25,536	695	8,591	2,124	14,126
1968	87,093	59,488	30,565	28,923	6,021	7,761	4,382	10,759	27,605	808	9,321	1,973	15,503
1969	93,917	65,953	33,200	32,753	6,783	9,401	4,971	11,598	27,964	879	9,250	1,783	16,052
1970	94,855	66,759	31,864	34,895	6,518	9,754	5,125	13,498	28,096	718	9,981	1,908	15,489
1971	109,950	80,079	43,267	36,812	5,423	11,619	5,437	14,333	29,871	901	10,658	2,095	16,217
1972	124,085	93,901	54,288	39,613	4,676	13,464	5,898	15,575	30,184	1,087	10,429	2,172	16,496
1973	135,953	103,444	57,635	45,809	6,243	15,453	5,888	18,225	32,509	1,170	10,506	2,313	18,520
1974	135,481	97,079	47,044	50,035	7,902	15,945	5,797	20,391	38,402	1,185	12,083	2,782	22,352
1975	130,779	89,897	42,880	47,017	7,847	12,810	5,587	20,773	40,882	1,396	....	....	....
1975 Feb.	128,862	89,023	38,523	50,500	8,724	14,971	5,883	20,922	39,839	1,319	11,993	3,329	23,198
Mar.	125,501	85,687	37,999	47,688	7,869	13,032	5,363	21,424	39,814	1,337	11,377	3,024	24,076
Apr.	121,027	84,742	37,574	47,168	7,500	12,765	5,636	21,267	36,285	1,473	10,963	2,769	21,080
May	121,698	84,252	38,531	45,721	8,197	12,109	5,268	20,147	37,446	1,180	12,227	3,132	20,907
June	126,884	84,982	40,431	44,551	7,677	11,756	5,415	19,703	41,902	1,120	12,538	3,481	24,763
July r	128,977	88,344	43,267	44,813	7,714	11,978	5,319	20,066	40,633	1,309	12,536	3,417	23,371
Aug. r	132,144	90,633	45,271	45,236	7,621	12,586	5,611	19,544	41,511	1,383	13,164	3,387	23,577
Sept. r	137,551	92,973	46,125	46,522	7,889	12,431	5,843	20,685	44,578	1,662	14,152	3,442	25,322
Oct. r	135,805	93,419	47,080	46,758	7,470	12,506	5,589	20,774	42,386	1,493	14,076	3,194	23,623
Nov. r	138,047	96,029	48,324	48,237	7,750	12,634	5,771	21,550	42,018	1,661	14,413	3,569	22,375
Dec. r	137,987	96,526	49,133	47,393	7,548	12,401	5,611	21,833	41,461	1,561	....	....	....
1976 Jan.	134,274	97,008	48,940	48,068	7,464	11,854	5,764	22,986	37,266	1,545	....	....	....
Feb. p	132,495	98,054	49,448	48,604	7,881	12,521	6,082	22,120	34,441	1,670	....	....	....

[1] Data beginning Jan. 1976 are not strictly comparable with prior data because of change by Census Bureau in its procedure for estimating construction outlays of State and local governments. Such governments accounted for 86 per cent of all public construction expenditures in 1974.

[2] Includes religious, educational, hospital, institutional, and other buildings.

NOTE.—Census Bureau data; monthly series at seasonally adjusted annual rates.

PRIVATE HOUSING ACTIVITY

(In thousands of units)

Period	Starts: Total	Starts: 1-family	Starts: 2-or-more family	Completions: Total	Completions: 1-family	Completions: 2-or-more family	Under construction (end of period): Total	Under construction: 1-family	Under construction: 2-or-more family	Mobile home ship-ments	New 1-family homes sold and for sale [1]: Units: Sold	Units: For sale (end of period)	Median prices (in thousands of dollars) of units: Sold	Median prices: For sale
1966	1,165	779	386	....	....	....	....	....	....	217	461	196	21.4	22.8
1967	1,292	844	448	....	....	....	....	....	....	240	487	190	22.7	23.6
1968	1,508	899	608	1,320	859	461	....	....	....	318	490	218	24.7	24.6
1969	1,467	811	656	1,399	807	591	885	350	535	413	448	228	25.6	27.0
1970	1,434	813	621	1,418	802	617	922	381	541	401	485	227	23.4	26.2
1971	2,052	1,151	901	1,706	1,014	692	1,254	505	749	497	656	294	25.2	25.9
1972	2,357	1,309	1,047	1,971	1,143	828	1,586	640	947	576	718	416	27.6	28.3
1973	2,045	1,132	913	2,014	1,174	840	1,599	583	1,016	567	620	456	32.5	32.9
1974	1,338	888	450	1,692	931	760	1,189	516	673	329	501	407	35.9	36.2
1975 r	1,161	892	268	1,295	866	430	1,005	532	473	216	....	383	....	....
1975- Feb. r	953	722	231	1,350	793	557	1,156	525	631	219	426	408	37.9	36.6
Mar. r	986	763	223	1,314	757	557	1,118	521	598	199	466	395	38.8	36.5
Apr. r	982	774	208	1,244	782	462	1,087	515	573	194	556	388	39.2	36.7
May r	1,085	853	232	1,269	827	442	1,060	513	546	224	554	383	39.5	36.9
June r	1,080	874	206	1,202	808	394	1,045	517	528	210	551	379	37.9	37.2
July r	1,207	916	291	1,261	882	379	1,039	521	518	225	548	381	38.6	37.4
Aug. r	1,264	979	285	1,267	880	387	1,036	528	507	235	573	378	38.2	37.8
Sept. r	1,304	966	338	1,315	969	346	1,037	532	505	215	571	384	39.7	38.2
Oct. r	1,431	1,093	338	1,115	738	377	1,061	560	504	229	610	389	40.7	38.4
Nov. r	1,381	1,048	333	1,386	992	394	1,037	555	482	232	655	382	41.1	38.5
Dec. r	1,283	962	321	1,313	983	330	1,040	560	480	228	655	378	42.1	38.9
1976—Jan.	1,224	950	274	1,176	903	273	1,050	567	483	263	552	384	41.9	39.1
Feb. p	1,555	1,303	252	....	....	....	....	....	....	....	....	....	....	....

[1] Merchant builders only.

NOTE.—All series except prices, seasonally adjusted. Annual rates for starts, completions, mobile home shipments, and sales. Census data except for mobile homes, which are private, domestic shipments as reported by the Mobile Home Manufacturers' Assn. and seasonally adjusted by Census Bureau. Data for units under construction seasonally adjusted by Federal Reserve.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total non-*institutional* population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate[2] (per cent; S.A.)
				Total	Employed[1]			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1970	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1971	142,596	55,666	86,929	84,113	79,120	75,732	3,387	4,993	5.9
1972	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973	148,263	57,222	91,040	88,714	84,409	80,957	3,452	4,304	4.9
1974	150,827	57,587	93,240	91,011	85,936	82,443	3,492	5,076	5.6
1975	153,449	58,655	94,793	92,613	84,783	81,403	3,380	7,830	8.5
1975—Mar.	152,646	59,053	94,078	91,880	84,110	80,842	3,268	7,770	8.5
Apr.	152,840	59,276	94,449	92,254	84,313	81,012	3,301	7,941	8.6
May	153,051	59,101	94,950	92,769	84,519	80,991	3,528	8,250	8.9
June	153,278	57,087	94,747	92,569	84,498	81,148	3,350	8,071	8.7
July	153,585	56,540	95,249	93,063	84,967	81,528	3,439	8,096	8.7
Aug.	153,824	57,331	95,397	93,212	85,288	81,824	3,464	7,924	8.5
Sept.	154,052	59,087	95,298	93,128	85,158	81,646	3,512	7,970	8.6
Oct.	154,256	58,825	95,377	93,213	85,151	81,743	3,408	8,062	8.6
Nov.	154,476	59,533	95,272	93,117	85,178	81,877	3,301	7,939	8.5
Dec.	154,700	59,812	95,286	93,129	85,394	82,158	3,236	7,735	8.3
1976—Jan.	154,915	60,110	95,624	93,484	86,194	82,851	3,343	7,290	7.8
Feb.	155,106	60,163	95,601	93,455	86,319	83,149	3,170	7,136	7.6
Mar.	155,325	60,065	95,866	93,719	86,692	83,513	3,179	7,027	7.5

1 Includes self-employed, unpaid family, and domestic service workers.
2 Per cent of civilian labor force.

NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Government
1970	70,920	19,349	623	3,536	4,504	15,040	3,687	11,621	12,561
1971	71,216	18,572	603	3,639	4,457	15,352	3,802	11,903	12,887
1972	73,711	19,090	622	3,831	4,517	15,975	3,943	12,392	13,340
1973	76,896	20,068	644	4,015	4,644	16,674	4,091	13,021	13,739
1974	78,413	20,046	694	3,957	4,696	17,017	4,208	13,617	14,177
1975	76,987	18,342	745	3,462	4,499	16,949	4,473	13,996	14,771
SEASONALLY ADJUSTED									
1975—Mar.	76,468	18,226	729	3,467	4,506	16,851	4,207	13,864	14,618
Apr.	76,462	18,155	732	3,441	4,508	16,847	4,209	13,878	14,692
May	76,510	18,162	738	3,439	4,491	16,857	4,208	13,889	14,726
June	76,343	18,100	741	3,392	4,469	16,877	4,202	13,871	14,691
July	76,679	18,084	743	3,395	4,464	16,984	4,203	13,990	14,816
Aug.	77,023	18,254	749	3,415	4,466	17,016	4,218	14,054	14,855
Sept.	77,310	18,417	752	3,432	4,467	17,045	4,239	14,113	14,845
Oct.	77,555	18,493	774	3,402	4,476	17,043	4,246	14,157	14,964
Nov.	77,574	18,482	766	3,409	4,496	17,010	4,248	14,188	14,975
Dec.	77,796	18,568	769	3,406	4,477	17,080	4,264	14,229	15,003
1976—Jan.	78,179	18,722	764	3,428	4,494	17,233	4,266	14,307	14,965
Feb.p	78,320	18,759	765	3,361	4,518	17,302	4,268	14,357	14,990
Mar.p	78,511	18,834	772	3,346	4,505	17,357	4,277	14,384	15,036
NOT SEASONALLY ADJUSTED									
1975—Mar.	75,778	18,037	719	3,197	4,470	16,530	4,178	13,753	14,894
Apr.	76,177	18,000	726	3,310	4,472	16,691	4,192	13,878	14,908
May	76,689	18,071	740	3,439	4,487	16,819	4,208	13,986	14,939
June	77,183	18,255	756	3,555	4,523	16,971	4,248	14,079	14,796
July	76,439	18,007	758	3,605	4,504	16,936	4,266	14,144	14,219
Aug.	76,900	18,450	763	3,688	4,493	16,959	4,273	14,162	14,112
Sept.	77,614	18,694	758	3,659	4,503	17,084	4,243	14,113	14,560
Oct.	78,193	18,687	763	3,620	4,503	17,136	4,238	14,185	15,061
Nov.	78,339	18,635	763	3,522	4,509	17,313	4,235	14,174	15,188
Dec.	78,527	18,584	763	3,338	4,477	17,737	4,243	14,158	15,227
1976—Jan.	77,091	18,495	756	3,061	4,440	17,026	4,223	14,049	15,041
Feb.p	77,293	18,542	754	3,001	4,446	16,902	4,230	14,185	15,233
Mar.p	77,791	18,637	761	3,085	4,469	17,000	4,247	14,269	15,323

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons, domestic servants, unpaid family workers, and members of Armed Forces are excluded.

Beginning with 1973, series has been adjusted to Mar. 1974 benchmark.

CONSUMER PRICES

(1967 = 100)

Period	All items	Food	Housing: Total	Housing: Rent	Housing: Home-ownership	Housing: Fuel oil and coal	Housing: Gas and electricity	Housing: Furnishings and operation	Apparel and upkeep	Transportation	Health and recreation: Total	Health and recreation: Medical care	Health and recreation: Personal care	Health and recreation: Reading and recreation	Health and recreation: Other goods and services
1929	51.3	48.3	....	76.0	....	....	....	....	48.5	....	....	....	....	....	....
1933	38.8	30.6	....	54.1	....	....	....	....	36.9	....	....	....	....	....	....
1941	44.1	38.4	53.7	57.2	....	40.5	81.4	....	44.8	44.2	....	37.0	41.2	47.7	49.2
1945	53.9	50.7	59.1	58.8	....	48.0	79.6	....	61.5	47.8	....	42.1	55.1	62.4	56.9
1960	88.7	88.0	90.2	91.7	86.3	89.2	98.6	93.8	89.6	89.6	85.1	79.1	90.1	87.3	87.8
1965	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	93.4	89.5	95.2	95.9	94.2
1966	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	93.4	97.1	97.5	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	106.1	104.2	104.7	104.6
1969	109.8	108.9	110.8	105.7	116.0	105.6	102.8	109.0	111.5	107.2	110.3	113.4	109.3	108.7	109.1
1970	116.3	114.9	118.9	110.1	128.5	110.1	107.3	113.4	116.1	112.7	116.2	120.6	113.2	113.4	116.0
1971	121.3	118.4	124.3	115.2	133.7	117.5	114.7	118.1	119.8	118.6	122.2	128.4	116.8	119.3	120.9
1972	125.3	123.5	129.2	119.2	140.1	118.5	120.5	121.0	122.3	119.9	126.1	132.5	119.8	122.8	125.5
1973	133.1	141.4	135.0	124.3	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.2	125.9	129.0
1974	147.7	161.7	150.6	130.6	163.2	214.6	145.8	140.5	136.2	137.7	140.3	150.5	137.3	133.8	137.2
1975	161.2	175.4	166.8	137.3	181.7	235.3	169.6	158.1	142.3	150.6	153.5	168.6	150.7	144.4	147.4
1975—Feb.	157.2	171.6	162.7	135.1	177.3	229.5	162.7	154.7	140.2	143.5	150.2	163.0	147.8	141.8	145.9
Mar.	157.8	171.3	163.6	135.5	178.2	228.3	164.0	155.6	140.9	144.8	151.1	164.6	148.9	142.0	146.5
Apr.	158.6	171.2	164.7	135.9	179.4	229.0	166.3	156.8	141.3	146.2	152.1	165.8	149.5	143.5	146.8
May	159.3	171.8	165.3	136.4	180.1	230.2	167.3	157.4	141.8	147.4	152.6	166.8	149.9	143.8	147.1
June	160.6	174.4	166.4	136.9	181.4	230.6	169.4	158.1	141.4	149.8	153.2	168.1	150.3	144.1	147.3
July	162.3	178.6	167.1	137.3	182.3	234.1	170.4	158.3	141.1	152.6	154.0	169.8	151.2	144.4	147.6
Aug.	162.8	178.1	167.7	138.0	182.8	235.7	171.2	158.8	142.3	153.6	154.6	170.9	151.4	144.7	148.1
Sept.	163.6	177.8	168.9	138.4	183.9	238.7	174.0	160.1	143.5	155.4	155.4	172.2	152.1	146.0	148.0
Oct.	164.6	179.0	169.8	139.3	184.8	243.3	174.2	160.9	144.6	156.1	156.3	173.5	152.9	146.6	148.5
Nov.	165.6	179.8	171.3	139.9	186.8	246.5	176.8	161.6	145.5	157.4	156.5	173.3	153.6	147.0	148.9
Dec.	166.3	180.7	172.2	140.6	187.8	248.7	179.0	162.0	145.2	157.6	157.5	174.7	154.6	147.5	149.8
1976—Jan.	166.7	180.8	173.2	141.2	188.8	248.9	179.5	163.7	143.3	158.1	158.6	176.6	155.7	148.2	150.5
Feb.	167.1	180.0	173.8	142.1	188.6	249.4	181.9	165.2	144.0	158.5	159.7	178.8	157.0	148.5	151.3

NOTE.—Bureau of Labor Statistics index for city wage earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 100, except as noted)

Period	All commodities	Farm products	Processed foods and feeds	Industrial commodities: Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Nonmetallic minerals	Transportation equipment[1]	Miscellaneous
1960	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8	103.1	95.3	98.1	92.4	92.0	99.0	97.2	......	93.0
1965	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5	......	95.9
1966	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4	......	97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	......	100.0
1968	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7	......	102.2
1969	106.5	109.1	107.3	106.0	106.0	108.9	100.9	99.9	105.3	125.3	104.0	108.5	106.5	104.9	107.7	100.8	105.2
1970	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2	108.6	113.7	108.2	116.7	111.4	107.5	113.3	104.5	109.9
1971	113.9	112.9	114.3	114.0	108.6	114.0	114.2	104.2	109.2	127.0	110.1	119.0	115.5	109.9	122.4	110.3	112.8
1972	119.1	125.0	120.8	117.9	113.6	131.3	118.6	104.2	109.3	144.3	113.4	123.5	117.9	111.4	126.1	113.8	114.6
1973	134.7	176.3	148.1	125.9	123.8	143.1	134.3	110.0	112.4	177.2	122.1	132.8	121.7	115.2	130.2	115.1	119.7
1974	160.1	187.7	170.9	153.8	139.1	145.1	208.3	146.8	136.2	183.6	151.7	171.9	139.4	127.9	153.2	125.5	133.1
1975	174.9	186.7	182.6	171.5	137.9	148.5	245.1	181.3	150.2	176.9	170.4	185.6	161.4	139.7	174.0	141.5	147.7
1975—Mar.	170.4	171.1	177.3	168.9	134.3	143.2	233.0	181.8	149.7	169.6	170.0	186.1	158.8	138.5	170.8	139.5	146.8
Apr.	172.1	177.7	179.4	169.7	134.4	147.5	236.5	182.4	149.4	174.9	169.7	185.7	159.7	138.5	173.0	139.9	147.3
May	173.2	184.5	179.0	170.3	135.2	147.7	238.8	182.1	148.9	183.0	169.8	185.1	160.4	138.6	173.1	139.9	147.5
June	173.7	186.2	179.7	170.7	135.9	148.7	243.0	181.2	148.6	181.0	169.8	184.5	161.0	139.0	173.3	140.1	147.5
July	175.7	193.7	184.6	171.2	136.8	149.3	246.6	181.4	150.1	179.6	170.0	183.4	161.7	139.2	174.7	140.1	147.7
Aug.	176.7	193.2	186.3	172.2	137.6	149.3	252.4	182.1	150.0	179.7	170.0	184.3	162.2	139.8	175.8	140.5	147.8
Sept.	177.7	197.1	186.1	173.1	138.4	151.3	254.9	182.2	150.8	179.9	170.3	185.5	163.1	140.1	176.1	141.1	148.2
Oct.	178.9	197.3	186.2	174.7	141.3	152.4	256.5	182.3	151.5	179.1	170.9	187.2	164.1	141.1	177.1	146.6	147.6
Nov.	178.2	191.7	182.6	175.4	143.2	154.4	257.0	182.9	151.8	178.3	171.3	187.0	165.3	141.5	177.7	147.2	148.6
Dec.	178.7	193.8	181.0	176.1	144.0	154.6	258.0	183.4	151.9	183.1	173.1	187.1	165.8	142.0	178.0	147.5	151.1
1976—Jan.	179.4	192.8	179.4	177.3	145.1	157.5	257.3	184.2	152.4	190.5	174.8	188.1	167.0	143.1	181.1	148.7	151.8
Feb.	179.4	191.0	176.4	178.1	146.3	159.9	255.7	184.9	154.2	196.0	175.8	189.8	167.7	143.4	181.3	148.8	152.1
Mar.	179.8	187.2	175.8	179.1	146.7	162.0	255.7	185.6	155.5	202.3	176.9	191.7	168.2	143.9	182.5	149.1	152.6

[1] Dec. 1968 = 100.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1974 IV	1975 I	1975 II	1975 III	1975 IV
Gross national product	**286.2**	**982.4**	**1,171.1**	**1,306.3**	**1,406.9**	**1,498.9**	**1,441.3**	**1,433.6**	**1,460.6**	**1,528.5**	**1,572.9**
Final purchases	*279.4*	*978.6*	*1,161.7*	*1,288.8*	*1,397.2*	*1,513.5*	*1,430.9*	*1,458.4*	*1,490.2*	*1,530.6*	*1,574.9*
Personal consumption expenditures	**192.0**	**618.8**	**733.0**	**808.5**	**885.9**	**963.8**	**908.4**	**926.4**	**950.3**	**977.4**	**1,001.0**
Durable goods	30.8	84.9	111.2	122.9	121.9	128.1	117.3	118.9	123.8	131.8	137.6
Nondurable goods	98.2	264.7	299.3	334.4	375.7	409.8	387.1	394.1	404.8	416.4	423.7
Services	63.0	269.1	322.4	351.3	388.3	426.0	404.0	413.4	421.6	429.2	439.7
Gross private domestic investment	**53.8**	**140.8**	**188.3**	**220.5**	**212.2**	**182.6**	**210.3**	**168.7**	**161.4**	**194.9**	**205.4**
Fixed investment	*47.0*	*137.0*	*178.8*	*203.0*	*202.5*	*197.3*	*199.8*	*193.5*	*191.1*	*197.1*	*207.4*
Nonresidential	*27.1*	*100.5*	*116.8*	*136.5*	*147.9*	*148.5*	*151.1*	*149.3*	*146.1*	*146.7*	*151.9*
Structures	9.3	37.7	42.5	49.0	54.4	52.7	50.1	54.9	51.1	51.2	53.6
Producers' durable equipment	17.8	62.8	74.3	87.5	93.5	95.8	95.0	94.4	95.0	95.6	98.3
Residential structures	19.9	36.6	62.0	66.5	54.6	48.7	48.7	44.2	45.0	50.4	55.4
Nonfarm	18.7	35.1	60.3	64.7	52.2	46.8	46.3	42.6	43.1	48.2	53.3
Change in business inventories	6.8	3.8	9.4	17.5	9.7	−14.6	10.4	−24.8	−29.6	−2.1	−2.0
Nonfarm	6.0	3.7	8.8	14.1	11.6	−16.5	13.7	−23.3	−29.6	−5.7	−7.5
Net exports of goods and services	**1.9**	**3.9**	**−3.3**	**7.4**	**7.7**	**21.3**	**8.2**	**17.3**	**24.2**	**22.1**	**21.7**
Exports	13.9	62.5	72.7	101.5	144.2	147.8	153.6	148.2	140.7	148.5	153.8
Imports	12.0	58.5	75.9	94.2	136.5	126.5	145.3	130.9	116.4	126.4	132.1
Government purchases of goods and services	**38.5**	**218.9**	**253.1**	**269.9**	**301.1**	**331.2**	**314.4**	**321.2**	**324.7**	**334.1**	**344.8**
Federal	*18.7*	*95.6*	*102.1*	*102.0*	*111.7*	*123.2*	*118.2*	*119.4*	*119.2*	*124.2*	*129.2*
National defense	14.0	73.5	73.5	73.4	77.4	84.0	80.5	81.4	82.1	84.9	87.4
Other	4.7	22.1	28.6	28.6	34.3	39.2	37.7	38.0	37.1	39.3	42.5
State local	19.8	123.2	151.0	168.0	189.4	208.0	196.3	201.9	205.5	209.9	214.8
Gross national product in 1972 dollars	**533.5**	**1,075.3**	**1,171.1**	**1,233.4**	**1,210.7**	**1,186.1**	**1,186.8**	**1,158.6**	**1,168.1**	**1,201.5**	**1,216.2**

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business*, Jan. 1976.

NATIONAL INCOME

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1974 IV	1975 I	1975 II	1975 III	1975 IV
National income	**236.2**	**798.4**	**951.9**	**1,067.3**	**1,141.1**	**1,208.1**	**1,161.3**	**1,155.2**	**1,180.8**	**1,232.5**	**1,264.0**
Compensation of employees	**154.8**	**609.2**	**715.1**	**797.7**	**873.0**	**921.4**	**898.1**	**897.1**	**905.4**	**928.2**	**955.1**
Wages and salaries	*147.0*	*546.5*	*633.8*	*700.9*	*763.1*	*801.6*	*783.6*	*781.0*	*787.6*	*807.3*	*830.7*
Private	124.4	430.5	496.2	552.3	603.0	627.3	617.7	611.7	615.0	631.9	650.5
Military	5.3	20.7	22.0	22.1	22.3	23.0	23.0	22.9	22.8	22.8	23.6
Government civilian	17.4	95.3	115.6	126.5	137.7	151.3	143.0	146.4	149.7	152.6	156.5
Supplements to wages and salaries	*7.8*	*62.7*	*81.4*	*96.8*	*110.0*	*119.8*	*114.4*	*116.1*	*117.8*	*120.9*	*124.4*
Employer contributions for social insurance	4.2	30.7	39.4	49.3	55.5	58.5	56.9	57.1	57.5	58.9	60.6
Other labor income	3.7	32.0	42.0	47.5	54.5	61.3	57.6	59.0	60.3	62.0	63.8
Proprietors' income with inventory valuation and capital consumption adjustments	**38.4**	**65.1**	**76.1**	**91.7**	**85.1**	**83.3**	**83.6**	**79.6**	**78.6**	**88.0**	**87.1**
Business and professional	24.9	51.2	58.1	59.3	59.5	58.7	59.0	58.6	58.5	58.7	58.9
Farm	13.5	13.9	18.0	32.4	25.6	24.6	24.6	21.0	20.1	29.3	28.2
Rental income of persons with capital consumption adjustment	**7.1**	**18.6**	**21.5**	**21.3**	**21.0**	**21.1**	**20.9**	**20.8**	**20.5**	**20.9**	**22.0**
Corporate profits and inventory valuation adjustment and without capital consumption adjustment	**37.6**	**66.4**	**89.6**	**98.6**	**93.6**	**106.3**	**86.1**	**83.4**	**101.6**	**119.6**	**120.7**
Profits before tax	*42.6*	*71.5*	*96.2*	*117.0*	*132.1*	*117.1*	*123.9*	*97.1*	*108.2*	*129.5*	*133.8*
Profits tax liability	17.9	34.5	41.5	48.2	52.6	45.7	49.2	37.5	41.6	50.7	53.2
Profits after tax	*24.7*	*37.0*	*54.6*	*68.8*	*79.5*	*71.4*	*74.7*	*59.6*	*66.6*	*78.8*	*80.6*
Dividends	8.8	22.9	24.6	27.8	31.1	32.8	31.7	32.1	32.6	33.5	33.1
Undistributed profits	15.9	14.1	30.0	40.9	48.4	38.6	43.0	27.5	34.0	45.3	47.5
Inventory valuation adjustment	5.0	−5.1	−6.6	−18.4	−38.5	−10.8	−37.7	−13.7	−6.6	−9.9	−13.1
Capital consumption adjustment	−4.0	1.5	2.5	1.6	−2.3	−5.7	−4.2	−4.5	−5.0	−6.5	−6.6
Net interest	**2.3**	**37.5**	**47.0**	**56.3**	**70.0**	**81.6**	**76.7**	**78.7**	**79.7**	**82.2**	**85.7**

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1974 IV	1975 I	1975 II	1975 III	1975 IV
Gross national product	286.2	982.4	1,171.1	1,306.3	1,406.9	1,498.9	1,441.3	1,433.6	1,460.6	1,528.5	1,572.9
Less: Capital consumption allowances with capital consumption adjustment	23.9	90.8	105.4	117.1	134.0	152.0	142.1	145.4	149.5	154.7	158.5
Indirect business tax and nontax liability	23.4	94.0	111.0	120.2	127.3	137.3	129.5	131.6	135.2	140.0	142.2
Business transfer payments	.8	4.0	4.7	5.2	5.8	6.3	6.0	6.2	6.3	6.4	6.5
Statistical discrepancy	2.0	-2.1	1.7	.4	-.6	-2.9	2.9	-3.2	8.9	-3.2	3.6
Plus: Subsidies less current surplus of government enterprises	.1	2.7	3.6	3.7	.7	1.9	.4	1.6	2.2	1.9	1.9
Equals: National income	236.2	798.4	951.9	1,067.3	1,141.1	1,208.1	1,161.3	1,155.2	1,180.8	1,232.5	1,264.0
Less: Corporate profits with inventory valuation and capital consumption adjustments	33.7	67.9	92.1	100.2	91.3	100.7	82.0	78.9	96.6	113.1	114.1
Net interest	2.3	37.5	47.0	56.3	70.7	81.6	76.7	78.7	79.7	82.2	85.7
Contributions for social insurance	7.1	58.7	73.6	91.5	102.9	108.3	105.0	106.0	106.6	108.9	111.8
Wage accruals less disbursements	......	......	......	.1	.5	.0	......	......	......	......	......
Plus: Government transfer payments to persons	14.4	75.9	99.4	113.5	134.5	168.7	145.5	157.7	169.4	172.4	175.2
Personal interest income	8.9	64.3	74.6	88.4	106.5	120.5	114.0	116.0	117.6	121.2	127.4
Dividends	8.8	22.9	24.6	27.8	31.1	32.8	31.7	32.1	32.6	33.5	33.1
Business transfer payments	.8	4.0	4.7	5.2	5.8	6.3	6.0	6.2	6.3	6.4	6.5
Equals: Personal income	226.1	801.3	942.5	1,054.3	1,154.7	1,245.9	1,194.8	1,203.6	1,223.8	1,261.7	1,294.5
Less: Personal tax and nontax payments	20.6	115.3	141.2	151.2	171.2	169.2	178.9	179.6	142.1	174.6	180.5
Equals: Disposable personal income	205.5	685.9	801.3	903.1	983.6	1,076.7	1,015.9	1,024.0	1,081.7	1,087.1	1,114.0
Less: Personal outlays	194.7	635.4	751.9	830.4	909.5	987.8	932.4	950.4	974.2	1,001.3	1,025.4
Personal consumption expenditures	192.0	618.8	733.0	808.5	885.9	963.8	908.4	926.4	950.3	977.4	1,001.0
Interest paid by consumer to business	2.3	15.5	17.9	20.6	22.6	23.1	23.0	23.0	22.8	23.0	23.4
Personal transfer payments to foreigners (Net)	.4	1.1	1.0	1.2	1.0	1.0	1.0	1.0	1.1	.9	1.0
Equals: Personal saving	10.8	50.6	49.4	72.7	74.0	88.9	83.6	73.6	107.5	85.9	88.6
Disposable personal income in (1972) dollars	361.9	741.6	801.3	856.0	843.5	856.7	837.6	831.6	869.8	858.2	867.3

NOTE.—Dept. of Commerce estimates. Quarterly data seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1974	1975	1975 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1976 Jan.	Feb.[p]
Total personal income	1154.7	1245.9	1203.2	1205.0	1209.0	1217.2	1245.2	1244.0	1262.4	1278.7	1287.4	1295.9	1300.2	1315.0	1327.9
Wage and salary disbursements	763.6	801.6	779.1	781.7	782.7	787.4	792.7	797.4	808.8	815.6	824.1	831.2	836.8	847.8	853.1
Commodity-producing industries	273.7	273.6	266.1	265.9	265.8	267.0	268.8	270.9	275.6	279.5	281.7	283.2	286.9	291.4	292.5
Manufacturing only	*211.2*	*211.2*	*204.3*	*204.4*	*204.9*	*205.6*	*207.2*	*208.8*	*213.2*	*216.6*	*218.7*	*219.7*	*223.3*	*226.7*	*227.7*
Distributive industries	184.3	195.1	190.2	190.7	190.9	191.7	192.9	193.9	197.7	198.2	200.2	202.4	202.9	207.0	208.5
Service industries	145.0	158.6	153.5	154.6	154.5	156.1	157.4	158.2	160.3	161.5	163.1	165.3	165.7	167.4	169.6
Government	160.6	174.3	169.3	170.5	171.5	172.6	173.6	174.4	175.2	176.4	179.0	180.3	181.2	181.9	182.6
Other labor income	54.5	61.3	59.0	59.4	59.8	60.3	60.8	61.4	62.0	62.6	63.2	63.8	64.4	65.1	65.8
Proprietors' income with inventory valuation and capital consumption adjustments	85.1	83.3	79.5	76.5	77.0	78.7	80.3	84.5	88.0	91.5	89.4	87.1	84.7	84.4	84.3
Business and professional	59.5	58.7	58.5	58.6	58.5	58.6	58.6	58.7	58.7	58.8	58.9	58.8	58.9	59.1	59.6
Farm	25.6	24.6	21.0	17.9	18.5	20.1	21.7	25.8	29.3	32.7	30.5	28.3	25.8	25.3	24.7
Rental income of persons with capital consumption adjustment	21.0	21.1	20.8	20.8	20.7	20.5	20.2	20.5	21.0	21.3	21.8	22.0	22.2	22.5	22.7
Dividends	31.1	32.8	32.1	32.1	32.4	32.6	32.9	33.2	33.5	33.9	33.8	33.8	31.7	33.4	33.5
Personal interest income	106.5	120.5	116.0	116.1	116.6	117.5	118.6	119.7	121.2	122.9	125.1	127.9	129.0	130.4	131.8
Transfer payments	140.4	175.0	165.4	167.2	168.6	169.3	189.0	176.8	178.1	181.3	180.6	181.4	182.9	184.7	190.2
Less: Personal contributions for social insurance	47.4	49.8	48.8	48.9	48.9	49.1	49.3	49.5	50.0	50.4	50.7	51.2	51.6	53.3	53.4
Nonagricultural income	1119.1	1210.2	1171.3	1176.2	1179.7	1186.2	1212.5	1207.2	1222.1	1234.8	1245.6	1256.3	1262.9	1278.0	1291.4
Agricultural income	35.6	35.7	31.9	28.8	29.3	31.0	32.7	36.8	40.3	43.9	41.8	39.7	37.3	37.0	36.5

NOTE.—Dept. of Commerce estimates. Monthly data seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

SUMMARY OF FUNDS RAISED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1975 H1	1975 H2	
	Credit market funds raised by nonfinancial sectors													
1	**Total funds raised by nonfinancial sectors**	**67.9**	**82.4**	**96.0**	**91.8**	**98.2**	**147.4**	**169.4**	**187.4**	**180.1**	**197.3**	**182.6**	**212.0**	1
2	***Excluding equities***	**66.9**	**80.0**	**96.0**	**87.9**	**92.4**	**135.9**	**158.9**	**180.1**	**176.2**	**187.7**	**172.1**	**203.2**	2
3	U.S. Government	3.6	13.0	13.4	-3.7	12.8	25.5	17.3	9.7	12.0	85.2	83.9	86.5	3
4	Public debt securities	2.3	8.9	10.4	-1.3	12.9	26.0	13.9	7.7	12.0	85.8	85.1	86.6	4
5	Agency issues and mortgages	1.3	4.1	3.1	-2.4	-.1	-.5	3.4	2.0	*	-.6	1.2	-.1	5
6	**All other nonfinancial sectors**	**64.3**	**69.4**	**82.6**	**95.5**	**85.4**	**121.9**	**152.1**	**177.7**	**168.1**	**112.0**	**98.6**	**125.5**	6
7	Corporate equities	1.0	2.4	*	3.9	5.8	11.5	10.5	7.2	3.8	9.6	10.5	8.7	7
8	*Debt instruments*	*63.3*	*67.0*	*82.6*	*91.6*	*79.7*	*110.4*	*141.6*	*170.4*	*164.2*	*102.5*	*88.2*	*116.7*	8
9	***Private domestic nonfinancial sectors***	**62.7**	**6.45**	**79.7**	**91.8**	**82.7**	**117.3**	**147.8**	**170.1**	**152.7**	**100.0**	**89.1**	**110.9**	9
10	Corporate equities	1.3	2.4	-.2	3.4	5.7	11.4	10.9	7.4	4.1	9.5	10.3	8.7	10
11	*Debt instruments*	*61.5*	*63.0*	*79.9*	*88.4*	*77.0*	*105.8*	*136.9*	*162.7*	*148.6*	*90.5*	*78.8*	*102.2*	11
12	Debt capital instruments	38.2	44.5	49.5	49.6	56.7	83.2	93.8	96.1	92.9	94.9	101.0	88.8	12
13	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	15.4	17.1	13.7	13
14	Corporate bonds	10.2	14.7	12.9	12.0	19.8	18.8	12.2	9.2	19.7	27.0	35.3	18.8	14
15	*Home mortgages*	*11.7*	*11.5*	*15.1*	*15.7*	*12.8*	*26.1*	*39.6*	*43.3*	*31.7*	*35.9*	*32.5*	*39.3*	15
16	*Multifamily residential mortgages*	*3.1*	*3.6*	*3.4*	*4.7*	*5.8*	*8.8*	*10.3*	*8.4*	*7.8*	*3.6*	*2.7*	*4.5*	16
17	*Commercial mortgages*	*5.7*	*4.7*	*6.4*	*5.3*	*5.3*	*10.0*	*14.8*	*17.0*	*11.5*	*8.4*	*8.5*	*8.4*	17
18	*Farm mortgages*	*1.8*	*2.3*	*2.2*	*1.9*	*1.8*	*2.0*	*2.6*	*4.4*	*4.9*	*4.5*	*4.9*	*4.1*	18
19	Other debt instruments	23.3	18.5	30.4	38.8	20.3	22.6	43.0	66.6	55.6	-4.4	22.2	13.4	19
20	Consumer credit	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	5.3	1.5	12.1	20
21	Bank loans n.e.c.	10.9	9.8	13.6	15.5	6.7	7.8	18.9	35.8	27.3	-12.6	-21.3	-3.8	21
22	Open market paper	1.1	1.7	1.8	3.0	3.0	-1.2	-.5	-.4	6.6	-1.6	-1.5	-1.7	22
23	Other	5.0	2.6	5.0	9.9	4.6	4.8	5.5	8.3	12.1	4.5	2.2	6.7	23
24	By borrowing sector	62.7	65.4	79.7	91.8	82.7	117.3	147.8	170.1	152.7	100.0	89.1	110.9	24
25	State and local governments	6.3	7.9	9.8	10.7	11.3	17.8	14.2	12.3	16.6	13.2	14.8	11.7	25
26	Households	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	44.0	43.3	37.4	49.2	26
27	Farm	3.1	3.6	2.8	3.2	3.2	4.1	4.9	8.6	7.8	6.7	6.3	7.1	27
28	Nonfarm noncorporate	5.4	5.0	5.6	7.4	5.3	8.7	10.4	9.3	7.2	2.5	-.3	5.4	28
29	Corporate	25.3	29.6	31.6	38.9	39.5	46.8	55.3	67.2	77.1	34.2	30.9	37.5	29
30	***Foreign***	**1.5**	**4.0**	**2.8**	**3.7**	**2.7**	**4.6**	**4.3**	**7.5**	**15.4**	**12.0**	**9.5**	**14.6**	30
31	Corporate equities	-.3	.1	.2	.5	.1	*	-.4	-.2	-.3	.1	.1	*	31
32	*Debt instruments*	*1.8*	*4.0*	*2.7*	*3.2*	*2.7*	*4.6*	*4.7*	*7.7*	*15.7*	*12.0*	*9.3*	*14.6*	32
33	Bonds	.7	1.2	1.1	1.0	.9	.9	1.0	1.0	2.2	6.1	5.9	6.4	33
34	Bank loans n.e.c.	-.2	-.3	-.5	-.2	-.3	1.6	2.9	2.8	4.7	3.7	1.3	6.1	34
35	Open market paper	-.1	.5	.2	.3	.8	.3	-1.0	2.2	7.1	.5	1.2	.1	35
36	U.S. Government loans	1.3	2.6	2.2	2.1	1.3	1.8	1.8	1.7	1.7	2.7	3.4	1.9	36
37	Memo: U.S. Govt. cash balance	-.4	1.2	-1.1	.4	2.8	3.2	-.3	-1.7	-4.6	2.9	2.8	2.9	37
	Totals net of changes in U.S. Govt. cash balances:													
38	Total funds raised	68.3	81.3	97.1	91.4	95.5	144.2	169.7	189.0	184.7	194.4	179.7	209.0	38
39	By U.S. Government	4.0	11.8	14.6	-4.1	10.0	22.3	17.6	11.4	16.6	82.3	81.1	83.5	39
	Credit market funds raised by financial sectors													
1	**Total funds raised by financial sectors**	**11.7**	**2.0**	**18.3**	**33.7**	**12.6**	**16.5**	**28.9**	**52.0**	**38.0**	**11.3**	**5.3**	**17.3**	1
2	Sponsored credit agencies	4.8	-.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	10.3	9.1	11.6	2
3	U.S. Government securities	5.1	-.6	3.2	9.1	8.2	3.8	6.2	19.6	21.4	10.1	8.0	12.2	3
4	Loans from U.S. Government	-.2	-.1	.2	-.3	.....	.....	.....	.....	.7	.2	1.1	-.6	4
5	Private financial sectors	6.9	2.6	14.9	24.9	4.3	12.7	22.8	32.4	15.9	1.0	-3.8	5.7	5
6	Corporate equities	3.7	3.0	6.4	6.1	4.6	3.3	2.4	.8	1.7	1.9	2.1	1.7	6
7	*Debt instruments*	*3.2*	*-.4*	*8.5*	*18.8*	*-.3*	*9.3*	*20.3*	*31.6*	*14.2*	*-.9*	*-5.9*	*4.0*	7
8	Corporate bonds	.9	1.3	1.1	1.5	3.1	5.1	7.0	2.3	1.4	1.3	1.6	1.1	8
9	Mortgages	-.9	1.0	.4	.2	.7	2.1	1.7	-1.2	-1.3	2.3	2.0	2.6	9
10	Bank loans n.e.c.	-1.0	-2.0	2.5	2.3	-.5	3.0	6.8	13.5	7.5	-4.0	-6.0	-2.1	10
11	Open market paper and RP's	3.3	1.9	3.6	10.7	-5.0	1.8	4.9	9.8	-.1	3.4	4.6	2.3	11
12	Loans from FHLB's	.9	-2.5	.9	4.0	1.3	-2.7	*	7.2	6.7	-3.9	-8.1	.2	12
13	**Total funds raised, by sector**	**11.7**	**2.0**	**18.3**	**33.7**	**12.6**	**16.5**	**28.9**	**52.0**	**38.0**	**11.3**	**5.3**	**17.3**	13
14	Sponsored credit agencies	4.8	-.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	10.3	9.1	11.6	14
15	Private financial sectors	6.9	2.6	14.9	24.9	4.3	12.7	22.8	32.4	15.9	1.0	-3.8	5.7	15
16	Commercial banks	-.1	.1	1.2	1.4	-3.1	2.5	4.0	4.5	1.9	3.8	4.6	2.9	16
17	Bank affiliates	.....	.....	.....	4.2	-1.9	-.4	.7	2.2	2.4	.2	.9	-.5	17
18	Foreign banking agencies	.1	*	.1	.2	.1	1.6	.8	5.1	2.9	-1.0	.9	-1.0	18
19	Savings and loan associations	.1	-1.7	1.1	4.1	1.8	-.1	2.0	6.0	6.3	-2.0	-8.0	3.9	19
20	Other insurance companies	.1	.1	.2	.5	.4	.6	.5	.5	.4	.7	.8	.7	20
21	Finance companies	3.1	1.2	5.7	8.3	1.6	4.2	9.3	9.4	3.9	-.5	2.1	1.1	21
22	REIT's	.....	.....	.7	1.3	2.7	3.0	6.1	6.3	1.0	1.7	1.8	1.6	22
23	Open end investment companies	3.7	3.0	5.8	4.8	2.6	1.1	-.7	-1.6	1.0	1.5	2.7	.3	23
	Total credit market funds raised, all sectors, by type													
1	**Total funds raised**	**79.6**	**84.4**	**114.3**	**125.5**	**110.8**	**163.9**	**198.3**	**239.4**	**218.1**	**208.5**	**187.8**	**229.2**	1
2	Investment company shares	3.7	3.0	5.8	4.8	2.6	1.1	-.7	-1.6	1.0	1.5	2.7	.3	2
3	Other corporate equities	1.1	2.5	.6	5.2	7.7	13.6	13.6	9.6	4.6	10.0	9.8	10.1	3
4	*Debt instruments*	*74.9*	*79.0*	*107.9*	*115.5*	*100.4*	*149.1*	*185.4*	*231.3*	*212.5*	*197.1*	*175.3*	*218.8*	4
5	U.S. Government securities	8.8	12.5	16.7	5.5	21.1	29.4	23.6	29.4	33.5	95.4	91.8	99.0	5
6	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	15.4	17.1	13.7	6
7	Corporate and foreign bonds	11.8	17.2	15.0	14.5	23.8	24.8	20.2	12.5	23.3	34.5	42.8	26.2	7
8	Mortgages	21.3	23.0	27.4	27.8	26.4	48.9	68.8	71.9	54.5	54.6	50.7	58.6	8
9	Consumer credit	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	5.3	1.5	12.1	9
10	Bank loans n.e.c.	9.7	7.5	15.7	17.6	5.8	12.4	28.5	52.1	39.5	-12.9	-26.0	.2	10
11	Open market paper and RP's	4.4	4.0	5.2	14.1	-1.2	.9	3.3	11.6	13.6	1.3	1.9	.7	11
12	Other loans	6.9	2.5	8.3	15.8	7.3	4.0	7.4	17.2	21.1	3.4	1.4	8.3	12

NOTE.—Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1975 H1	1975 H2	
1	**Total funds advanced in credit markets to non-financial sectors**	**66.9**	**80.0**	**95.9**	**88.0**	**92.5**	**135.9**	**158.9**	**180.1**	**176.2**	**187.7**	**172.1**	**203.2**	1
	By public agencies and foreign													
2	**Total net advances**	**11.9**	**11.3**	**12.2**	**15.7**	**28.1**	**41.7**	**18.3**	**33.2**	**49.2**	**34.6**	**39.9**	**29.2**	2
3	U.S. Government securities	3.4	6.8	3.4	.7	15.9	33.8	8.4	11.0	8.6	17.2	28.3	6.2	3
4	Residential mortgages	2.8	2.1	2.8	4.6	5.7	5.7	5.2	7.6	13.8	17.0	16.3	17.8	4
5	FHLB advances to S&L's	.9	−2.5	.9	4.0	1.3	−2.7	*	7.2	6.7	−3.9	−8.1	.2	5
6	Other loans and securities	4.8	4.9	5.1	6.3	5.2	4.9	4.6	7.5	20.1	4.2	3.4	5.1	6
	By agency													
7	U.S. Government	4.9	4.6	4.9	2.9	2.8	3.2	2.6	3.0	7.4	10.6	10.9	10.2	7
8	Sponsored credit agencies	5.1	−.1	3.2	8.9	10.0	3.2	7.0	20.3	24.1	11.5	11.1	11.9	8
9	Monetary authorities	3.5	4.8	3.7	4.2	5.0	8.9	.3	9.2	6.2	8.5	7.0	10.1	9
10	Foreign	−1.6	2.0	.3	−.3	10.3	26.4	8.4	.7	11.6	3.9	10.9	−3.0	10
11	*Agency borrowing not included in line 1*	*4.8*	*−.6*	*3.5*	*8.8*	*8.2*	*3.8*	*6.2*	*19.6*	*22.1*	*10.3*	*9.1*	*11.6*	11
	Private domestic funds advanced													
12	**Total net advances**	**59.8**	**68.1**	**87.2**	**81.1**	**72.6**	**98.1**	**146.7**	**166.5**	**149.1**	**163.4**	**141.3**	**185.6**	12
13	U.S. Government securities	5.4	5.7	13.3	4.8	5.2	−4.4	15.2	18.4	24.9	78.1	63.5	92.8	13
14	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	15.4	17.1	13.7	14
15	Corporate and foreign bonds	10.3	16.0	13.8	12.5	20.0	19.5	13.2	10.1	20.6	33.3	41.1	25.5	15
16	Residential mortgages	12.0	13.0	15.5	15.7	12.8	29.1	44.6	44.1	25.6	22.4	19.1	25.7	16
17	Other mortgages and loans	27.4	23.1	35.9	42.2	24.6	33.7	59.5	87.4	67.4	10.3	−7.5	28.1	17
18	Less: FHLB advances	.9	−2.5	.9	4.0	1.3	−2.7	*	7.2	6.7	3.9	−8.1	.2	18
	Private financial intermediation													
19	*Credit market funds advanced by private financial institutions*	*45.4*	*63.5*	*75.3*	*55.3*	*74.9*	*110.7*	*153.4*	*158.8*	*131.5*	*121.7*	*115.3*	*128.1*	19
20	Commercial banks	17.5	35.9	38.7	18.2	35.1	50.6	70.5	86.6	64.6	26.6	16.8	36.3	20
21	Savings institutions	7.9	15.0	15.6	14.5	16.9	41.4	49.3	35.1	26.9	56.1	58.9	53.3	21
22	Insurance and pension funds	15.5	12.9	14.0	12.7	17.3	13.3	17.7	22.1	34.3	39.7	39.8	39.6	22
23	Other finance	4.5	−.3	7.0	9.9	5.7	5.3	15.8	15.0	5.7	.6	.1	1.0	23
24	*Sources of funds*	*45.4*	*63.5*	*75.3*	*55.3*	*74.9*	*110.7*	*153.4*	*158.8*	*131.5*	*121.7*	*115.3*	*128.1*	24
25	Private domestic deposits	22.5	50.0	45.9	2.6	63.2	90.3	97.5	84.9	76.5	94.3	105.4	83.1	25
26	Credit market borrowing	3.2	−.4	8.5	18.8	−.3	9.3	20.3	31.6	14.2	.9	−5.9	4.0	26
27	Other sources	19.8	13.9	21.0	34.0	12.0	11.0	35.5	42.4	40.8	28.4	15.8	41.0	27
28	Foreign funds	3.7	2.3	2.6	9.3	−8.5	−3.2	5.2	6.5	13.6	.2	8.0	8.5	28
29	Treasury balances	−.5	.2	−.2	*	2.9	2.2	.7	−1.0	−5.1	−1.6	2.1	−1.1	29
30	Insurance and pension reserves	13.6	12.0	11.4	10.8	13.1	9.1	13.1	16.7	27.9	28.1	27.7	28.5	30
31	Other, net	3.0	−.6	7.2	13.8	4.4	2.9	16.5	20.2	4.4	1.7	−1.8	5.2	31
	Private domestic nonfinancial investors													
32	Direct lending in credit markets	17.6	4.2	20.4	44.5	−2.6	−3.2	13.7	39.3	31.8	40.8	20.1	61.4	32
33	U.S. Government securities	8.4	−1.4	8.1	17.0	−9.0	−14.0	1.6	18.8	18.1	21.1	−4.6	46.8	33
34	State and local obligations	2.6	−2.5	−.2	8.7	−1.2	.6	2.1	4.4	10.8	9.8	11.5	8.1	34
35	Corporate and foreign bonds	2.0	4.6	4.7	6.6	10.7	9.3	5.2	1.1	−1.7	7.6	9.2	6.0	35
36	Commercial paper	2.3	1.9	5.8	10.2	−4.4	−.6	4.0	11.3	1.6	.9	1.9	−3.8	36
37	Other	2.3	1.7	2.1	2.0	1.4	1.5	.8	3.8	2.9	3.3	2.1	4.4	37
38	Deposits and currency	24.4	52.1	48.3	5.4	66.6	93.7	101.9	88.8	82.8	100.3	112.8	87.8	38
39	Time and savings accounts	20.3	39.3	33.9	−2.3	56.1	81.0	85.2	76.3	71.9	86.1	91.6	80.7	39
40	Large negotiable CD's	−.2	4.3	3.5	−13.7	15.0	7.7	8.7	18.5	23.6	−9.5	22.3	3.4	40
41	Other at commercial banks	13.3	18.3	17.5	3.4	24.2	32.9	30.6	29.5	26.6	36.2	45.0	27.4	41
42	At savings institutions	7.3	16.7	12.9	8.0	16.9	40.4	45.9	28.2	21.8	59.4	68.9	49.9	42
43	Money	4.1	12.8	14.5	7.7	10.5	12.7	16.7	12.6	10.8	14.1	21.2	7.1	43
44	Demand deposits	2.1	10.6	12.1	4.8	7.1	9.3	12.3	8.6	4.5	8.1	13.8	2.4	44
45	Currency	2.0	2.1	2.4	2.8	3.5	3.4	4.4	3.9	6.3	6.0	7.3	4.7	45
46	**Total of credit market instr., deposits, and currency**	**42.0**	**56.3**	**68.7**	**49.9**	**64.1**	**90.5**	**115.7**	**128.1**	**114.5**	**141.1**	**132.9**	**149.2**	46
47	Private support rate (in per cent)	17.9	14.1	12.7	17.8	30.4	30.7	11.5	18.4	27.9	18.4	23.2	14.4	47
48	Private financial intermediation (in per cent)	75.9	93.2	86.4	68.3	103.1	112.8	104.5	95.4	88.2	74.5	81.6	69.1	48
49	Total foreign funds	2.1	4.3	2.9	9.1	1.8	23.2	13.6	7.2	25.1	4.1	2.8	5.4	49
		Corporate equities not included above												
1	**Total net issues**	**4.8**	**5.5**	**6.4**	**10.0**	**10.4**	**14.8**	**12.9**	**8.0**	**5.6**	**11.5**	**12.5**	**10.4**	1
2	Mutual fund shares	3.7	3.0	5.8	4.8	2.6	1.1	−.7	−1.6	1.0	1.5	2.7	.3	2
3	Other equities	1.1	2.5	.6	5.2	7.7	13.6	13.6	9.6	4.6	10.0	9.8	10.1	3
4	Acquisitions by financial institutions	6.0	9.1	10.8	12.2	11.4	19.3	16.0	13.4	6.1	8.3	10.4	6.2	4
5	Other net purchases	−1.2	−3.6	−4.4	−2.2	−1.0	−4.5	−3.1	−5.4	−.5	3.2	2.1	4.2	5

Notes

Line

1. *Line 2 of p. A-56.*
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by Federally sponsored credit agencies. Included below in lines 13 and 33. Includes all GNMA-guaranteed security issues backed by mortgage pools.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
17. Includes farm and commercial mortgages.
25. Lines 39 plus 44.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. *Mainly retained earnings and net miscellaneous liabilities.*
32. Line 12 less line 19 plus line 26.

33–37. Lines 13–17 less amounts acquired by private finance. Line 37 includes mortgages.

39–44. See line 25.

45. Mainly an offset to line 9.
46. Lines 32 plus 38 or line 12 less line 27 plus line 45.
47. Line 2/line 1.
48. Line 19/line 12.
49. Lines 10 plus 28.

Corporate equities

Lines 1 and 3. Includes issues by financial institutions.

1. U.S. BALANCE OF PAYMENTS SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted *unless shown in italics.*)

Line	Credits (+), debits (−)	1973	1974	1975	1974	1975			
					IV[r]	I[r]	II[r]	III[r]	IV[p]
1	Merchandise trade balance [1]	955	−5,277	9,045	−1,380	1,495	3,274	2,111	2,165
2	Exports	71,379	98,309	107,184	26,593	27,056	25,843	26,596	27,689
3	Imports	−70,424	−103,608	−98,139	−27,973	−25,561	−22,569	−24,485	−25,524
4	*Military transactions, net*	−2,317	−2,158	−819	−498	−354	−409	−50	−5
5	Travel and transportation, net	−2,862	−2,692	−1,968	−741	−545	−370	−481	−573
6	Investment income, net [2]	5,179	10,121	6,030	2,559	1,185	1,400	1,773	1,672
7	U.S. direct investments abroad [2]	8,841	17,679	9,140	4,080	2,158	2,172	2,428	2,382
8	Other U.S. investments abroad	5,157	8,389	8,735	2,358	2,148	2,075	2,248	2,264
9	Foreign investments in the United States [2]	−8,819	−15,946	−11,845	−3,879	3,121	−2,847	−2,903	−2,974
10	Other services, net [2]	3,222	3,830	4,211	1,049	1,092	1,041	1,120	959
11	**Balance on goods and services [3]**	**4,177**	**3,825**	**16,500**	**989**	**2,873**	**4,936**	**4,473**	**4,218**
	Not seasonally adjusted	....	....	....	*2,348*	*4,243*	*5,214*	*1,739*	*5,304*
12	Remittances, pensions, and other transfers	−1,903	−1,721	−1,763	−439	−448	−462	−423	−432
13	**Balance on goods, services, and remittances**	**2,274**	**2,104**	**14,736**	**550**	**2,425**	**4,474**	**4,050**	**3,786**
	Not seasonally adjusted	....	....	....	*1,904*	*3,825*	*4,742*	*1,302*	*4,867*
14	U.S. Government grants (excluding military)	−1,938	[4]−5,461	−2,820	−649	−727	−721	−604	769
15	**Balance on current account**	**335**	**[4]−3,357**	**11,916**	**−99**	**1,698**	**3,753**	**3,446**	**3,017**
	Not seasonally adjusted	....	....	....	*1,289*	*3,088*	*3,953*	*744*	*4,131*
16	U.S. Government capital flows excluding nonscheduled repayments, net [5]	−2,933	[4]408	−3,500	−985	−1,015	−821	−717	−946
17	Nonscheduled repayments of U.S. Government assets	289	1	*	*	....	....	*	....
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies	1,154	710	1,774	125	546	471	240	516
19	Long-term private capital flows, net	177	−8,463	−8,789	−5,570	−2,206	−2,421	−1,573	−2,591
20	U.S. direct investments abroad	−4,968	−7,455	−5,760	−3,310	−1,041	−2,304	−650	−1,765
21	Foreign direct investments in the United States [6]	2,656	2,224	1,934	−653	340	679	−94	1,008
22	Foreign securities	−759	−1,990	−6,328	−726	−2,021	−1,001	−946	−2,361
23	U.S. securities other than Treasury issues [6]	4,055	672	3,899	−663	653	678	1,033	1,535
24	Other, reported by U.S. banks	−706	−1,166	−2,608	−285	−451	−649	−702	−806
25	Other, reported by U.S. nonbanking concerns	−101	−748	74	67	314	176	−214	−202
26	**Balance on current account and long-term capital [5]**	**−977**	**−10,702**	**1,401**	**−6,529**	**−977**	**982**	**1,396**	**−4**
	Not seasonally adjusted	....	....	....	*−4,616*	*−128*	*1,106*	*−1,205*	*1,628*
27	Nonliquid short-term private capital flows, net	−4,238	−12,936	−2,819	−2,305	1,949	−966	−1,893	−1,909
28	Claims reported by U.S. banks	−3,886	−12,173	−1,913	−2,406	1,724	−1,004	−1,126	1,507
29	Claims reported by U.S. nonbanking concerns	−1,183	−2,603	−911	−137	279	−167	−709	−314
30	Liabilities reported by U.S. nonbanking concerns	831	1,840	5	238	−54	205	58	88
31	Allocations of Special Drawing Rights (SDR's)	....	....	....	....	....	....	....	....
32	Errors and omissions, net	−2,436	4,698	4,556	1,236	2,485	446	936	690
33	**Net liquidity balance**	**−7,651**	**−18,940**	**3,138**	**−7,598**	**3,457**	**462**	**439**	**−1,223**
	Not seasonally adjusted	....	....	....	*−6,475*	*4,527*	*247*	*−1,345*	*−291*
34	*Liquid private capital flows, net*	2,343	10,543	−5,601	2,730	−6,623	−2,232	4,569	−1,315
35	Liquid claims	−1,951	−6,267	−9,200	−2,101	−4,796	−2,331	435	−2,508
36	Reported by U.S. banks	−1,161	−6,134	−8,933	−1,732	−5,062	−2,413	937	−2,395
37	Reported by U.S. nonbanking concerns	−790	−133	−267	−369	266	82	−502	−113
38	Liquid liabilities —	4,294	16,810	3,599	4,831	−1,827	99	4,134	1,193
39	Foreign commercial banks	3,028	12,621	−501	2,730	−2,808	18	2,572	−283
40	International and regional organizations	377	1,319	2,277	1,308	877	−182	971	611
41	Other foreigners	889	2,870	1,823	793	104	263	−591	−865
42	***Official reserve transactions balance, financed by changes in—***	**−5,308**	**−8,397**	**−2,463**	**−4,868**	**−3,166**	**−1,770**	**5,008**	**−2,538**
	Not seasonally adjusted	....	....	....	*−4,070*	*−2,194*	*−1,415*	*−3,064*	*−1,918*
43	Liquid liabilities to foreign official agencies	4,456	8,503	1,007	3,886	2,686	1,394	−4,962	1,892
44	Other readily marketable liabilities to foreign official agencies [7]	1,118	673	2,072	630	811	406	297	558
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt.	−475	655	−9	215	−6	−1	−1	−1
46	U.S. official reserve assets, net	209	−1,434	−607	137	−325	−29	−342	89
47	Gold	....	....	....	....	....	....	....	....
48	SDR's	9	−172	−66	−20	−4	−16	−25	−21
49	Convertible currencies	233	3	−75	241	−14	−6	−222	167
50	Gold tranche position in IMF	−33	−1,265	−466	−84	−307	−7	−95	−57
	Memoranda:								
51	Transfers under military grant programs (excluded from lines 2, 4, and 14)	2,809	1,811	2,287	490	787	1,244	66	190
52	*Reinvested earnings of foreign incorporated affiliates of* U.S. firms (excluded from lines 7 and 20)	8,124	7,508	....	....	....	....	....	....
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21)	945	1,554	....	....	....	....	....	....
	Balances excluding allocations of SDR's:								
54	*Net liquidity, not seasonally adjusted*	*−7,651*	*−18,940*	*3,138*	*−6,475*	*4,527*	*247*	*−1,345*	*−291*
55	*Official reserve transactions, N.S.A.*	*−5,308*	*−8,397*	*−2,463*	*−4,070*	*2,194*	*−1,415*	*3,064*	*−1,918*

For notes see opposite page.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports [1]				Imports [2]				Trade balance			
	1973	1974	1975[r]	1976	1973	1974[3]	1975[r]	1976	1973	1974[3]	1975[r]	1976
Month:												
Jan.	4,955	7,150	9,373	9,103	5,244	6,498	9,635	9,176	-289	+652	262	-73
Feb.	5,070	7,549	8,755	8,800	5,483	7,318	7,928	8,941	-413	+231	+827	141
Mar.	5,311	7,625	8,685	....	5,414	7,742	7,466	....	103	-117	+1,219	....
Apr.	5,494	8,108	8,648	....	5,360	8,025	7,959	....	+133	+83	+689	....
May	5,561	7,652	8,222	....	5,703	8,265	7,266	....	-142	-612	+955	....
June	5,728	8,317	8,716	....	5,775	8,577	7,104	....	-47	-260	+1,613	....
July	5,865	8,307	8,894	....	5,829	8,922	7,832	....	+37	-615	+1,062	....
Aug.	6,042	8,379	8,979	....	6,011	9,267	7,877	....	+32	-888	+1,102	....
Sept.	6,420	8,399	9,146	....	5,644	8,696	8,205	....	+776	-297	+941	....
Oct.	6,585	8,673	9,225	....	5,996	8,773	8,170	....	+589	100	+1,054	....
Nov.	6,879	8,973	9,409	....	6,684	8,973	8,204	....	+195	....	+1,206	....
Dec.	6,949	8,862	9,250	....	6,291	9,257	8,526	....	+658	-395	+724	....
Quarter:												
I	15,336	22,325	26,813	....	16,140	21,558	25,030	....	-804	+767	+1,784	....
II	16,783	24,077	25,585	....	16,839	24,867	22,328	....	-56	790	+3,257	....
III	18,327	25,085	27,019	....	17,483	26,885	23,915	....	+844	-1,800	+3,104	....
IV	20,413	26,508	27,884	....	18,972	27,003	24,900	....	+1,441	-495	+2,984	....
Year [4]	70,823	97,908	107,191	....	69,476	100,251	96,140	....	+1,347	-2,343	+11,050	....

1 Exports of domestic and foreign merchandise (f.a.s. value basis); excludes Department of Defense shipments under military grant-aid programs.

2 *General imports, which includes imports for immediate consumption* plus entries into bonded warehouses. See also note 3.

3 Beginning with 1974 data, imports are reported on an f.a.s. transactions value basis; prior data are reported on a Customs import value basis. For calendar year 1974, the f.a.s. import transactions value was $100.3 billion, about 0.7 per cent less than the corresponding Customs import value of $101.0 billion.

4 *Sum of unadjusted figures.*

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock [1]: Total [2]	Gold stock [1]: Treasury	Convertible foreign currencies	Reserve position in IMF	SDR's [3]
1961	18,753	16,947	16,889	116	1,690	....
1962	17,220	16,057	15,978	99	1,064	....
1963	16,843	15,596	15,513	212	1,035	....
1964	16,672	15,471	15,388	432	769	....
1965	15,450	13,806	13,733	781	863	....
1966	14,882	13,235	13,159	1,321	326	....
1967	14,830	12,065	11,982	2,345	420	....
1968	15,710	10,892	10,367	3,528	1,290	....
1969	[4] 16,964	11,859	10,367	[4] 2,781	2,324	....
1970	14,487	11,072	10,732	629	1,935	851
1971	[5] 12,167	10,206	10,132	[5] 276	585	1,100
1972 [6]	13,151	10,487	10,410	241	465	1,958
1973 [7]	14,378	11,652	11,567	8	552	2,166
1974	15,883	11,652	11,652	5	1,852	2,374

End of month	Total	Gold stock: Total [2]	Gold stock: Treasury	Convertible foreign currencies	Reserve position in IMF	SDR's [3]
1975—						
Mar.	16,256	11,620	11,620	19	2,194	2,423
Apr.	16,183	11,620	11,620	2	2,168	2,393
May	16,280	11,620	11,620	4	2,218	2,438
June	16,242	11,620	11,620	25	2,179	2,418
July	16,084	11,618	11,618	2	2,135	2,329
Aug.	16,117	11,599	11,599	28	2,169	2,321
Sept.	16,291	11,599	11,599	247	2,144	2,301
Oct.	16,569	11,599	11,599	413	2,192	2,365
Nov.	16,592	11,599	11,599	423	2,234	2,336
Dec.	16,226	11,599	11,599	80	2,212	2,335
1976						
Jan.	16,622	11,599	11,599	333	2,314	2,376
Feb.	16,661	11,599	11,599	296	2,390	2,376
Mar.	[8] 16,941	11,599	11,559	571	[8] 2,420	[8] 2,351

1 Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 5.

2 Includes gold in Exchange Stabilization Fund.

3 Includes allocations by the IMF of Special Drawing Rights as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; and $710 million on Jan. 1, 1972; plus net transactions in SDR's.

4 Includes gain of $67 million resulting from revaluation of the German mark in Oct. 1969, of which $13 million represents gain on mark holdings at time of revaluation.

5 Includes $28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

6 Total reserve assets include an increase of $1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which, total gold stock is $828 million (Treasury gold stock $822 million), reserve position in IMF $33 million, and SDR's $155 million.

7 Total reserve assets include an increase of $1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is $1,165 million (Treas. gold stock $1,157 million) reserve position in IMF $54 million, and SDR's $217 million.

8 Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1 = $1.20635) SDR holdings at end of Mar. amounted to $2,449 million, reserve position in IMF, $2,520 million, and total U.S. reserves assets, $17,139.

NOTE.—See Table 20 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

NOTES TO TABLE 1 ON OPPOSITE PAGE:

1 Adjusted to balance of payments basis; among other adjustments, excludes military transactions and includes imports into the U.S. Virgin Islands.

2 Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from investment income and included in "Other services."

3 Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition excludes special military sales to Israel from exports and excludes U.S. Govt. interest payments from imports.

4 Includes under U.S. Government grants $2 billion equivalent, representing the refinancing of economic assistance loans to India; a corresponding reduction of credits is shown in line 16.

5 Includes some short-term U.S. Govt. assets.

6 Includes some transactions of foreign official agencies.

7 Includes changes in long-term liabilities reported by banks in the United States and in investments by foreign official agencies in debt securities of U.S. Federally sponsored agencies and U.S. corporations.

NOTE.—Data are from U.S. Department of Commerce, Bureau of Economic Analysis. Details may not add to totals because of rounding.

4. GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at $35 per fine ounce through Apr. 1972, at $38 from May 1972–Sept. 1973, and at $42.22 thereafter)

End of period	Estimated total world[1]	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Canada	China, Rep. of (Taiwan)	Denmark	Egypt
1970	41,275	4,339	11,072	25,865	191	140	239	r707	1,470	791	82	65	r93
1971	41,160	4,732	10,206	26,220	r208	r98	282	r791	1,676	862	87	69	r103
1972	44,890	5,830	10,487	28,575	208	r169	281	791	1,638	834	87	69	r103
1973	49,850	6,478	11,652	31,720	231	169	312	881	1,781	927	97	77	103
1974	49,790	6,478	11,652	31,660	231	169	312	882	1,781	927	97	76	103
1975—Mar.	49,760	6,478	11,620	31,660	231	169	312	882	1,781	927	97	76	103
Apr.	....	6,478	11,620	....	231	169	312	882	1,781	927	97	76	103
May	....	6,478	11,620	....	231	169	312	882	1,781	927	97	76	103
June	49,755	6,478	11,620	31,655	231	169	312	882	1,781	927	97	76	103
July	....	6,478	11,618	....	231	169	312	882	1,781	927	97	76	103
Aug.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
Sept.	p49,740	6,478	11,599	p31,660	231	169	312	882	1,781	927	97	76	103
Oct.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
Nov.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
Dec.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
1976—Jan.	....	6,478	11,599	....	231	....	312	882	1,781	927	97	76	....
Feb.	....	6,478	11,599	....	231	....	312	882	1,781	927	97	76	....

End of period	France	Germany	Greece	India	Iran	Iraq	Italy	Japan	Kuwait	Lebanon	Libya	Mexico	Netherlands
1970	3,532	3,980	117	243	131	144	2,887	532	86	288	85	176	1,787
1971	r3,825	r4,426	r107	r264	r142	r156	r3,131	r738	r94	r350	r93	r200	r2,072
1972	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974	4,262	4,966	150	293	158	173	3,483	891	148	389	103	154	2,294
1975—Mar.	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
Apr.	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
May	4,262	4,966	150	293	158	173	3,483	891	175	389	103	154	2,294
June	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
July	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
Aug.	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
Sept.	4,262	4,966	150	293	158	173	3,483	891	160	389	103	154	2,294
Oct.	4,262	4,966	150	293	158	173	3,483	891	160	389	103	....	2,294
Nov.	4,262	4,966	150	293	158	173	3,483	891	160	389	103	....	2,294
Dec.	4,262	4,966	150	293	158	173	3,483	891	r169	389	103	....	2,294
1976—Jan.	4,262	4,966	150	293	158	....	3,483	891	169	389	103	....	2,294
Feb.	4,262	4,966	150	....	158	....	3,483	891	169	....	103	....	2,294

End of period	Pakistan	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Bank for Intl. Settlements[2]
1970	54	902	119	666	498	200	2,732	r82	126	1,349	162	384	- 282
1971	r60	r1,000	r117	r495	r541	r217	r3,158	r89	130	775	r161	r425	310
1972	60	1,021	117	r756	541	217	3,158	89	136	800	133	425	218
1973	67	1,163	129	802	602	244	3,513	99	151	886	148	472	235
1974	67	1,180	129	771	602	244	3,513	99	151	886	148	472	250
1975—Mar.	67	1,175	129	755	602	244	3,513	99	151	886	148	472	259
Apr.	67	1,175	129	747	602	244	3,513	99	151	886	148	472	260
May	67	1,175	129	742	602	244	3,513	99	151	886	148	472	239
June	67	1,175	129	734	602	244	3,513	99	151	886	148	472	262
July	67	1,175	129	742	602	244	3,513	99	151	886	135	472	264
Aug.	67	1,175	129	744	602	244	3,513	99	151	886	135	472	264
Sept.	67	1,175	129	762	602	244	3,513	99	151	886	135	472	254
Oct.	67	1,175	129	754	602	244	3,513	99	151	....	135	472	256
Nov.	67	1,175	129	752	602	244	3,513	99	151	....	135	472	259
Dec.	67	1,175	129	749	602	244	3,513	99	151	....	135	472	246
1976—Jan.	67	1,175	129	753	602	244	3,513	99	151	....	....	472	213
Feb.	67	....	129	749	....	244	3,513	99	151	....	....	472	205

1 Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and People's Republic of China.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of *individual* countries.

2 Net gold assets of BIS, i.e., gold assets minus gold deposit liabilities.

5. U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Total	Liquid liabilities to IMF arising from gold transactions[1]	Liabilities to foreign countries: Official institutions[2]: Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes[3]	Nonmarketable U.S. Treas. bonds and notes[4]	Other readily marketable liabilities[5]	Liquid liabilities to commercial banks abroad[6]	Liquid liabilities to other foreigners: Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes[3,7]	Liquid liabilities to nonmonetary intl. and regional organizations[8]
1964	29,364	800	15,786	13,220	1,125	1,283	158	7,303	3,753	3,377	376	1,722
1965	29,568	834	15,825	13,066	1,105	1,534	120	7,419	4,059	3,587	472	1,431
1966[9]	31,144	1,011	14,840	12,484	860	583	913	10,116	4,271	3,743	528	906
	31,019	1,011	14,895	12,539	860	583	913	9,936	4,272	3,744	528	905
1967[9]	35,819	1,033	18,201	14,034	908	1,452	1,807	11,209	4,685	4,127	558	691
	35,667	1,033	18,194	14,027	908	1,452	1,807	11,085	4,678	4,120	558	677
1968[9]	38,687	1,030	17,407	11,318	529	3,219	2,341	14,472	5,053	4,444	609	725
	38,473	1,030	17,340	11,318	462	3,219	2,341	14,472	4,909	4,444	465	722
1969[9]	[10]45,755	1,109	[10]15,975	11,054	346	[10]3,070	1,505	23,638	4,464	3,939	525	659
	45,914	1,019	15,998	11,077	346	3,070	1,505	23,645	4,589	4,064	525	663
1970—Dec.	47,009	566	23,786	19,333	306	3,452	695	17,137	4,676	4,029	647	844
	46,960	566	23,775	19,333	295	3,452	695	17,169	4,604	4,039	565	846
1971—Dec.[11]	67,681	544	51,209	39,679	1,955	9,431	144	10,262	4,138	3,691	447	1,528
	67,808	544	50,651	39,018	1,955	9,534	144	10,949	4,141	3,694	447	1,523
1972—Dec.	82,862	....	61,526	40,000	5,236	15,747	543	14,666	5,043	4,618	425	1,627
1973—Dec.	[12]92,456	....	[12]66,827	[12]43,923	5,701	[12]15,530	1,673	17,694	5,932	5,502	430	2,003
1974—Dec.[9]	119,097	....	76,658	53,057	5,059	16,196	2,346	30,314	8,803	8,305	498	3,322
	119,010	....	76,665	53,064	5,059	16,196	2,346	30,079	8,943	8,445	498	3,322
1975—Feb.	119,441	....	78,689	54,310	5,279	16,324	2,776	27,297	9,093	8,483	610	4,362
Mar.	119,851	....	79,190	53,706	6,003	16,324	3,157	27,414	9,047	8,411	636	4,200
Apr.	120,954	....	79,150	53,531	5,941	16,365	3,313	28,799	8,843	8,188	655	4,162
May	122,215	....	79,865	52,408	6,064	17,925	3,468	28,913	9,123	8,500	623	4,314
June	121,954	....	80,638	51,929	6,119	19,027	3,563	27,990	9,310	8,656	654	4,017
July	122,866	....	79,880	50,393	6,160	19,474	3,853	29,035	9,337	8,627	710	4,614
Aug.	124,269	....	79,357	49,915	6,276	19,324	3,842	30,340	9,668	8,997	671	4,904
Sept.	123,123	....	77,916	48,080	6,452	19,524	3,860	30,318	9,901	9,200	701	4,988
Oct.	123,228	....	79,798	49,602	6,624	19,524	4,048	28,467	10,021	9,283	738	4,942
Nov.	126,252	....	79,267	49,124	6,454	19,584	4,105	32,191	10,234	9,527	707	4,560
Dec.	125,995	....	80,008	49,170	6,575	19,834	4,429	29,579	10,765	10,036	729	5,643
1976—Jan.[p]	127,606	....	80,559	49,141	6,816	19,909	4,693	30,661	10,859	10,124	735	5,527
Feb.[p]	130,792	....	81,289	49,758	6,917	19,909	4,705	33,038	10,896	10,151	745	5,569

[1] Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.

[2] Includes BIS, and European Fund through Dec. 1972.

[3] Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1963.

[4] Excludes notes issued to foreign official nonreserve agencies.

[5] Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally sponsored agencies and U.S. corporations.

[6] Includes short-term liabilities payable in dollars to commercial banks abroad and short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.

[7] Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad.

[8] Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

[9] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those shown for the preceding date; figures on second line are comparable with those shown for the following date.

[10] Includes $101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

[11] Data on the second line differ from those on first line because certain accounts previously classified as official institutions are included with banks; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. 31, 1971.

[12] Includes $162 million increase in dollar value of foreign currency liabilities revalued to reflect market exchange rates, as follows: short-term liabilities, $15 million; and nonmarketable U.S. Treasury notes, $147 million.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Table excludes IMF holdings of dollars, and U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

6. U.S. LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe[1]	Canada	Latin American republics	Asia	Africa	Other countries[2]
1972	61,526	34,197	4,279	1,733	17,577	777	2,963
1973	66,827	45,730	3,853	2,544	10,887	788	3,025
1974—Dec.[3]	76,658	44,185	3,662	4,419	18,604	3,161	2,627
	76,665	*44,185*	*3,662*	*4,419*	*18,611*	*3,161*	*2,627*
1975—Feb.	78,689	44,770	3,616	4,223	20,274	3,356	2,450
Mar.	79,190	45,776	3,546	4,390	19,421	3,433	2,624
Apr.	79,150	45,063	3,251	4,506	20,126	3,493	2,711
May	79,865	45,343	3,101	4,600	20,456	3,448	2,917
June	80,638	45,341	3,008	4,723	20,497	3,800	3,269
July	79,880	44,316	2,966	4,763	21,384	3,319	3,132
Aug.	79,357	44,068	2,929	4,937	21,057	3,392	2,974
Sept.	77,916	43,339	3,011	4,840	20,819	3,145	2,762
Oct.	79,798	44,868	3,049	4,254	22,008	3,018	2,601
Nov.	79,267	44,602	3,218	4,056	21,826	2,951	2,614
Dec.	80,008	45,171	3,132	4,447	22,381	2,983	1,894
1976—Jan.[p]	80,559	45,263	3,420	3,551	23,621	2,724	1,980
Feb.[p]	81,289	44,737	3,654	3,375	24,784	2,731	2,008

[1] Includes Bank for International Settlements, and European Funds through 1972.

[2] Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

[3] See note 9 to Table 5.

NOTE.—Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States; foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally sponsored agencies and U.S. corporations.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners							IMF gold investment	To nonmonetary international and regional organizations[5]				
	Total[1]	Payable in dollars					Payable in foreign currencies		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab.[6]
		Total	Deposits		U.S. Treasury bills and certificates[3]	Other short-term liab.[4]				Demand	Time[2]		
			Demand	Time[2]									
1972	60,696	60,200	8,290	5,603	31,850	14,457	496	....	1,412	86	202	326	799
1973	69,074	68,477	11,310	6,882	31,886	18,399	597	....	1,955	101	83	296	1,474
1974—Dec.[7]	94,847	94,081	14,068	10,106	35,662	34,246	766		3,171	139	111	497	2,424
	94,760	93,994	14,064	10,010	35,662	34,258	766		3,171	139	111	497	2,424
1975—Feb.	94,174	93,441	12,135	10,202	40,428	30,676	733	....	4,085	118	102	1,260	2,604
Mar.	93,032	92,351	12,329	10,043	40,094	29,885	682	....	3,502	189	116	777	2,419
Apr.	94,192	93,450	11,696	10,390	40,424	30,941	742	....	3,674	99	126	781	2,668
May	93,735	93,070	11,929	10,374	40,628	30,139	665	....	3,914	115	133	1,994	1,672
June	92,517	91,933	12,596	10,662	38,265	30,535	584	....	3,943	106	183	996	2,708
July	92,500	91,939	12,218	10,385	38,564	30,772	560	....	4,444	146	134	2,518	1,646
Aug.	94,055	93,493	12,218	10,703	38,529	32,043	562	....	4,804	110	148	3,156	1,389
Sept.	92,499	91,945	13,422	10,400	36,653	31,470	554	....	4,901	107	127	3,008	1,659
Oct.	91,935	91,300	12,159	10,584	[r]37,749	30,808	635	....	4,583	132	150	2,397	1,903
Nov.	95,313	94,673	12,813	10,293	37,297	34,270	637	....	4,471	145	156	1,605	2,562
Dec.	94,077	93,478	13,579	10,664	37,414	31,821	599	....	5,293	139	186	2,554	2,412
1976—Jan.[p]	94,841	94,232	12,291	11,115	38,789	32,037	609	....	4,914	114	217	2,498	2,085
Feb.[p]	97,462	96,808	13,369	10,463	39,657	33,318	654	....	4,516	118	162	2,435	1,801

For notes see opposite page.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued

(Amounts outstanding; in millions of dollars)

End of period	Total to official, banks and other foreigners: Total	Payable in dollars: Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates[3]	Other short-term liab.[4]	Payable in foreign currencies	To official institutions[5]: Total	Payable in dollars: Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates[3]	Other short-term liab.[6]	Payable in foreign currencies
1973	67,119	11,209	6,799	31,590	16,925	597	43,923	2,125	3,911	31,511	6,248	127
1974—Dec.[7]	91,676	13,928	9,995	35,165	31,822	766	53,057	2,951	4,257	34,656	11,066	127
	91,589	13,925	9,899	35,165	31,834	766	53,064	2,951	4,167	34,656	11,163	127
1975—Feb.	90,090	12,016	10,100	39,169	28,072	733	54,310	2,058	4,206	38,840	9,206	....
Mar.	89,531	12,140	9,927	39,316	27,466	682	53,706	2,323	4,203	39,015	8,164	....
Apr.	90,518	11,597	10,264	39,643	28,273	742	53,531	2,147	4,193	39,316	7,874	....
May	89,821	11,814	10,241	38,634	28,468	665	52,408	2,175	4,324	38,372	7,537	....
June	88,659	12,494	10,654	37,269	27,658	584	52,039	2,564	4,321	36,994	8,160	....
July	88,590	12,086	10,288	36,079	29,577	560	50,643	2,492	4,098	35,803	8,250	....
Aug.	89,249	12,121	10,251	35,406	30,909	562	49,932	2,493	3,939	35,055	8,445	....
Sept.	87,598	13,315	10,273	33,645	29,811	554	48,080	2,452	3,957	33,284	8,387	....
Oct.	87,352	12,027	10,434	35,359	28,897	635	49,602	2,448	3,948	34,983	8,223	....
Nov.	90,842	12,668	10,137	35,692	31,708	637	49,124	2,242	3,594	35,247	8,041	....
Dec.	88,785	13,440	10,478	34,860	29,416	591	49,170	2,644	3,438	34,175	8,913	....
1976—Jan.p	89,926	12,177	10,898	36,291	29,960	600	49,141	2,449	3,306	35,633	7,753	....
Feb.p	92,946	13,250	10,302	37,222	31,530	642	49,758	2,702	2,934	36,628	7,494	....

End of period	To banks[9]: Total	Payable in dollars: To banks: Total	Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates	Other short-term liab.[4]	To other foreigners: Total	Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates	Other short-term liab.[6]	To banks and other foreigners: Payable in foreign currencies
1973	23,196	17,224	6,941	529	11	9,743	5,502	2,143	2,359	68	933	469
1974—Dec.[7]	38,619	29,676	8,248	1,942	232	19,254	8,304	2,729	3,796	277	1,502	639
	38,525	29,441	8,244	1,936	232	19,029	8,445	2,729	3,796	277	1,643	639
1975—Feb.	35,780	26,564	7,138	2,033	155	17,238	8,483	2,820	3,861	174	1,628	733
Mar.	35,825	26,732	7,077	1,808	101	17,747	8,411	2,740	3,916	200	1,555	682
Apr.	36,988	28,058	6,894	2,102	120	18,941	8,189	2,556	3,969	207	1,457	742
May	37,414	28,249	6,856	1,821	105	19,466	8,500	2,784	4,096	156	1,465	665
June	36,620	27,261	7,075	2,009	99	18,078	8,775	2,855	4,324	176	1,421	584
July	37,947	28,113	6,906	1,339	124	19,744	9,273	2,688	4,851	152	1,582	560
Aug.	39,317	29,708	6,923	1,836	121	20,827	9,048	2,705	4,476	230	1,637	562
Sept.	39,518	29,764	7,982	1,775	89	19,918	9,200	2,881	4,541	272	1,506	554
Oct.	37,750	27,832	6,811	1,777	100	19,143	9,282	2,769	4,708	276	1,530	635
Nov.	41,718	31,554	7,587	1,694	135	22,139	9,527	2,839	4,850	311	1,528	637
Dec.	39,615	28,988	7,549	2,140	335	18,964	10,036	3,248	4,901	349	1,538	591
1976—Jan.p	40,785	30,061	6,828	2,180	369	20,683	10,123	2,899	5,411	289	1,523	600
Feb.p	43,188	32,397	7,439	2,184	275	22,498	10,150	3,108	5,184	320	1,538	642

1 Data exclude IMF holdings of dollars.

2 Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."

3 Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

4 Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

5 Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

Includes difference between cost value and face value of securities in IMF gold investment account.

6 *Principally bankers' acceptances, commercial paper, and negotiable* time certificates of deposit.

7 Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

8 Foreign central banks and foreign central govts. and their agencies, Bank for International Settlements, and European Fund through Dec. 1972.

9 Excludes central banks, which are included in "Official institutions."

NOTE.—"Short term" obligations are those payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 9. Data exclude International Monetary Fund holdings of dollars; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and nonnegotiable, noninterest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1974 Dec.[1]	1974 Dec.[1]	1975 May	1975 June	1975 July	1975 Aug.	1975 Sept.	1975 Oct.	1975 Nov.	1975 Dec.	1976 Jan.p	1976 Feb.p
Europe:												
Austria	607	607	627	627	661	667	688	606	635	700	714	693
Belgium-Luxembourg	2,506	2,506	2,875	3,070	2,982	2,891	2,865	2,918	2,938	2,917	2,697	2,460
Denmark	369	369	323	355	325	308	311	327	361	332	375	434
Finland	266	266	181	365	361	406	391	367	380	391	309	313
France	4,287	4,287	4,982	5,403	5,515	5,493	5,950	6,608	7,172	7,733	7,498	6,479
Germany	9,420	9,429	8,203	6,460	5,440	5,277	4,797	5,047	4,841	4,407	3,873	4,522
Greece	248	248	273	254	299	307	361	331	313	284	263	340
Italy	2,617	2,617	2,157	2,298	1,426	1,056	1,426	1,398	1,071	1,112	1,052	1,044
Netherlands	3,234	3,234	3,351	3,535	3,539	3,301	3,059	3,199	3,301	3,148	3,132	3,561
Norway	1,040	1,040	846	945	1,118	1,052	982	886	970	996	888	925
Portugal	310	310	267	264	279	268	207	236	190	194	243	221
Spain	382	382	341	362	392	288	459	414	402	426	445	400
Sweden	1,138	1,138	1,697	1,847	2,010	2,203	2,195	2,252	2,241	2,286	2,266	2,312
Switzerland	9,986	10,137	8,615	8,445	7,965	8,282	8,048	8,205	8,029	8,556	8,611	8,653
Turkey	152	152	87	124	106	134	116	128	120	118	88	104
United Kingdom	7,559	7,584	6,994	6,417	6,461	8,342	6,268	6,722	7,177	6,885	7,609	8,233
Yugoslavia	183	183	126	83	106	104	128	138	175	126	83	178
Other Western Europe[2]	4,073	4,073	2,546	2,562	2,560	2,291	2,443	2,428	2,370	2,970	2,322	2,229
U.S.S.R.	82	82	61	62	29	50	39	42	38	40	45	43
Other Eastern Europe	206	206	148	370	181	160	272	153	128	200	512	201
Total	48,667	48,852	44,701	43,852	41,755	42,882	41,005	42,405	42,853	43,821	42,666	43,345
Canada	3,517	3,520	3,951	3,617	3,921	3,637	3,944	3,567	4,091	3,075	3,885	4,715
Latin America:												
Argentina	886	886	964	989	1,061	1,054	984	1,135	1,150	1,147	1,208	1,134
Bahamas	1,448	1,054	2,288	1,691	1,991	2,190	1,503	2,221	2,989	1,834	3,197	2,897
Brazil	1,034	1,034	984	1,081	853	921	1,016	1,083	1,075	1,227	1,191	1,210
Chile	276	276	260	289	301	280	293	270	266	317	248	248
Colombia	305	305	307	400	376	367	379	366	387	414	483	533
Mexico	1,770	1,770	1,876	1,819	1,809	1,824	1,872	1,956	2,183	2,078	1,899	2,051
Panama	488	510	579	549	657	649	752	765	840	1,097	1,170	944
Peru	272	272	206	219	228	208	245	247	249	244	219	223
Uruguay	147	165	168	155	190	160	208	168	175	172	185	204
Venezuela	3,413	3,413	3,866	3,726	3,964	4,242	4,247	3,531	3,188	3,290	2,711	2,571
Other Latin American republics	1,316	1,316	1,360	1,513	1,417	1,371	1,469	1,399	1,368	1,500	1,436	1,459
Netherlands Antilles and Surinam	158	158	123	134	104	105	119	113	118	129	124	128
Other Latin America	526	596	899	991	1,603	1,534	1,897	1,046	2,141	1,501	1,613	2,421
Total	12,038	11,754	13,881	13,557	14,554	14,907	14,983	14,305	16,131	14,950	15,684	16,022
Asia:												
China, People's Rep. of (China Mainland)	50	50	49	65	50	55	94	104	93	123	263	224
China, Republic of (Taiwan)	818	818	1,006	1,071	1,015	1,054	1,058	1,061	1,051	1,025	1,010	1,072
Hong Kong	530	530	596	598	540	577	741	684	683	623	667	681
India	261	261	168	145	133	214	214	194	181	126	203	321
Indonesia	1,221	1,221	279	365	527	289	234	612	418	369	762	586
Israel	386	389	538	472	369	343	322	364	342	386	292	309
Japan	10,897	10,897	11,109	11,223	11,669	11,218	11,128	9,940	10,776	10,142	10,544	11,657
Korea	384	384	341	361	366	374	342	400	386	390	395	381
Philippines	747	747	662	697	632	669	604	580	593	698	601	613
Thailand	333	333	342	370	284	255	207	194	193	252	279	224
Middle East oil-exporting countries[3]	4,633	4,608	4,300	3,835	4,432	4,804	5,111	5,785	5,987	6,440	6,428	6,489
Other	813	820	861	906	767	919	970	925	885	869	970	978
Total	21,073	21,082	20,251	20,108	20,785	20,770	21,025	20,844	21,589	21,443	22,413	23,537
Africa:												
Egypt	103	103	113	514	253	295	188	185	255	342	177	180
South Africa	130	130	179	141	132	147	254	177	108	168	217	132
Oil-exporting countries[4]	2,814	2,814	3,009	2,965	2,785	2,872	2,649	2,447	2,372	2,238	2,134	2,206
Other	504	504	596	572	563	552	560	575	643	622	561	609
Total	3,551	3,551	3,897	4,192	3,732	3,866	3,651	3,385	3,377	3,370	3,089	3,127
Other countries:												
Australia	2,742	2,742	3,069	3,185	3,231	3,114	2,912	2,766	2,712	2,013	2,046	2,070
All other	89	89	71	64	77	75	78	80	87	114	143	131
Total	2,831	2,831	3,140	3,249	3,308	3,189	2,989	2,846	2,800	2,127	2,189	2,200
Total foreign countries	91,676	91,589	89,821	88,574	88,055	89,252	87,598	87,352	90,842	88,786	89,926	92,946
International and regional:												
International[5]	2,900	2,900	3,661	3,694	4,173	4,500	4,621	4,303	4,217	5,069	4,640	4,195
Latin American regional	202	202	169	155	181	215	186	190	193	187	198	257
Other regional[6]	69	69	84	94	90	88	94	90	61	37	76	66
Total	3,171	3,171	3,914	3,943	4,444	4,804	4,901	4,583	4,471	5,293	4,915	4,516
Grand total	94,847	94,760	93,735	92,517	92,500	94,055	92,499	91,935	95,313	94,078	94,841	97,462

For notes see opposite page.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)

Supplementary data [7]

Area and country	1973 Dec.	1974 Apr.	1974 Dec.	1975 Apr.	1975 Dec.
Other Western Europe:					
Cyprus	19	10	7	17	6
Iceland	8	11	21	20	33
Ireland, Rep. of	62	53	29	29	......
Other Latin American republics:					
Bolivia	68	102	96	93	110
Costa Rica	86	88	118	120	124
Dominican Republic	118	137	128	214	169
Ecuador	92	90	122	157	......
El Salvador	90	129	129	144	171
Guatemala	156	245	219	255	260
Haiti	21	28	35	34	38
Honduras	56	71	88	92	99
Jamaica	39	52	69	62	41
Nicaragua	99	119	127	125	133
Paraguay	29	40	46	38	43
Trinidad and Tobago	17	21	107	31	......
Other Latin America:					
Bermuda	242	201	116	100	......
British West Indies	109	354	449	627	......
Other Asia:					
Afghanistan	22	11	18	19	41
Burma	12	42	65	49	......
Other Asia—Cont.:					
Cambodia	2	4	4	4	......
Jordan	6	6	22	30	39
Laos	3	3	3	5	2
Lebanon	62	68	126	180	......
Malaysia	58	40	63	92	77
Pakistan	105	108	91	118	74
Singapore	141	165	245	215	......
Sri Lanka (Ceylon)	13	13	14	13	13
Vietnam	88	98	126	70	62
Other Africa:					
Ethiopia (incl. Eritrea)	79	118	95	76	60
Ghana	20	22	18	13	......
Kenya	23	20	31	32	19
Liberia	42	29	39	33	53
Southern Rhodesia	2	1	2	3	1
Sudan	3	2	4	14	12
Tanzania	12	12	11	21	......
Tunisia	7	17	19	23	29
Uganda	6	11	13	38	22
Zambia	22	66	22	18	78
All other:					
New Zealand	39	33	47	36	42

1 Data in the 2 columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding date; *figures in the second column* are comparable with those shown for the following date.
2 Includes Bank for International Settlements.
3 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4 Comprises Algeria, Gabon, Libya, and Nigeria.
5 Data exclude holdings of dollars of the International Monetary Fund.
6 *Asian, African, and European regional organizations*, except BIS, which is included in "Europe."
7 Represent a partial breakdown of the amounts shown in the other categories (except "Other Eastern Europe").

9. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries: Total	Official institutions	Banks [1]	Other foreigners	Country or area: Germany	United Kingdom	Total Europe	Total Latin America	Middle East [2]	Other Asia [3]	All other countries
1972	1,018	580	439	93	259	87	165	63	260	136	....	33	10
1973	1,462	761	700	310	291	100	159	66	470	132	....	83	16
1974	1,285	822	464	124	261	79	146	43	227	115	94	8	20
1975—Feb.	1,435	770	666	336	264	66	141	57	211	119	304	9	21
Mar.	1,512	794	718	396	255	67	131	57	202	120	364	9	21
Apr.	1,463	620	843	521	253	68	129	57	205	121	484	10	22
May	1,497	579	918	601	248	69	123	57	199	121	569	5	22
June	1,460	512	948	806	247	70	120	59	197	121	599	2	23
July	1,493	432	1,060	1,041	242	77	121	61	201	121	709	5	24
Aug.	1,446	372	1,074	751	243	81	120	61	202	123	719	6	23
Sept.	1,468	395	1,073	753	241	79	118	61	201	121	721	6	23
Oct.	1,385	311	1,072	748	241	83	118	61	206	126	712	4	24
Nov.	1,391	297	1,093	749	261	83	115	61	206	147	712	4	24
Dec.	1,757	415	1,340	951	289	100	164	61	256	140	913	9	24
1976 Jan. p	1,875	306	1,567	1,042	402	123	264	65	373	142	1,005	8	41
Feb. p	1,863	287	1,574	1,066	398	110	262	64	369	142	1,024	13	27

1 Excludes central banks, which are included with "Official institutions."
2 Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3 Until Dec. 1974 includes Middle East oil-exporting countries.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

Area and country	1974	1975										1976	
	Dec.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.p	Feb.p
Europe:													
Belgium-Luxembourg	10	14	14	14	14	14	14	14	14	13	13	13	13
Germany	9	208	209	209	209	209	210	217	216	216	215	212	238
Sweden	251	252	252	251	252	252	278	275	275	275	276	276	275
Switzerland	30	29	32	34	37	37	41	44	54	58	55	68	72
United Kingdom	493	599	611	564	522	536	520	501	441	414	363	374	370
Other Western Europe	r88	r79	r95	r97	97	98	102	114	152	152	117	199	204
Eastern Europe	5	5	5	5	5	5	5	5	5	4	4	4	4
Total	885	1,186	1,217	1,174	1,135	1,151	1,169	1,170	1,157	1,134	1,044	1,146	1,176
Canada	713	588	460	412	412	408	406	404	399	400	393	393	416
Latin America:													
Latin American republics	12	11	11	11	13	13	13	13	13	33	33	33	31
Netherlands Antilles[1]	83	130	125	118	134	178	149	149	158	160	161	159	131
Other Latin America	5	5	4	4	5	5	5	5	6	6	6	7	8
Total	100	147	140	133	152	196	167	168	177	199	200	199	170
Asia:													
Japan	3,498	3,496	3,496	3,496	3,496	3,496	3,496	3,502	3,520	3,269	3,271	3,268	3,212
Other Asia	212	1,071	1,121	1,291	1,397	1,418	1,498	1,648	1,798	1,849	2,075	2,195	2,337
Total	3,709	4,567	4,617	4,787	4,893	4,914	4,994	5,149	5,319	5,118	5,346	5,473	5,549
Africa	151	151	161	181	181	201	211	261	311	311	321	340	350
All other	......	......	......	......	......	......	......	......	......	......	......	......	......
Total foreign countries	5,557	6,639	6,596	6,687	6,773	6,870	6,945	7,153	7,362	7,161	7,304	7,552	7,662
International and regional:													
International	97	627	419	342	29	128	66	52	324	60	322	593	1,034
Latin American regional	53	71	69	57	44	40	35	35	35	29	29	19	19
Total	150	699	488	399	74	169	101	87	359	89	351	612	1,053
Grand total	5,708	7,337	7,084	7,087	6,847	7,039	7,048	7,240	7,721	7,250	7,655	8,164	8,715

[1] Includes Surinam until Jan. 1976.

NOTE.—Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year, and are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports (see Table 14).

11. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars								Payable in foreign currencies			
		Total	Loans to—				Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other
			Total	Official institutions	Banks[1]	Others[2]							
1972	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
1973	20,723	20,061	7,660	284	4,538	2,838	4,307	4,160	3,935	662	428	119	115
1974	39,030	37,835	11,301	381	7,342	3,579	5,637	11,237	9,659	1,195	668	289	238
1975—Feb.	39,863	38,689	10,288	379	6,384	3,525	5,346	11,127	11,927	1,175	609	336	229
Mar.	42,283	41,136	9,615	310	5,664	3,641	5,418	11,341	14,762	1,147	626	290	231
Apr.	42,753	41,651	10,642	362	6,499	3,780	5,342	11,441	14,226	1,102	619	241	242
May	45,866	44,810	11,853	366	7,636	3,852	5,537	10,959	16,460	1,056	478	301	277
June	45,710	44,497	11,347	494	6,796	4,057	5,345	10,641	17,165	1,212	591	335	286
July	45,542	44,368	11,705	572	6,837	4,296	5,383	10,204	17,076	1,175	608	296	271
Aug.	45,441	44,293	13,084	626	7,960	4,499	5,314	9,977	15,917	1,148	610	240	298
Sept.	45,564	44,433	12,706	572	7,520	4,614	5,314	10,071	16,342	1,130	576	236	319
Oct.	47,697	46,390	12,632	632	7,483	4,517	5,465	10,134	18,160	1,306	734	231	341
Nov.	48,127	46,846	13,075	670	7,929	4,476	5,363	10,610	17,799	1,281	625	340	316
Dec.	49,876	48,588	13,352	586	7,736	5,030	5,467	11,132	18,637	1,288	612	301	376
1976—Jan.p	51,234	49,992	13,662	668	8,196	4,799	5,311	11,047	19,972	1,242	693	263	286
Feb.p	53,405	52,020	14,463	737	8,841	4,886	5,191	10,993	21,372	1,386	715	241	429

[1] Excludes central banks which are included with "Official institutions."
[2] Includes international and regional organizations.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1974	1975								1976	
	Dec.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.p	Feb.p
Europe:											
Austria	21	19	17	16	28	20	19	32	15	20	23
Belgium-Luxembourg	384	647	600	620	598	536	555	463	352	401	420
Denmark	46	49	64	62	60	46	50	54	49	55	54
Finland	122	137	133	143	143	130	127	133	128	132	120
France	673	726	584	666	741	906	1,329	1,195	1,403	1,336	1,445
Germany	589	389	428	482	448	443	496	659	427	485	425
Greece	64	37	37	46	50	54	56	91	49	55	52
Italy	345	329	339	363	336	363	438	418	370	369	402
Netherlands	348	221	218	288	338	313	264	285	300	316	266
Norway	119	126	98	91	106	102	102	92	71	66	63
Portugal	20	25	25	27	22	18	15	19	16	20	20
Spain	196	251	235	257	214	245	256	261	249	274	262
Sweden	180	132	115	155	185	182	152	182	167	124	111
Switzerland	335	277	252	254	290	214	274	314	232	244	273
Turkey	15	30	40	26	43	56	54	121	86	59	82
United Kingdom	2,570	3,718	3,476	3,458	4,067	3,724	3,792	3,858	4,586	4,506	4,712
Yugoslavia	22	39	31	36	40	37	34	55	38	37	49
Other Western Europe	22	25	22	22	62	23	22	25	27	26	29
U.S.S.R	46	83	77	80	79	106	144	165	103	101	84
Other Eastern Europe	131	117	118	130	110	110	96	103	114	124	158
Total	6,245	7,379	6,910	7,222	7,960	7,630	8,275	8,526	8,781	8,752	9,051
Canada	2,776	3,081	2,837	2,651	2,340	2,626	2,728	2,742	2,812	3,015	2,977
Latin America:											
Argentina	720	1,007	1,111	1,105	1,115	1,219	1,343	1,229	1,203	1,246	1,335
Bahamas	3,398	7,738	8,660	7,813	6,627	6,432	7,250	6,856	7,513	7,981	9,551
Brazil	1,415	1,272	1,184	1,390	1,505	1,491	1,536	1,785	2,200	2,132	2,163
Chile	290	422	429	472	435	405	351	381	360	312	343
Colombia	713	702	687	666	667	684	662	649	689	651	583
Mexico	1,972	2,383	2,548	2,676	2,762	2,705	2,623	2,565	2,800	2,773	3,069
Panama	503	671	527	581	578	721	903	886	1,032	1,237	1,158
Peru	518	590	623	626	646	624	599	565	588	624	634
Uruguay	63	100	85	90	73	54	52	56	51	68	58
Venezuela	704	745	791	902	956	1,109	1,051	980	1,086	1,001	925
Other Latin American republics	866	972	966	1,055	1,005	1,014	1,041	969	980	1,057	1,068
Netherlands Antilles and Surinam	62	44	83	62	54	57	59	46	49	53	43
Other Latin America	1,142	2,227	1,830	1,679	2,091	1,684	2,202	2,555	1,816	3,057	3,246
Total	12,366	18,874	19,523	19,118	18,516	18,199	19,673	19,522	20,417	22,193	24,177
Asia:											
China, People's Rep. of (China Mainland)	4	12	9	13	13	5	11	11	22	10	17
China, Republic of (Taiwan)	500	434	483	463	503	606	601	681	735	725	729
Hong Kong	223	288	315	201	190	231	257	258	258	234	225
India	14	17	20	23	38	21	17	16	21	19	26
Indonesia	157	119	115	113	88	91	86	92	105	129	131
Israel	255	287	312	362	358	398	389	387	491	419	365
Japan	12,514	10,603	10,245	10,310	10,294	10,400	10,253	10,429	10,760	10,109	9,860
Korea	955	1,415	1,523	1,462	1,502	1,515	1,555	1,505	1,556	1,605	1,715
Philippines	372	455	478	481	410	340	338	347	377	426	497
Thailand	458	374	441	461	494	474	501	499	495	535	516
Middle East oil-exporting countries[1]	330	411	418	527	493	624	446	506	524	525	600
Other	441	568	492	544	572	651	702	665	683	733	704
Total	16,222	14,984	14,850	14,960	14,956	15,357	15,156	15,396	16,025	15,468	15,386
Africa:											
Egypt	111	138	149	134	141	125	127	130	104	106	101
South Africa	329	475	498	489	492	504	513	540	546	547	546
Oil-exporting countries[2]	115	128	120	144	134	190	207	215	231	213	230
Other	300	276	301	297	347	343	380	409	351	348	330
Total	855	1,018	1,068	1,064	1,114	1,162	1,227	1,294	1,231	1,214	1,207
Other countries:											
Australia	466	440	428	446	466	509	532	554	535	502	491
All other	99	89	81	80	88	80	105	91	73	87	113
Total	565	528	509	526	554	589	638	645	608	589	605
Total foreign countries	39,030	45,864	45,699	45,541	45,438	45,562	47,696	48,126	49,875	51,232	53,403
International and regional	....	2	11	1	3	1	*	1	1	3	2
Grand total	39,030	45,866	45,710	45,542	45,441	45,564	47,697	48,127	49,876	51,234	53,405

[1] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
[2] Comprises Algeria, Gabon, Libya, and Nigeria.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

13. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	Type: Payable in dollars: Loans to–: Total	Official institutions	Banks[1]	Other foreigners[2]	Other long-term claims	Payable in foreign currencies	Country or area: Total Europe	Canada	Total Latin America	Japan	Middle East[3]	Other Asia[4]	All other countries[2]
1972	5,063	4,588	844	430	3,314	435	40	853	406	2,020	353	....	918	514
1973	5,996	5,446	1,160	591	3,694	478	72	1,272	490	2,116	251	....	1,331	536
1974	7,183	6,494	1,333	931	4,230	609	80	1,907	501	2,613	258	384	977	542
1975—Feb.	7,491	6,811	1,378	1,035	4,397	611	69	2,096	500	2,686	248	388	972	601
Mar.	7,589	6,920	1,401	1,069	4,450	598	70	2,126	500	2,707	247	385	1,029	595
Apr.	7,619	6,935	1,241	1,117	4,578	605	78	2,188	505	2,798	242	247	1,006	633
May	7,906	7,215	1,283	1,198	4,733	610	81	2,325	491	2,864	254	242	1,047	683
June	7,995	7,184	1,274	1,226	4,683	719	92	2,303	461	2,880	264	241	1,150	696
July	8,308	7,425	1,292	1,319	4,815	792	90	2,344	471	3,037	270	241	1,223	723
Aug.	8,265	7,394	1,276	1,336	4,782	787	85	2,395	438	3,003	259	237	1,204	728
Sep.	8,539	7,637	1,348	1,364	4,926	809	93	2,426	508	3,132	265	237	1,195	775
Oct.	8,860	7,907	1,266	1,516	5,125	840	114	2,534	595	3,168	292	222	1,214	835
Nov.	9,070	8,050	1,303	1,547	5,201	903	118	2,529	569	3,281	293	249	1,218	931
Dec.	9,485	8,435	1,380	1,692	5,362	934	116	2,675	555	3,448	296	220	1,276	1,016
1976—Jan.p	9,413	8,350	1,291	1,636	5,423	945	118	2,677	552	3,383	289	213	1,269	1,030
Feb.p	9,512	8,352	1,266	1,636	5,450	1,012	149	2,603	576	3,474	289	230	1,249	1,092

1 Excludes central banks, which are included with "Official institutions."
2 Includes international and regional organizations.
3 Comprises Middle East oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4 Until Dec. 1974 includes Middle East oil-exporting countries.

14. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes[1]: Net purchases or sales (−): Total	Intl. and regional	Foreign: Total[4]	Official	Other	U.S. corporate securities[2,3]: Purchases	Sales	Net purchases or sales (−)	Foreign bonds[3]: Purchases	Sales	Net purchases or sales (−)	Foreign stocks[3]: Purchases	Sales	Net purchases or sales (−)
1973	305	−165	470	465	6	18,574	13,810	4,764	1,474	2,467	−993	1,729	1,554	176
1974	−472	101	−573	−642	69	16,183	14,677	1,506	1,036	3,254	−2,218	1,907	1,722	185
1975	1,948	201	1,747	1,516	230	20,360	15,212	5,148	2,386	8,687	−6,300	1,538	1,719	−182
1976—Jan.-Feb.p	1,060	702	357	341	16	5,259	4,152	1,106	864	2,336	−1,473	307	357	−50
1975—Feb.	214	9	205	102	102	1,699	1,445	254	117	546	−429	134	173	−39
Mar.	1,171	421	749	724	25	1,760	1,155	604	195	647	−452	148	159	−11
Apr.	−254	−210	−43	−62	20	1,640	1,397	243	167	338	−171	155	141	14
May	3	−89	92	123	−31	1,846	1,679	167	172	345	−173	145	157	−12
June	−240	−326	86	56	31	1,754	1,332	422	215	852	−637	129	143	−15
July	192	95	96	41	56	2,251	1,278	973	315	1,008	−693	109	119	−10
Aug.	9	−67	77	117	−40	1,421	1,338	82	158	r318	−160	89	256	−167
Sept.	192	−14	206	175	31	1,257	1,124	r134	194	r285	−91	91	79	11
Oct.	481	272	209	173	37	2,023	1,362	662	195	678	−484	137	161	−24
Nov.	−470	−270	−201	−171	−30	1,605	1,231	374	248	991	−743	107	78	29
Dec.	405	262	143	121	21	1,859	958	901	282	1,471	−1,190	148	97	51
1976—Jan.p	508	261	247	241	6	2,789	2,077	712	462	789	−328	145	139	6
Feb.p	551	441	110	101	10	2,469	2,075	394	402	1,547	−1,145	162	218	−56

1 Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries.
2 Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.
3 Includes transactions of international and regional organizations.
4 Includes transactions (in millions of dollars) of oil-exporting countries in Middle East and Africa as shown in the tabulation in the opposite column:

	Middle East	Africa
1975p	1,773	170
1976 Jan.-Feb.p	.....	30
1975—Feb.	209	......
Mar.	525	......
Apr.	50	10
May	175	20
June	106	......
July	1	20
Aug.	80	10
Sept.	150	50
Oct.	150	50
Nov.	51	......
Dec.	176	10
1976—Jan.p	115	20
Feb.p	116	10

15. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Purchases	Sales	Net purchases or sales (−)	France	Germany	Netherlands	Switzerland	United Kingdom	Total Europe	Canada	Total Latin America	Middle East[1]	Other Asia[2]	Other[3]
1973	12,767	9,978	2,790	439	2	339	686	366	2,104	99	4	....	577	5
1974	7,634	7,095	540	203	39	330	36	−377	281	6	33	....	288	10
1975	15,066	10,600	4,465	262	250	359	897	569	2,464	356	−7	1,470	140	39
1976—Jan.–Feb.^{p}	4,121	3,252	868	15	147	62	60	130	339	87	86	359	4	3
1975 Feb.	1,420	891	529	21	25	14	115	147	331	20	13	153	−4	15
Mar.	1,152	913	240	12	15	40	39	38	150	15	5	85	6	*
Apr.	1,318	1,058	259	15	23	26	44	54	136	−5	2	119	2	5
May	1,527	1,149	378	−6	4	27	100	59	193	36	1	113	36	−2
June	1,321	1,063	258	32	1	19	71	36	152	21	8	87	9	19
July	1,669	1,080	589	55	31	80	139	75	396	20	13	153	2	6
Aug.	1,153	712	441	52	52	47	83	38	302	21	−6	82	26	16
Sept.	882	642	240	10	7	22	64	7	123	20	−15	72	32	8
Oct.	1,407	1,042	365	16	−7	17	36	48	142	59	7	130	21	6
Nov.	1,114	809	304	22	40	−5	42	44	132	36	−1	122	12	4
Dec.	1,355	686	669	28	40	64	123	32	297	102	9	268	13	3
1976 Jan.^{p}	2,051	1,536	515	1	136	−48	−2	88	207	40	76	198	7	1
Feb.^{p}	2,070	1,716	353	14	11	14	62	41	132	47	10	161	3	2

[1] Comprises Middle East oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
[2] Until 1975 includes Middle East oil-exporting countries.
[3] Includes international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Total Europe	Canada	Total Latin America	Middle East[1]	Other Asia[2]	Total Africa	Other countries	Intl. and regional
1973	1,948	201	−33	19	307	275	1,204	49	44	....	588	*	10	52
1974	993	96	28	183	96	373	719	45	43	....	632	*	10	456
1975	681	82	−11	−16	116	80	116	127	30	1,437	42	5	1	−993
1976 Jan.–Feb.^{p}	238	7	*	3	56	140	15	32	9	242	−55	1	10	5
1975—Feb.	−275	−4	3	*	3	−91	−87	16	*	35	1	*	1	241
Mar.	365	1	1	−1	10	23	32	4	−4	341	−19	*	*	10
Apr.	−16	1	2	26	35	−99	−100	5	3	80	1	*	*	6
May	−212	3	1	1	7	−81	−72	7	1	81	11	*	*	−218
June	164	9	*	8	5	32	58	4	*	65	−1	*	*	38
July	384	27	16	6	35	80	183	33	1	179	4	*	*	17
Aug.	−358	13	−3	−18	−6	−69	−73	6	1	−1	1	*	*	292
Sept.	−107	−13	6	25	−7	121	−19	−5	5	82	−7	*	*	162
Oct.	296	1	−50	2	12	89	51	38	11	209	−4	3	*	−11
Nov.	69	39	8	−17	9	41	−25	−2	6	75	4	1	*	11
Dec.	232	2	3	3	8	56	74	6	6	140	−12	1	*	16
1976—Jan.^{p}	197	5	1	1	36	142	8	29	3	219	21	−2	−10	13
Feb.^{p}	41	2	1	2	20	−2	23	4	6	24	34	1	*	18

[1] See note 1 to Table 15.
[2] See note 2 to Table 15.

NOTE.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1973	818	139	957	−141	−569	120	−168	3	37
1974	−2,033	60	−1,973	−546	−1,508	93	144	7	22
1975	−6,480	2,192	−4,290	−48	−3,173	308	−618	14	−154
1976—Jan.–Feb.^{p}	−1,522	−45	−1,478	−76	1,265	−4	−114	−7	−11
1975—Feb.	−468	−147	−321	19	−152	−97	−94	2	*
Mar.	−463	106	−358	−66	−176	−3	−112	−2	1
Apr.	−157	−57	−100	−57	−3	17	−59	*	2
May	−184	31	−215	39	−167	*	−88	−2	2
June	−652	*	−652	−22	−475	*	−30	2	127
July	−703	−475	−229	−26	−113	−25	−69	*	4
Aug.	−327	12	−339	24	−199	−164	1	1	2
Sept.	−80	18	−98	−19	−129	25	24	−1	1
Oct.	508	5	−513	48	−460	−48	−56	−3	6
Nov.	−714	−62	−652	−27	−584	6	3	−2	−48
Dec.	−1,139	−839	−299	80	−310	9	−78	−1	1
1976—Jan.^{p}	−321	94	−415	−109	−293	−9	−4	−3	2
Feb.^{p}	−1,201	139	−1,063	33	−973	5	−110	−4	−14

18. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1973—June	316	243
Sept.	290	255
Dec.	333	231
1974—Mar.	383	225
June	354	241
Sept.	298	178
Dec.	293	194
1975—Mar.	349	209
June	380	233
Sept.	343	258
Dec.^{p}	364	319

NOTE.—Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

19a. ASSETS OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Location and currency form	Month-end	Total	Claims on U.S.			Claims on foreigners					Other
			Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Nonbank foreigners	
IN ALL FOREIGN COUNTRIES											
Total, all currencies	1973—Dec.	121,866	5,091	1,886	3,205	111,974	19,177	56,368	2,693	33,736	4,802
	1974—Dec.	151,905	6,900	4,464	2,435	138,712	27,559	60,283	4,077	46,793	6,294
	1975—Jan.	151,140	7,031	4,360	2,671	138,141	27,894	58,863	4,152	47,233	5,968
	Feb.	151,662	5,487	2,882	2,605	140,343	28,969	58,794	4,246	48,334	5,832
	Mar.	155,204	5,328	2,638	2,689	143,749	28,330	61,611	4,407	49,400	6,127
	Apr.	155,616	5,832	3,052	2,780	143,948	29,195	60,292	4,353	50,108	5,836
	May	156,909	7,727	4,889	2,838	143,099	27,581	60,330	4,494	50,695	6,083
	June	162,342	5,540	2,342	3,198	150,515	30,870	63,710	4,836	51,100	6,287
	July	160,703	5,919	2,788	3,131	148,224	30,153	62,438	4,796	50,837	6,561
	Aug.	165,835	9,102	6,048	3,054	150,196	31,283	62,455	4,892	51,566	6,537
	Sept.	166,075	6,574	3,267	3,307	153,169	31,506	65,011	4,861	51,792	6,332
	Oct.	169,456	7,919	4,892	3,027	155,043	32,675	64,209	5,226	52,933	6,494
	Nov.	172,408	8,691	5,763	2,928	156,938	34,325	64,347	5,504	52,762	6,779
	Dec.	177,541	6,723	3,661	3,061	164,521	36,123	68,391	5,869	54,137	6,297
	1976—Jan.p	181,027	8,024	5,036	2,988	166,759	38,994	66,571	6,099	55,096	6,243
Payable in U.S. dollars	1973—Dec.	79,445	4,599	1,848	2,751	73,018	12,799	39,527	1,777	18,915	1,828
	1974—Dec.	105,969	6,603	4,428	2,175	96,209	19,688	45,067	3,289	28,164	3,157
	1975—Jan.	105,776	6,707	4,318	2,389	95,987	20,448	43,151	3,370	29,018	3,082
	Feb.	104,360	5,143	2,839	2,304	96,326	20,827	42,672	3,431	29,395	2,891
	Mar.	107,519	5,014	2,607	2,407	99,635	19,836	46,118	3,604	30,078	2,870
	Apr.	108,399	5,467	3,009	2,458	100,230	20,993	45,172	3,599	30,465	2,702
	May	111,638	7,318	4,825	2,493	101,383	21,281	45,403	3,685	31,015	2,938
	June	117,296	5,113	2,280	2,833	109,180	24,529	49,132	3,949	31,569	3,003
	July	117,268	5,513	2,737	2,776	108,279	24,180	48,572	3,929	31,598	3,476
	Aug.	121,478	8,778	5,995	2,783	109,423	25,071	48,063	4,148	32,141	3,277
	Sept.	123,119	6,237	3,210	3,027	113,925	25,444	51,470	4,040	32,970	2,957
	Oct.	125,870	7,501	4,817	2,684	115,191	26,555	50,028	4,363	34,246	3,178
	Nov.	129,121	8,336	5,711	2,625	117,504	27,899	50,962	4,646	33,998	3,281
	Dec.	133,676	6,388	3,624	2,764	124,265	29,310	54,752	4,945	35,258	3,023
	1976—Jan.p	135,342	7,688	4,996	2,692	124,569	30,852	52,658	5,222	35,836	3,086
IN UNITED KINGDOM											
Total, all currencies	1973—Dec.	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974—Dec.	69,804	3,248	2,472	776	64,111	12,724	32,701	788	17,898	2,445
	1975—Jan.	68,451	2,633	1,902	731	63,527	12,873	32,057	854	17,743	2,291
	Feb.	67,038	1,818	1,023	796	63,250	13,246	31,641	848	17,515	1,970
	Mar.	69,654	1,798	982	817	65,693	12,806	34,260	929	17,699	2,163
	Apr.	69,248	2,017	1,126	891	65,330	13,314	33,079	919	18,018	1,902
	May	68,707	2,535	1,689	845	64,269	12,491	32,443	920	18,415	1,904
	June	70,751	1,834	641	1,192	66,868	13,765	34,634	948	17,522	2,049
	July	70,382	1,904	807	1,097	66,277	14,414	33,431	923	17,509	2,202
	Aug.	72,455	3,795	2,698	1,097	66,428	15,213	32,998	948	17,268	2,232
	Sept.	72,120	2,042	1,076	967	67,923	15,249	34,759	825	17,091	2,155
	Oct.	72,742	2,681	1,699	982	67,631	16,555	32,806	830	17,440	2,430
	Nov.	73,924	3,112	2,137	975	68,494	17,549	33,189	852	16,904	2,319
	Dec.	74,883	2,375	1,449	926	70,354	17,557	35,102	881	16,814	2,153
	1976—Jan.p	73,437	2,251	1,467	784	68,985	18,028	33,094	1,034	16,828	2,202
Payable in U.S. dollars	1973—Dec.	40,323	1,642	730	912	37,816	6,509	23,389	510	7,409	865
	1974—Dec.	49,211	3,146	2,468	678	44,693	10,265	23,716	610	10,102	1,372
	1975—Jan.	47,769	2,542	1,892	650	43,959	10,421	22,610	661	10,268	1,267
	Feb.	46,019	1,697	1,017	680	43,244	10,615	21,918	657	10,055	1,077
	Mar.	48,939	1,687	974	713	46,039	10,373	24,874	736	10,057	1,212
	Apr.	48,797	1,885	1,109	776	45,923	10,995	23,990	721	10,217	989
	May	48,506	2,404	1,671	733	45,180	10,656	23,320	698	10,506	922
	June	51,365	1,669	623	1,045	48,713	12,054	25,761	721	10,178	983
	July	51,665	1,742	793	949	48,787	12,664	25,143	713	10,267	1,136
	Aug.	53,456	3,661	2,681	980	48,763	13,315	24,540	740	10,168	1,032
	Sept.	54,256	1,910	1,054	856	51,369	13,488	27,008	596	10,277	977
	Oct.	54,192	2,552	1,687	865	50,494	14,654	24,691	592	10,557	1,146
	Nov.	56,221	2,988	2,123	865	52,145	15,555	25,600	638	10,353	1,087
	Dec.	57,361	2,257	1,445	812	54,137	15,645	27,669	648	10,175	967
	1976—Jan.p	55,067	2,139	1,457	683	52,048	15,575	25,311	837	10,325	880
IN BAHAMAS AND CAYMANS[1]											
Total, all currencies	1973—Dec.	23,771	2,210	317	1,893	21,041	1,928	9,895	1,151	8,068	520
	1974—Dec.	31,733	2,464	1,081	1,383	28,453	3,478	11,354	2,022	11,599	815
	1975—Jan.	33,131	3,225	1,594	1,630	29,069	3,644	11,194	2,027	12,205	838
	Feb.	33,534	2,565	1,072	1,493	30,135	3,855	11,474	2,060	12,747	834
	Mar.	33,793	2,407	839	1,568	30,670	3,568	11,634	2,393	13,075	716
	Apr.	35,666	2,588	1,006	1,582	32,358	4,320	12,229	2,419	13,390	720
	May	38,198	4,126	2,468	1,658	33,214	4,270	13,181	2,531	13,232	858
	June	39,646	2,634	987	1,647	36,181	5,831	13,747	2,772	13,831	831
	July	39,614	2,787	1,134	1,653	35,676	5,015	14,065	2,747	13,849	1,150
	Aug.	41,624	4,117	2,580	1,536	36,555	5,222	14,117	2,891	14,324	953
	Sept.	41,601	3,189	1,289	1,900	37,479	5,220	14,604	3,020	14,635	933
	Oct.	44,166	3,989	2,295	1,694	39,225	5,604	15,414	3,308	14,899	952
	Nov.	44,471	4,544	2,929	1,615	38,973	5,321	15,134	3,434	15,084	954
	Dec.	45,203	3,229	1,477	1,752	41,040	5,411	16,298	3,576	15,756	933
	1976—Jan.p	[2] 48,094	4,488	2,614	1,874	43,104	6,296	17,195	3,677	15,935	1,102

For notes see p. A-74.

19b. LIABILITIES OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Total	To U.S.			To foreigners					Other	Month-end	Location and currency form
	Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Nonbank foreigners			
											IN ALL FOREIGN COUNTRIES
121,866	5,610	1,642	3,968	111,615	18,213	65,389	10,330	17,683	4,641	1973—Dec.	Total, all currencies
151,905	11,982	5,809	6,173	132,990	26,941	65,675	20,185	20,189	6,933	1974—Dec.	
151,140	11,831	6,356	5,476	132,775	27,019	64,147	21,683	19,926	6,533	1975—Jan.	
151,662	12,561	6,607	5,954	132,594	28,185	63,402	21,951	19,057	6,507	Feb.	
155,204	15,407	8,849	6,557	133,540	28,214	63,419	22,577	19,330	6,257	Mar.	
155,617	14,935	8,703	6,233	134,594	29,192	62,287	23,236	19,879	6,088	Apr.	
156,910	16,861	10,366	6,494	133,806	26,725	64,700	22,223	20,158	6,243	May	
162,342	18,618	12,204	6,414	137,189	30,412	64,955	21,106	20,715	6,535	June	
160,703	17,704	11,542	6,162	136,808	30,233	65,956	20,371	20,249	6,191	July	
165,837	17,183	10,021	7,162	142,327	30,582	70,161	21,093	20,492	6,326	Aug.	
166,075	18,324	10,848	7,476	141,602	30,314	70,756	19,744	20,789	6,149	Sept.r	
169,456	19,073	11,201	7,872	144,209	31,781	70,353	20,627	21,449	6,174	Oct.r	
172,408	19,771	11,114	8,657	145,895	33,188	70,408	21,187	21,111	6,742	Nov.r	
177,541	20,116	12,060	8,056	151,041	35,545	72,173	22,761	20,562	6,384	Dec.	
181,027	22,742	12,863	9,879	152,378	37,742	72,258	21,705	20,672	5,907	1976—Jan.p	
80,374	5,027	1,477	3,550	73,189	12,554	43,641	7,491	9,502	2,158	1973—Dec.	Payable in U.S. dollars
107,890	11,437	5,641	5,795	92,503	19,330	43,656	17,444	12,072	3,951	1974—Dec.	
108,190	11,368	6,204	5,164	93,044	19,999	42,854	18,343	11,848	3,778	1975—Jan.	
106,125	12,063	6,460	5,603	90,426	20,109	40,701	18,708	10,907	3,636	Feb.	
109,501	14,795	8,660	6,135	91,338	19,880	41,216	19,303	10,939	3,368	Mar.	
110,405	14,277	8,517	5,760	92,715	20,683	40,999	19,909	11,123	3,414	Apr.	
114,105	16,256	10,189	6,067	94,452	20,521	43,863	18,928	11,139	3,397	May	
119,385	17,998	12,008	5,990	97,828	23,969	44,202	17,968	11,689	3,560	June	
119,319	17,090	11,335	5,755	99,013	24,112	45,897	17,393	11,611	3,216	July	
123,906	16,538	9,840	6,698	103,987	24,435	49,418	18,080	12,055	3,381	Aug.	
125,442	17,693	10,645	7,048	104,562	24,477	50,682	16,777	12,626	3,187	Sept.r	
127,930	18,396	10,997	7,399	106,170	25,824	49,724	17,476	13,146	3,364	Oct.r	
131,981	19,074	10,923	8,151	109,042	27,054	50,292	18,407	13,289	3,865	Nov.r	
136,454	19,397	11,834	7,563	113,571	28,912	51,494	19,982	13,183	3,486	Dec.	
139,532	22,102	12,690	9,411	114,121	30,361	51,824	18,906	13,030	3,309	1976—Jan.p	
											IN UNITED KINGDOM
61,732	2,431	136	2,295	57,311	3,944	34,979	8,140	10,248	1,990	1973—Dec.	Total, all currencies
69,804	3,978	510	3,468	63,409	4,762	32,040	15,258	11,349	2,418	1974—Dec.	
68,451	3,804	873	2,931	62,360	4,567	30,266	16,419	11,108	2,287	1975—Jan.	
67,038	4,376	913	3,462	60,546	4,693	29,207	16,517	10,127	2,117	Feb.	
69,654	5,095	1,224	3,871	62,363	4,630	29,990	17,305	10,438	2,196	Mar.	
69,248	4,596	1,342	3,254	62,625	5,394	28,666	17,812	10,753	2,026	Apr.	
68,708	4,772	1,337	3,435	61,772	5,325	28,957	16,726	10,764	2,164	May	
70,751	4,668	1,451	3,217	63,857	7,030	30,030	15,524	11,274	2,226	June	
70,382	4,679	1,718	2,961	63,501	6,475	30,636	15,312	11,077	2,203	July	
72,457	5,251	1,904	3,348	65,012	6,260	32,097	15,617	11,038	2,194	Aug.	
72,120	5,112	1,833	3,279	64,962	6,396	33,130	14,486	10,950	2,046	Sept.r	
72,742	4,905	1,766	3,139	65,699	6,746	32,334	14,909	11,711	2,138	Oct.r	
73,924	5,497	2,028	3,468	66,267	6,470	33,340	15,180	11,275	2,161	Nov.r	
74,883	5,646	2,122	3,523	67,261	6,494	32,985	16,553	11,229	1,976	Dec.	
73,437	5,645	1,749	3,896	65,914	6,444	33,534	15,053	10,882	1,878	1976—Jan.p	
39,689	2,173	113	2,060	36,646	2,519	22,051	5,923	6,152	870	1973—Dec.	Payable in U.S. dollars
49,666	3,744	484	3,261	44,594	3,256	20,526	13,225	7,587	1,328	1974—Dec.	
48,490	3,599	854	2,744	43,578	3,172	19,061	13,736	7,609	1,313	1975—Jan.	
46,698	4,164	895	3,269	41,350	3,266	17,673	13,932	6,479	1,184	Feb.	
49,533	4,805	1,189	3,616	43,546	3,072	19,128	14,688	6,658	1,183	Mar.	
49,177	4,297	1,313	2,984	43,758	3,886	17,997	15,158	6,717	1,122	Apr.	
49,479	4,487	1,314	3,173	43,784	4,220	18,640	14,135	6,789	1,208	May	
51,848	4,369	1,412	2,957	46,312	5,962	20,039	13,083	7,228	1,167	June	
51,826	4,421	1,684	2,737	46,217	5,478	20,775	12,915	7,049	1,188	July	
54,017	4,975	1,873	3,103	47,912	5,288	22,087	13,249	7,287	1,129	Aug.	
54,683	4,889	1,808	3,081	48,814	5,456	23,645	12,182	7,531	980	Sept.	
54,478	4,696	1,735	2,961	48,660	5,708	22,452	12,500	7,999	1,123	Oct.	
56,696	5,288	2,009	3,279	50,185	5,478	23,641	12,999	8,066	1,223	Nov.	
57,820	5,415	2,083	3,332	51,466	5,442	23,349	14,498	8,176	940	Dec.	
56,039	5,446	1,732	3,714	49,676	5,422	23,389	13,070	7,796	917	1976—Jan.p	
											IN BAHAMAS AND CAYMANS[1]
23,771	1,573	307	1,266	21,747	5,508	14,071	492	1,676	451	1973—Dec.	Total, all currencies
31,733	4,815	2,636	2,180	26,140	7,702	14,050	2,377	2,011	778	1974—Dec.	
33,131	5,036	2,926	2,111	27,343	8,269	14,259	2,595	2,220	752	1975—Jan.	
33,534	5,243	3,281	1,962	27,498	8,975	13,550	2,711	2,262	793	Feb.	
33,793	7,228	5,081	2,147	25,875	8,498	12,614	2,520	2,243	690	Mar.	
35,667	7,420	5,083	2,337	27,536	8,756	13,694	2,769	2,318	711	Apr.	
38,198	9,090	6,766	2,324	28,309	6,872	16,018	2,977	2,441	799	May	
39,646	10,866	8,322	2,544	27,987	8,075	14,482	3,036	2,393	793	June	
39,614	9,991	7,407	2,584	28,933	8,401	15,539	2,500	2,492	690	July	
41,624	8,800	5,715	3,085	31,913	9,128	17,317	2,860	2,607	911	Aug.	
41,601	9,928	6,490	3,439	30,861	8,918	16,834	2,570	2,540	812	Sept.	
44,166	10,833	7,056	3,778	32,327	9,725	17,296	2,775	2,577	961	Oct.	
44,471	11,082	6,710	4,372	32,239	10,553	15,972	3,230	2,483	1,150	Nov.	
45,203	11,146	7,628	3,519	32,950	10,569	16,726	3,308	2,348	1,106	Dec.	
[2] 48,694	13,110	8,088	5,022	34,475	11,230	17,543	3,416	2,287	1,109	1976—Jan.p	

For notes see p. A-74.

20. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Treas. securities[1]	Earmarked gold
1972	325	50,934	[2]15,530
1973	251	52,070	[2]17,068
1974	418	55,600	16,838
1975—Mar.	402	60,729	16,818
Apr.	270	60,618	16,818
May	310	61,539	16,818
June	373	61,406	16,803
July	369	60,999	16,803
Aug.	342	60,120	16,803
Sept.	324	58,420	16,795
Oct.	297	60,307	16,751
Nov.	346	60,512	16,745
Dec.	352	60,019	16,745
1976—Jan.	294	61,796	16,669
Feb.	412	62,640	16,666
Mar.	305	61,271	16,660

[1] Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

[2] The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972, and in Oct. 1973.

NOTE. Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

21. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars		Payable in foreign currencies		United Kingdom	Canada
		Deposits	Short-term investments[1]	Deposits	Short-term investments[1]		
1971	1,507	1,078	127	234	68	580	443
1972[2]	1,965	1,446	169	307	42	702	485
	2,374	1,910	55	340	68	911	536
1973	3,162	2,588	37	427	109	1,118	770
1974—Dec.	3,311	2,582	56	412	261	1,350	951
1975—Jan.	3,275	2,521	50	359	345	1,145	1,117
Feb.	3,376	2,515	52	403	406	1,088	1,136
Mar.	3,283	2,434	67	395	388	1,064	1,134
Apr.	3,368	2,458	48	314	550	1,065	1,279
May	3,188	2,220	47	393	527	908	1,240
June	3,138	2,241	95	369	433	974	1,128
July	3,221	2,278	118	420	405	904	1,109
Aug.	3,438	2,334	129	453	522	1,017	1,309
Sept.	3,602	2,522	125	456	499	1,104	1,252
Oct.	3,411	2,581	179	410	241	1,178	1,127
Nov.p	3,543	2,571	266	442	264	1,098	1,291
Dec.p	3,571	2,568	279	483	241	1,234	1,090

[1] Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

[2] Data on the 2 lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE. Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 22.

22. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amount outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies	
						Deposits with banks abroad in reporter's name	Other
1972—Mar.	2,844	2,407	437	5,173	4,557	317	300
June	2,925	2,452	472	5,326	4,685	374	268
Sept.	2,933	2,435	498	5,487	4,833	426	228
Dec.[1]	3,119	2,635	484	5,721	5,074	410	237
	3,397	2,928	469	6,304	5,645	393	267
1973—Mar.	3,308	2,836	472	7,019	6,150	456	414
June	3,283	2,760	523	7,292	6,451	493	349
Sept.	3,567	2,919	648	7,627	6,701	528	399
Dec.	3,964	3,257	707	8,463	7,553	485	425
1974—Mar.	4,373	3,564	809	10,458	9,525	400	533
June	5,101	4,158	943	11,022	10,104	420	498
Sept.	5,567	4,634	933	10,681	9,720	419	543
Dec.	5,769	4,855	914	11,233	10,190	455	587
1975—Mar.	5,734	4,868	866	10,878	9,744	441	692
June r	5,746	4,922	824	10,827	9,546	466	815
Sept.p	5,804	4,967	837	11,845	10,505	507	832

[1] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

23. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1974		1975			1974		1975		
	Sept.	Dec.	Mar.	June	Sept.p	Sept.	Dec.	Mar.	June	Sept.p
Europe:										
Austria	18	20	26	22	18	15	26	15	13	15
Belgium-Luxembourg	501	516	474	338	332	114	128	137	132	131
Denmark	22	24	23	14	8	25	42	35	22	24
Finland	12	16	16	12	14	91	120	77	87	114
France	157	202	151	138	149	461	430	328	287	311
Germany	240	313	350	291	275	326	339	276	346	319
Greece	28	39	25	27	21	69	65	59	69	56
Italy	129	125	109	110	156	413	397	309	300	380
Netherlands	120	117	121	141	153	144	148	157	135	139
Norway	10	9	9	8	13	32	36	35	41	48
Portugal	20	19	13	13	13	69	81	42	32	39
Spain	46	56	54	59	74	414	369	359	324	315
Sweden	40	38	32	30	47	97	89	66	74	100
Switzerland	106	140	157	168	167	154	136	86	113	220
Turkey	20	8	12	14	22	24	26	33	28	31
United Kingdom	1,408	1,222	1,110	1,006	895	1,763	1,853	1,642	1,542	1,769
Yugoslavia	17	40	52	45	60	23	22	33	32	24
Other Western Europe	7	5	5	4	5	20	21	23	16	19
Eastern Europe	80	70	54	49	38	90	142	114	153	170
Total	2,981	2,979	2,794	2,487	2,461	4,344	4,469	3,825	3,748	4,225
Canada	296	298	258	274	286	1,571	1,610	1,860	1,950	2,104
Latin America:										
Argentina	28	36	31	30	28	59	69	76	65	53
Bahamas	325	281	299	267	190	518	594	615	631	685
Brazil	160	118	121	127	116	419	461	376	347	384
Chile	14	22	23	15	13	124	106	69	57	41
Colombia	13	14	11	11	14	49	51	51	47	46
Cuba	*	*	*	*	*	1	1	1	*	1
Mexico	64	63	72	74	84	287	297	325	305	299
Panama	21	28	18	27	19	114	132	110	128	103
Peru	15	14	18	16	19	40	44	46	50	48
Uruguay	2	2	3	3	2	6	5	15	5	5
Venezuela	53	49	39	44	54	190	190	180	166	151
Other L.A. republics	63	83	65	67	75	182	193	195	179	163
Neth. Antilles and Surinam	8	24	48	54	72	14	20	16	13	13
Other Latin America	50	81	114	125	115	169	147	196	159	192
Total	818	816	862	859	801	2,169	2,308	2,271	2,152	2,183
Asia:										
China, People's Republic of (China Mainland)	23	17	8	6	2	8	17	19	32	45
China, Rep. of (Taiwan)	72	93	102	100	101	127	137	121	125	355
Hong Kong	18	19	19	30	29	64	63	83	85	84
India	10	7	10	21	21	37	37	32	39	48
Indonesia	38	60	63	87	105	81	85	110	142	129
Israel	40	50	62	62	45	53	44	46	60	63
Japan	352	348	327	273	278	1,158	1,218	1,307	1,226	1,234
Korea	66	75	47	43	63	123	201	165	178	207
Philippines	28	25	19	17	14	108	93	82	91	91
Thailand	10	10	9	6	8	23	24	30	25	21
Other Asia	431	536	645	845	908	311	387	398	470	535
Total	1,087	1,239	1,312	1,491	1,575	2,093	2,307	2,392	2,472	2,814
Africa:										
Egypt	6	3	5	34	34	16	15	24	15	16
South Africa	35	43	54	65	79	90	101	104	104	79
Zaire	17	18	17	9	9	13	24	18	17	22
Other Africa	114	129	142	215	220	205	234	242	227	273
Total	172	193	217	323	341	325	374	387	364	391
Other countries:										
Australia	57	56	60	37	52	134	116	97	101	80
All other	32	30	31	18	21	44	49	45	39	50
Total	89	86	91	55	73	178	165	141	139	128
International and regional	125	158	201	257	267	1	*	1	1	....
Grand total	5,567	5,769	5,734	5,746	5,804	10,681	11,233	10,878	10,827	11,845

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States. Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

24. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims: Total	Country or area: United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1971—Sept.	2,939	3,019	135	672	765	178	60	597	133	319	85	75
Dec.[1]	3,159	3,118	128	705	761	174	60	652	141	327	86	85
	3,138	3,068	128	704	717	174	60	653	136	325	86	84
1972—June	3,300	3,206	108	712	748	188	61	671	161	377	86	93
Sept.	3,448	3,187	128	695	757	177	63	662	132	390	89	96
Dec.[1]	3,540	3,312	163	715	775	184	60	658	156	406	87	109
	3,600	3,284	191	745	759	187	64	703	133	378	86	38
1973—Mar.	3,777	3,421	156	802	775	165	63	796	123	393	105	45
June	3,779	3,472	180	805	782	146	65	825	124	390	108	48
Sept.	3,993	3,632	216	822	800	147	73	832	134	449	108	51
Dec.	3,878	3,693	290	761	854	145	79	824	122	450	115	53
1974—Mar.	3,827	3,814	369	737	888	194	81	800	118	448	119	61
June	3,524	3,809	363	696	907	184	138	742	117	477	122	61
Sept.	3,356	3,932	370	702	943	181	145	776	114	523	118	59
Dec.	3,707	*4,114*	364	640	977	*187*	*143*	*1,018*	*107*	505	121	54
1975—Mar.	3,954	4,128	340	652	1,020	182	160	961	102	527	130	54
June	4,068	4,063	299	632	1,018	r182	154	939	98	536	138	68
Sept.	4,014	4,206	362	618	1,037	177	222	895	95	586	146	67

1 Data on the 2 lines shown for this data differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the *following* date.

25. OPEN MARKET RATES

(Per cent per annum)

Month	Canada: Treasury bills, 3 months[1]	Canada: Day-to-day money[2]	United Kingdom: Prime bank bills, 3 months	United Kingdom: Treasury bills, 3 months	United Kingdom: Day-to-day money	United Kingdom: Clearing banks' deposit rates	France: Day-to-day money[3]	Germany, Fed. Rep. of: Treasury bills, 60-90 days[4]	Germany, Fed. Rep. of: Day-to-day money[5]	Netherlands: Treasury bills, 3 months	Netherlands: Day-to-day money	Switzerland: Private discount rate
1973	5.43	5.27	10.45	9.40	8.27	7.96	8.92	6.40	10.18	4.07	4.94	5.09
1974	7.63	7.69	12.99	11.36	9.85	9.48	12.87	6.06	8.76	6.90	8.21	6.67
1975	7.36	7.34	10.57	10.16	10.13	7.23	7.89	3.51	4.23	4.41	3.65	6.25
1975—Mar.	6.29	6.73	10.11	9.49	7.53	8.22	9.06	3.38	4.87	5.94	5.87	7.00
Apr.	6.59	6.68	9.41	9.26	7.50	7.09	8.34	3.38	4.62	5.16	4.13	6.50
May	6.89	6.88	10.00	9.47	7.81	6.25	7.56	3.38	5.32	3.64	1.98	6.50
June	6.96	6.88	9.72	9.43	7.00	6.25	7.31	3.38	4.91	2.76	1.37	6.50
July	7.22	7.17	9.86	9.71	7.34	6.25	7.25	3.38	3.98	2.98	1.99	6.50
Aug.	7.72	7.42	10.59	10.43	8.59	6.43	7.16	3.38	1.93	2.89	1.51	6.00
Sept.	8.37	7.74	10.43	10.36	9.40	6.50	6.91	3.38	4.25	2.60	.94	5.50
Oct.	8.28	7.92	11.38	11.42	9.88	6.93	6.53	3.13	3.27	4.22	4.35	5.50
Nov.	8.44	8.29	11.21	11.10	11.34	7.00	6.74	3.13	3.36	4.67	4.19	5.50
Dec.	8.59	8.66	10.88	10.82	9.61	7.00	6.42	3.13	3.84	4.88	4.34	5.50
1976—Jan.	8.59	8.75	9.83	9.87	9.08	5.75	6.38	3.13	3.58	4.52	3.76	5.00
Feb.	8.70	8.74	8.86	....	8.42	6.50	7.27	3.13	3.08	2.86	3.05	5.00
Mar.	9.04	9.05	....	8.46	....	....	7.63	....	3.62	....	....	4.78

1 Based on average yield of weekly tenders during month.
2 Based on weekly averages of daily closing rates.
3 Rate shown is on private securities.
4 Rate in effect at end of month.
5 Monthly averages based on daily quotations.

NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

NOTES TO TABLES 19a AND 19b ON PAGES A-70 AND A-71, RESPECTIVELY:

1 *Cayman Islands included beginning Aug. 1973.*
2 Total assets and total liabilities payable in U.S. dollars amounted to $45,268 million and $45,683 million, respectively, on Jan. 31, 1976.

NOTE.—*Components may not add to totals due to rounding.*

For a given month, total assets may not equal total liabilities because some branches do not adjust the parent's equity in the branch to reflect unrealized paper profits and paper losses caused by changes in exchange rates, which are used to convert foreign currency values into equivalent dollar values.

26. CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of March 31, 1976		Country	Rate as of March 31, 1976	
	Per cent	Month effective		Per cent	Month effective
Argentina	18.0	Feb. 1972	Italy	12.0	Mar. 1976
Austria	5.0	Jan. 1976	Japan	6.5	Oct. 1975
Belgium	7.0	Mar. 1976	Mexico	4.5	June 1942
Brazil	18.0	Feb. 1972	Netherlands	4.0	Feb. 1976
Canada	9.5	Mar. 1976	Norway	5.0	Oct. 1975
Denmark	8.5	Mar. 1976	Sweden	5.5	Jan. 1976
France	8.0	Sept. 1975	Switzerland	2.5	Jan. 1976
Germany, Fed. Rep. of	3.5	Sept. 1975	United Kingdom	9.0	Mar. 1976
			Venezuela	5.0	Oct. 1970

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or govt. securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations. Other rates for some of these countries follow:

Argentina—3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil—8 per cent for secured paper and 4 per cent for certain agricultural paper;

Japan—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

United Kingdom—The bank's minimum lending rate, which is the average rate of discount for Treasury bills established at the most recent tender plus one-half per cent rounded to the nearest one-quarter per cent above;

Venezuela—2 per cent for rediscounts of certain agricultural paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

27. FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (krone)	France (franc)	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)
1972	119.23	4.3228	2.2716	100.937	14.384	19.825	31.364	13.246	250.08	.17132	.32995
1973	141.94	5.1649	2.5761	99.977	16.603	22.536	37.758	12.071	245.10	.17192	.36915
1974	143.89	5.3564	2.5713	102.257	16.442	20.805	38.723	12.460	234.03	.15372	.34302
1975	130.77	5.7467	2.7253	98.297	17.437	23.354	40.729	11.926	222.16	.15328	.33705
1975—Mar.	135.85	6.0648	2.9083	99.954	18.397	23.804	43.120	12.900	241.80	.15842	.34731
Apr.	134.16	5.9355	2.8433	98.913	18.119	23.806	42.092	12.686	237.07	.15767	.34224
May	134.04	6.0033	2.8631	97.222	18.299	24.655	42.546	12.391	232.05	.15937	.34314
June	133.55	6.0338	2.8603	97.426	18.392	24.971	42.726	12.210	228.03	.15982	.34077
July	130.95	5.7223	2.7123	97.004	17.477	23.659	40.469	11.777	218.45	.15387	.33741
Aug.	128.15	5.4991	2.6129	96.581	16.783	22.848	38.857	11.379	211.43	.14963	.33560
Sept.	128.87	5.4029	2.5485	97.437	16.445	22.367	38.191	11.281	208.34	.14740	.33345
Oct.	126.26	5.4586	2.5662	97.557	16.601	22.694	38.737	11.244	205.68	.14745	.33076
Nov.	126.26	5.4535	2.5618	98.631	16.564	22.684	38.619	11.238	204.84	.14721	.33053
Dec.	125.38	5.3986	2.5311	98.627	16.253	22.428	38.144	11.134	202.21	.14645	.32715
1976—Jan.	125.65	5.4300	2.5443	99.359	16.231	22.339	38.425	11.178	202.86	.14245	.32826
Feb.	125.85	5.4628	2.5554	100.652	16.278	22.351	39.034	11.186	202.62	.13021	.33157
Mar.	124.79	5.4383	2.5480	101.431	16.273	21.657	39.064	11.157	194.28	.12113	.33276

Period	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1972	35.610	8.0000	31.153	119.35	15.180	3.7023	129.43	1.5559	21.022	26.193	250.08
1973	40.988	8.0000	35.977	136.04	17.406	4.1080	143.88	1.7178	22.970	31.700	245.10
1974	41.682	8.0000	37.267	140.02	18.119	3.9506	146.98	1.7337	22.563	33.688	234.03
1975	41.753	8.0000	39.632	121.16	19.180	3.9286	136.47	1.7424	24.141	38.743	222.16
1975—Mar.	44.582	8.0000	42.124	134.31	20.357	4.1276	148.70	1.7907	25.481	40.273	241.80
Apr.	43.797	8.0000	41.291	132.66	20.049	4.0596	147.01	1.7756	25.171	39.080	237.07
May	44.278	8.0000	41.581	131.66	20.198	4.0933	146.69	1.7871	25.422	39.851	232.05
June	43.856	8.0000	41.502	130.86	20.393	4.1124	146.31	1.7922	25.532	40.086	228.03
July	41.442	8.0000	39.154	127.73	19.241	3.9227	139.75	1.7446	24.213	38.272	218.45
Aug.	39.779	8.0000	37.887	111.79	18.304	3.7700	139.72	1.7140	23.174	37.332	211.43
Sept.	38.219	8.0000	37.229	105.50	17.834	3.7048	131.40	1.6914	22.501	36.905	208.35
Oct.	38.931	8.0000	37.658	104.74	18.089	3.7359	114.84	1.6883	22.769	37.555	205.68
Nov.	38.929	8.0000	37.638	104.75	18.116	3.7318	114.69	1.6869	22.788	37.683	204.84
Dec.	38.670	8.0000	37.234	103.77	17.988	3.6836	114.75	1.6765	22.685	37.970	202.21
1976—Jan.	38.696	8.0000	37.429	104.06	17.992	3.6562	114.80	1.6751	22.831	38.418	202.86
Feb.	38.998	8.0000	37.529	104.25	18.098	3.6394	114.79	1.5523	22.861	38.912	202.62
Mar.	39.047	8.0000	37.149	102.42	18.022	3.4987	114.83	1.4947	22.702	38.980	194.28

NOTE.—Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

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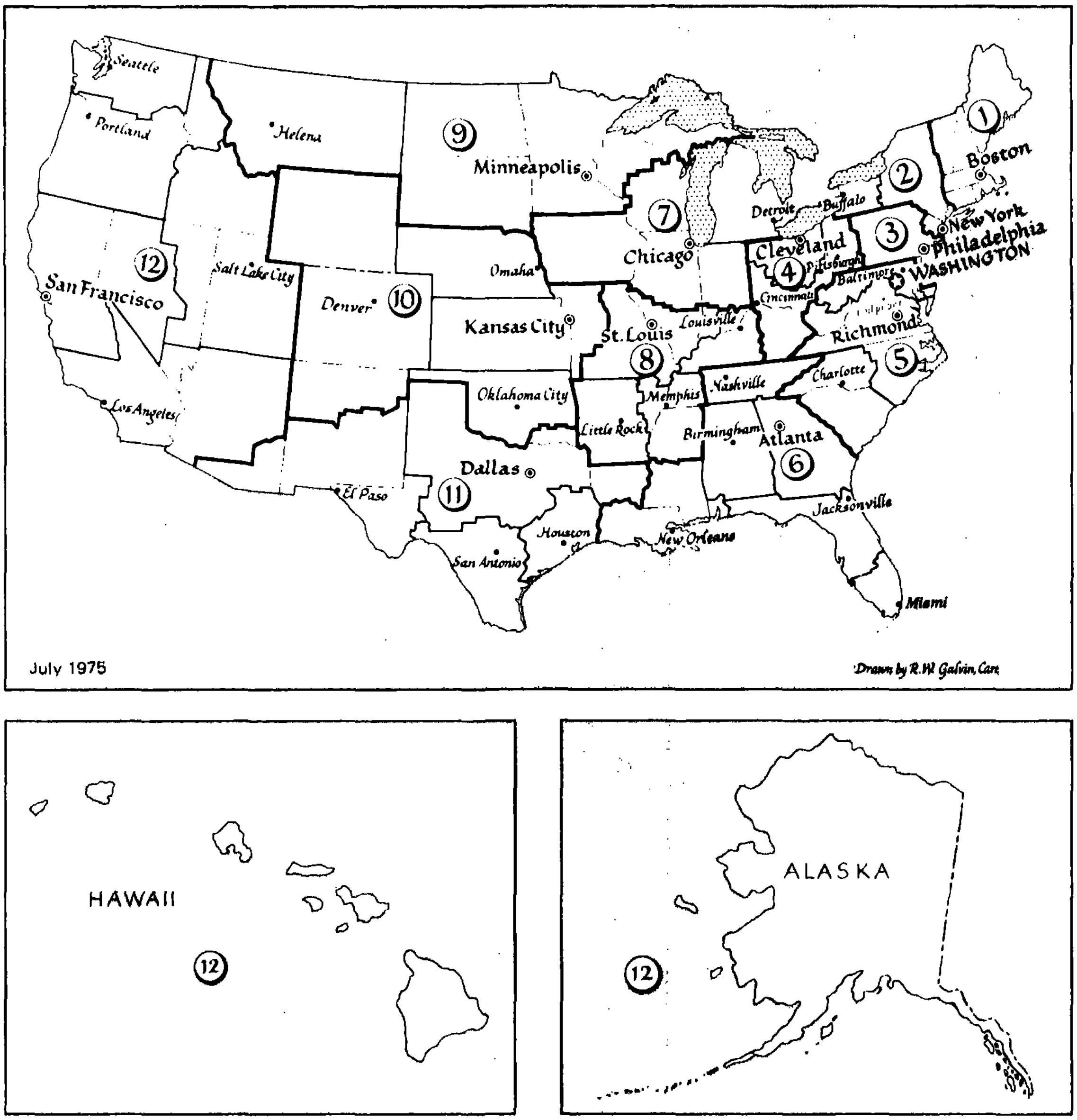
The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- Board of Governors of the Federal Reserve System
- Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility

Guide to Tabular Presentation and Statistical Releases

SYMBOLS AND ABBREVIATIONS

e	Estimated
c	Corrected
p	Preliminary
r	Revised
rp	Revised preliminary
I, II, III, IV	Quarters
n.e.c.	Not elsewhere classified
A.R.	Annual rate
S.A.	Monthly (or quarterly) figures adjusted for seasonal variation
N.S.A.	Monthly (or quarterly) figures not adjusted for seasonal variation
IPC	Individuals, partnerships, and corporations
SMSA	Standard metropolitan statistical area
A	Assets
L	Liabilities
S	Sources of funds
U	Uses of funds
*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
....	(1) Zero, (2) no figure to be expected, or (3) figure delayed

GENERAL INFORMATION

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

A heavy vertical rule is used in the following instances: (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

The footnotes labeled NOTE (which always appear last) provide (1) the source or sources of data that do not originate in the System; (2) notice when figures are estimates; and (3) information on other characteristics of the data.

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