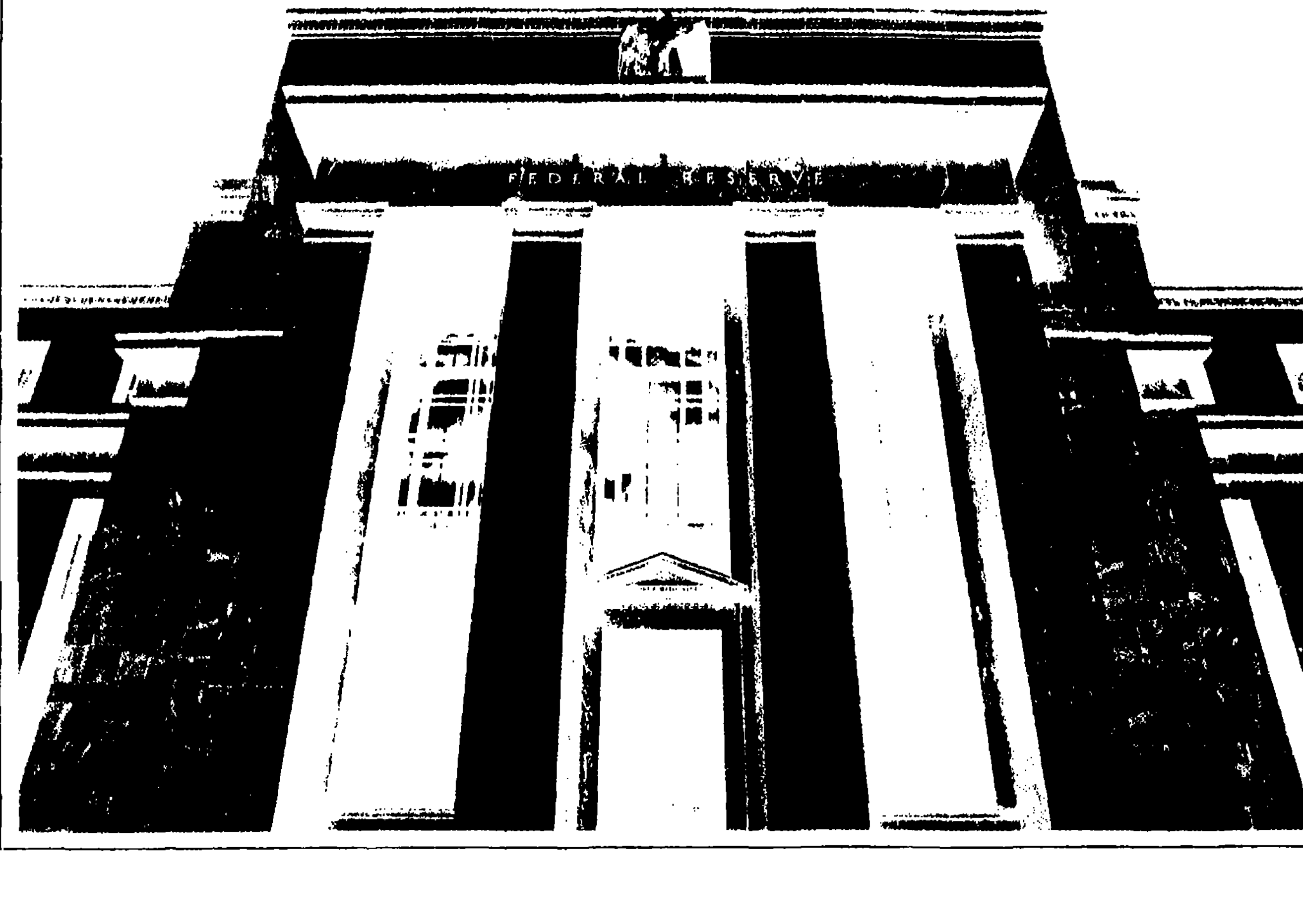
FEDERAL RESERVE
BULLETIN

AUGUST 1974



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COVER: Photograph of the Constitution Avenue entrance of the Federal Reserve Building in Washington, D.C. *The building, completed in 1937, houses the Board of Governors of the Federal Reserve System and* its staff. In the two-tone reproduction of the photograph, the gray color is printed as a combined "line conversion" with a light value halftone and the orange is overprinted with a darker-value halftone

FEDERAL RESERVE BULLETIN

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Financial Developments in the Second Quarter of 1974

This report, which was sent to the Joint Economic Committee of the U.S. Congress, highlights the important developments in financial markets during the spring and early summer.

Most interest rates rose sharply during the second quarter of 1974 amidst continuing rapid increases in the price level, strong over-all demands for credit, and Federal Reserve efforts to restrain the expansion of monetary and credit aggregates. Nominal gross national product increased more rapidly than in the first quarter, reflecting both the persistence of a high rate of inflation and a leveling off in real output following the energy-related decline of the previous quarter. Interest rates, extending the upturn that had occurred in March, reached new peaks in various markets, and yield spreads widened as a result of increasing selectivity on the part of investors. Yields on Treasury securities, in contrast, rose only slightly on balance because of the increased public demand for high-quality investments, large foreign official purchases, and the short supply of Treasury bills available in the market. Toward the end of the quarter, financial market tensions were exacerbated by the publicity given to the difficulties of a large New York bank and the failure of a sizable bank in Germany.

In the second quarter growth of the narrowly defined money stock, M_1, accelerated, measured on both a quarterly average and a last-month-of-quarter basis. However, recent revisions of data on the monetary aggregates indicate M_1 grew at a significantly lower rate in the first quarter than previously reported. Part of the increase in M_1 during the second quarter reflected higher U.S. money balances held by foreign official institutions and foreign commercial banks. The broader measures of money, M_2 and M_3, expanded at slower rates in the second quarter, as inflows of consumer-type time and savings deposits at commercial banks and nonbank thrift institutions slackened. With credit demands continuing strong, banks relied heavily on the issuance of negotiable certificates of deposits (CD's) to attract lendable funds.

MONETARY AGGREGATES

Between March and June, total reserves of member banks grew at an annual rate of about 20 per cent; virtually all of the growth was in borrowed reserves. The sharp increase in borrowings reflected not only tighter market conditions but also the extension of emergency credit through the discount window to a single large bank. This extension of credit reduced the need for the Federal Reserve to supply reserves through open market operations, and so nonborrowed reserves grew at only a 1 per cent annual rate.

TABLE 1

CHANGES IN SELECTED MONETARY AGGREGATES[1]

In per cent, figures are seasonally adjusted annual rates

Item	1972	1973	1973		1974	
			Q3	Q4	Q1	Q2
Member bank reserves:						
Total	10.6	7.8	10.6	6.1	1.7	20.4
Nonborrowed	7.7	7.2	11.3	13.4	1.5	1.1
Available to support private nonbank deposits[2]	10.1	9.3	14.2	1.4	6.2	20.3
Concepts of money[3] calculated from:						
End-month of quarter—						
M_1	8.7	6.1	...	8.9	5.6	6.4
M_2	11.1	8.9	5.3	11.0	9.0	7.7
M_3	13.0	8.8	5.1	9.8	8.9	6.4
Quarterly average—						
M_1	7.7	6.3	5.6	4.5	5.8	7.3
M_2	10.9	8.9	7.9	8.9	9.4	7.9
M_3	12.9	8.9	7.5	7.9	9.1	7.2
Time and savings deposits at:						
Commercial banks (other than large CD's)	13.5	11.4	10.6	12.6	12.2	8.7
Nonbank thrift institutions	16.6	8.6	4.6	7.6	8.6	4.1
Bank credit proxy, adjusted[4]	11.6	10.6	10.5	3.3	8.5	20.9
MEMO (Change in billions of dollars, seasonally adjusted):						
Large CD's	10.4	19.4	4.7	-3.9	4.9	15.6
U.S. Government demand deposits at member banks	...	-1.2	-.3	.1	-1.2	...

[1] Incorporates revisions in money stock and related measures based on new benchmark data for nonmember banks.

[2] Total reserves less required reserves for U.S. Government and interbank deposits.

[3] M_1 is currency plus private demand deposits adjusted.

M_2 is M_1 plus bank time and savings deposits adjusted *other than large* CD's.

M_3 is M_2 plus deposits at mutual savings banks and savings and loan associations.

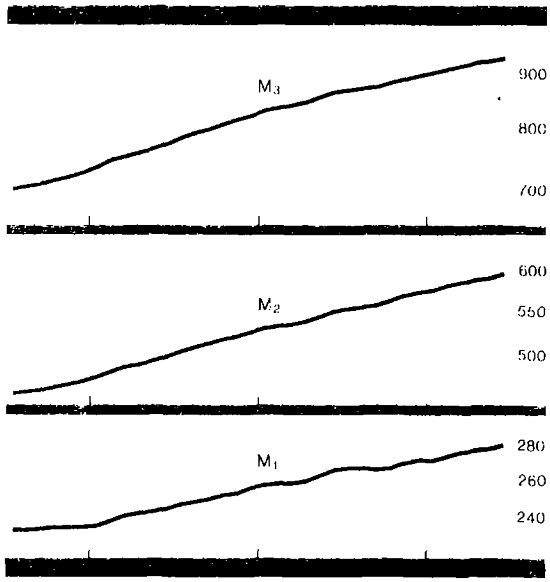
[4] Total member bank deposits plus funds provided by Euro-dollar borrowings and bank-related commercial paper.

NOTE.—Changes are calculated from the average amounts outstanding in the last month of each quarter, except the quarterly average calculation of concepts of money, which are based on changes *in the* average amounts outstanding for a quarter. Annual rates of growth have been adjusted for changes in reserve requirements.

The Federal funds rate rose throughout the second quarter, as the Federal Reserve resisted an excessive expansion in bank reserves supporting growth in private deposits. By the end of June it had reached almost 12 per cent, and there was a further rise in the first half of July. With most other short-term rates also escalating, money markets remained extremely taut, despite the relatively large increase in total reserves.

Measured on both a quarterly average and a last-month-of-quarter basis, the expansion in M_1 was faster than revised data for the first quarter now indicate. In April the growth of foreign official

CONCEPTS OF MONEY



Seasonally adjusted monthly averages.
M_1 is currency plus private demand deposits adjusted.
M_2 is M_1 plus commercial bank time and savings deposits adjusted other than large CD's.
M_3 is M_2 plus deposits at mutual savings banks and savings and loan associations.

and foreign commercial bank demand balances accounted for over one-third of the rise in M_1, but in the following month when foreign transactions were not so large, the growth of money balances decelerated appreciably. The movement of funds to oil-exporting countries in June caused a bulge in the money stock as the funds remained briefly in demand balances before passing to their foreign recipients. The change in the scale of foreign payments clearly has increased the sensitivity of monthly changes in M_1 to foreign financial transactions.

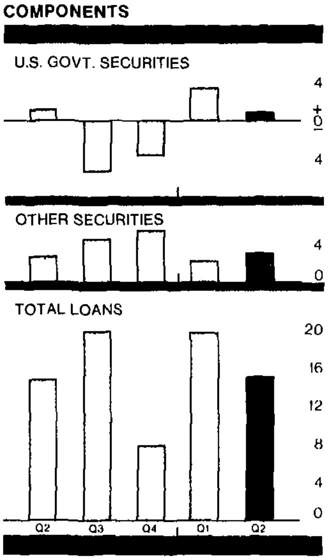
Growth in time and savings deposits other than CD's moderated at banks in the second quarter, and partially estimated data suggest that month-to-month variations in the growth of such deposits were attributable largely to movements of time and savings deposits in denominations of less than \$100,000. Small time and savings deposits appear to have declined slightly in April and substantially in May, and then to have risen in June to approximately the level of outstandings in March. Deposit inflows at nonbank thrift institutions showed a similar path in the quarter—weakening in April and May and then recovering in June, partly as a result of interest credited to customers' accounts. The attractive yields available on market securities caused individuals to divert funds from savings accounts at banks and nonbank thrift institutions.

Large banks, especially in New York and Chicago, relied heavily on the issuance of money market CD's to acquire funds to meet loan demands; the increase in CD's amounted to $15.6 billion, the largest quarterly expansion on record. Of the total, $7.7 billion was issued in April, a month of particularly heavy loan demand. Banks also relied to a lesser extent on nondeposit sources of funds such as the borrowing of Euro-dollars through foreign branches and the sale of assets to bank holding companies, which acquired funds in the commercial paper market.

BANK USES OF FUNDS

Total loans and investments of commercial banks grew rapidly between March and June. The quarter began with business credit demands focused on banks, as the prime rate—though rising—lagged behind commercial paper rates. In May, growth of bank loans to businesses slowed when the prime rate reached levels that made commercial paper financing by corporate borrowers relatively more attractive. Business loans moderated further in June, but without an accompanying increase in commercial paper issuance, as unsettled conditions in the commercial paper market made it difficult for borrowers with less than prime credit ratings to obtain funds in this market. Total short-term business borrowing in June dropped to its lowest monthly rate of growth for the year. But in late June and early July, business loan demands rose sharply—particularly at banks in the money market centers—as borrowers withdrew from money and capital markets.

BANK CREDIT COMPONENTS

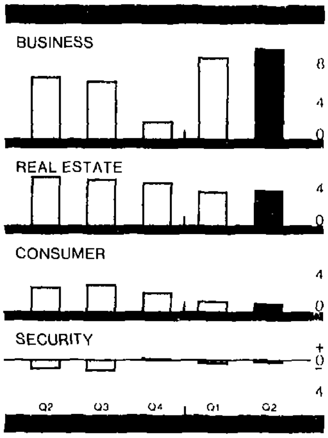


Seasonally adjusted. Loans adjusted for transfers between banks and their holding companies, affiliates, subsidiaries, or foreign branches.

There were several factors underlying the strong business credit expansion in the second quarter. Corporate profits, after inventory valuation adjustment and taxes, declined in the first quarter. While data are not yet available for the second quarter, apparently a continued low rate of internal funds generation forced businesses to seek substantial external borrowing—particularly with a high rate of real inventory accumulation and of increased general working capital needs accompanying continued inflation.

As noted earlier, it became more and more difficult as the quarter progressed for other than prime borrowers to obtain funds in the commercial paper market, an important source of short-term credit. A heightened awareness of the risks associated with nonprime paper led to wide yield spreads between differently rated issues and ultimately to a limited availability of funds in the commercial paper

BANK LOANS
MAJOR COMPONENTS



Seasonally adjusted. "Business" adjusted for transfers between banks and their holding companies, affiliates, subsidiaries, or foreign branches.

market. The capital market, too, reflected growing investor caution. This, together with increases in rates to levels that many borrowers found unattractive, caused a number of borrowers to postpone, cancel, or reduce pending issues; these postponements and cancellations became particularly widespread at the end of the quarter and in early July. Business borrowers, therefore, found it necessary to satisfy a major part of their large external financing needs at banks.

Among other bank loan categories, real estate loans maintained the pace of the previous quarter, and loans to nonbank financial institutions were quite large—reflecting the same conditions that had diverted borrowers to banks from the commercial paper and capital markets. Real estate investment trusts, in particular, had great difficulty obtaining market financing. Consumer borrowing at banks, on the other hand, showed the smallest growth for any quarter since 1970.

TABLE 2

RATE SPREADS AND CHANGES IN BUSINESS LOANS AND COMMERCIAL PAPER

Period	Prime rate less 30- to 59-day commercial paper rate (per cent)	Amounts[1] Business loans at all commercial banks[2]	Dealer placed commercial paper[3]	Total	Annual rate of change in total (per cent)
1974 Q1	...	8.8	1.3	10.1	23.7
Q2	...	9.6	.4	10.0	22.1
April	.08	4.8	.2	4.6	30.6
May	.39	3.0	.5	3.5	22.7
June	.38	1.8	.1	1.9	12.1

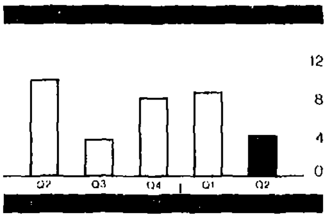
[1]Seasonally adjusted changes, in billions of dollars.
[2]Based on last-Wednesday-of-month data; adjusted for outstanding amounts of loans sold to affiliates.
[3]Measured from end-of-month to end-of-month.

NONBANK INTERMEDIARIES AND MORTGAGE MARKETS

Deposit growth at nonbank thrift institutions slowed appreciably during the second quarter. The sharp upward movement of yields on market instruments, which had begun in late February and early March, continued throughout the second quarter, diverting deposit flows away from claims at thrift institutions—especially mutual savings banks—into alternative investments. Total deposits at savings and loan associations and mutual savings banks grew at a seasonally adjusted annual rate of 4.2 per cent over the April-June period.

Responding to the pressures of disintermediation, savings and loan associations covered existing mortgage commitments by increasing indebtedness at the Federal home loan banks, reducing

NONBANK SAVINGS ACCOUNTS



Seasonally adjusted.

their holdings of liquid assets, and drawing on credit lines at commercial banks. At the same time, they sharply curtailed new mortgage commitment activity. Mutual savings banks also cut back their participation in the mortgage market, for the fifth consecutive quarter, and financed heavy deposit outflows by liquidating Government securities and by drawing on internal flows of funds and credit lines at banks.

Net mortgage debt formation rose substantially on a seasonally adjusted basis during the second quarter, reflecting the stronger deposit flows and easier mortgage market conditions of the first quarter. Both direct and indirect financing by Federally sponsored credit agencies also contributed to the rise in net mortgage debt formation.

TABLE 3

NET CHANGE IN MORTGAGE DEBT OUTSTANDING

In billions of dollars, seasonally adjusted annual rates

Change	1973 Q2	1973 Q3	1973 Q4	1974 Q1	1974 Q2[p]
By type of debt:					
Total	76	71	58	59	64
Residential	54	51	38	40	44
Other[1]	22	20	20	19	20
At selected institutions:					
Commercial banks	22	21	18	13	16
Savings and loans	34	25	12	22	26
Mutual savings banks	7	5	5	4	3
Insurance companies	2	5	7	4	5
FNMA-GNMA	2	7	3	2	8

[1] Includes commercial and other nonresidential as well as farm properties.
[p] Partially estimated.

FUNDS RAISED IN SECURITIES MARKETS

The volume of long-term debt issued by corporations and State and local governments remained near the elevated levels of the past two quarters. As noted earlier, corporations turned increasingly to banks for funds as conditions in the securities markets deteriorated in the second half of the quarter. In addition to a lower-than-anticipated corporate bond volume, new stock issues dropped to the lowest seasonally adjusted volume for any quarter since 1968, as stock prices reached the lowest point in 3 years.

The volume of long-term debt sold by State and local governments remained large in the second quarter because of a record-sized bond offering by New York City. However, the originally scheduled volume was cut back, when statutory interest rate ceilings forced some postponements and other postponements were initiated voluntarily.

TABLE 4

OFFERINGS OF NEW SECURITY ISSUES

In billions of dollars, seasonally adjusted annual rates

Type of issue	1973			1974	
	Q2	Q3	Q4	Q1	Q2[e]
Corporate securities—Total	32	30	38	38	35
Bonds	23	23	26	30	30
Stocks	9	8	12	8	5
State and local government bonds	24	23	26	23	26

[e]Estimated.
NOTE Details may not add to totals because of rounding.

U.S. Treasury demands for funds dropped off in the second quarter as Treasury tax and loan accounts at commercial banks were augmented by an unusually large volume of tax receipts. However, the resulting net repayment of $6.4 billion of outstanding Treasury debt was largely offset by substantial net borrowings on the part of Federally sponsored credit agencies. Financing of the administration's housing programs and of Federal Home Loan Bank advances to member savings and loan associations accounted for much of the expanded borrowing by such agencies.

TABLE 5

FEDERAL GOVERNMENT BORROWING AND CASH BALANCE

Quarterly totals, in billions of dollars, not seasonally adjusted

Item	1973			1974	
	Q2	Q3	Q4	Q1	Q2
Budget surplus, or deficit	7.7	1.1	5.0	7.1	9.7
Net cash borrowings, or repayments ( )	6.5	.7	6.7	3.4	−6.4
Other means of financing[1]	1.5	2.5	.4	1.7	−2.5
Change in cash balance	.3	4.3	2.1	2.0	.8
MEMO: Net borrowings by Federally sponsored credit agencies[2]	5.0	6.1	3.2	..	[e]5.9

[1]Checks issued less checks paid and other accrued items.

[2]Includes debt of the Federal Home Loan Mortgage Corporation, Federal home loan banks, Federal land banks, Federal intermediate credit banks, banks for cooperatives, and FNMA (including discount notes and securities guaranteed by GNMA).

[e]Estimated.

INTEREST RATES

Under the influence of strong credit demands and a progressively more restrictive monetary policy, interest rates on private securities advanced very sharply over the second quarter. In the corporate and municipal bond markets where new-issue volume remained high, yields rose generally 70 to 90 basis points over the quarter and have advanced further in July. This strong uptrend raised the average yields on new issues of Aaa-rated utilities to nearly 10 per cent, well above their previous record level. The *Bond Buyer* municipal bond yield average, on the other hand, remained somewhat below its previous peak level.

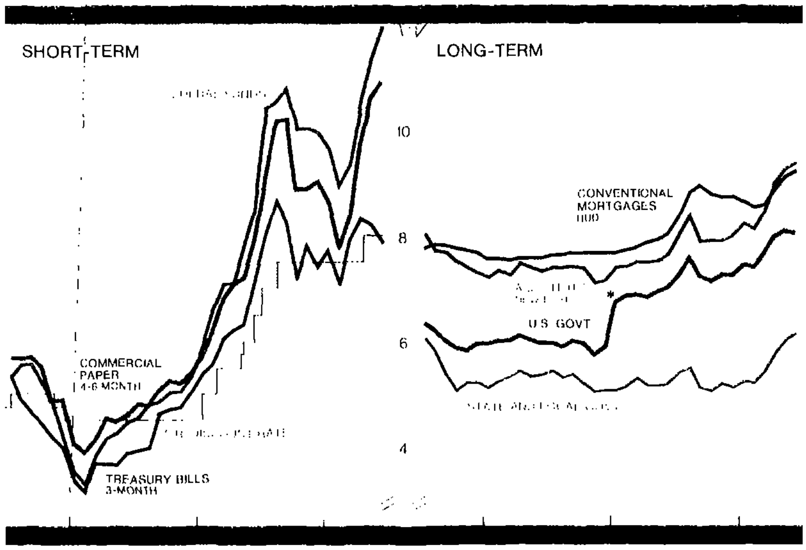
Private short-term rates showed even sharper advances over the quarter. The Federal funds rate rose 2½ percentage points to an average of nearly 12 per cent in the last week of June, and increases in rates on other private market instruments essentially paralleled the advance in the Federal funds rate.

Market reaction to the financial difficulties of two banks—one domestic and one foreign—and of a large public utility, together with rumored difficulties at other firms, set in motion a marked shift of investor preferences toward securities of the highest quality. Spreads between yields on highest-quality securities and those of lower grades widened substantially; in fact, many borrowers with less than prime credit ratings found it increasingly difficult to borrow at all in securities markets or to roll over existing debt. This development, in addition to postponements and cancellations of new issues by firms unable or unwilling to pay the market yields required, added further pressure on banks to provide funds to the business community. Faced with heavy credit demands, banks raised their lending rates to record levels. The prime rate moved from 9¼ per cent at the end of March to 12 per cent in early July. A key factor contributing to this increase in the prime rate was the need for banks to raise offering rates on CD's to obtain funds for covering their expanded loan demands.

Conditions in the Government securities market over the second quarter differed substantially from those in the private securities markets. Yields on Treasury bills actually declined 7 basis points over the quarter after having peaked in April, and yields on Treasury coupon issues advanced only moderately. This divergence from the upward trend of credit markets reflected in part increased demand by investors for instruments of the highest quality at a time when the volume of such securities was declining seasonally. More important, particularly for developments in the Treasury bill market, was the investment activity of foreign official institutions.

The weaker deposit performance of nonbank thrift institutions and the upward movement of most market rates during the second quarter exerted strong upward pressure on mortgage rates. The prevailing rate on conventional mortgages on new homes rose to a record high of 9¼ per cent in June, 30 basis points above the previous peak, according to the Department of Housing and Urban Development. Early in July, the average auction yield on commit-

INTEREST RATES



[1] Level of series was affected by issue of new 20-year U. S. Government bond in January.

Monthly averages except for conventional mortgages (based on quotations for one day each month). Yields: U.S Treasury bills, market yields on 3-month issues; Prime commercial paper, dealer offering rates; Conventional mortgages, *rates on first mortgages in primary* markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development; Corporate bonds, weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa utility basis; U.S. Govt. bonds, market yields adjusted to 20-year constant maturity by U.S. Treasury; State and local govt. bonds (20 issues, mixed quality), *Bond Buyer*.

ments by the Federal National Mortgage Association to purchase Government-underwritten and conventional mortgages rose to 9.90 per cent—more than 1 percentage point above the level prevailing at the end of March. To bring rates on mortgages underwritten by the Federal Housing and Veterans Administrations more into line with the market, ceiling rates on such mortgages were raised in three steps from 8¼ per cent in March to 9 per cent in early July.

Summary Description of Information System for Banking Agency Reports

The Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have long been concerned about the problems and burdens of bank reporting. The three agencies, both separately and jointly, have instituted a variety of programs directed toward these problems. As one part of these programs, the agencies have been engaged for several years in a joint project—the Bank Report Reform Project—to develop and implement a more systematic approach to their procedures for requesting information from banks, for defining what is wanted in the various reports, and for collecting the information. The operating materials and procedures developed in this project have been given the name "Information System for Banking Agency Reports" (ISBAR).

The project was set in motion by an *ad hoc* group of commercial banks—the Steering Committee on Banking Information—and it has progressed in close cooperation with this group. The general approach and main characteristics of the project were developed within this Steering Committee.

The ISBAR procedures are completely voluntary and optional for reporting banks. These procedures will be made available by each of the three agencies for any bank to use if it so wishes. Each bank will decide for itself whether to use the ISBAR procedures or to continue with present procedures. Similarly, the approach does not presuppose or require any particular design for banks' internal accounting or recordkeeping systems. Moreover, the system does not add to reporting burdens since it remains within the confines of existing reporting requirements.

A preliminary version of ISBAR has been prepared for banking industry comment. This pamphlet, which is being mailed to all commercial banks, contains a summary of the approach and its major characteristics. A more complete description of all aspects of the system and copies of its operating materials are presented in another set of documents bearing the general title *Information System for Banking Agency Reports*. These documents will be available from the agencies on request in a few weeks.

Members of the banking community and others who are interested are invited to review the approach and its procedures and materials and to communicate general comments or specific suggestions to any of the agencies. Comments received by February 1975 will be taken into account in the preparation of an operational version of the material, which is scheduled for release in the second half of 1975. At that time the three agencies will make the ISBAR procedures operationally available to interested banks.

NOTE.—This article is a reprint of a pamphlet that has been mailed to all commercial banks. The letter of transmittal is reproduced at the end of this article. The article and the other documents referred to in it were prepared by the staff of the Bank Report Reform Project, headed by its Staff Director, Stanley J. Sigel, Adviser, Division of Research and Statistics, Board of Governors of the Federal Reserve System.

The summary discussion in this pamphlet focuses on the following questions that reflect the system's major characteristics:

(1) What is ISBAR, how will it be used in report procedures, and what types of banks can use it to advantage?
(2) What role have commercial banks had in the design and development of the system?
(3) Will the use of the system be compulsory for banks?
(4) Does ISBAR involve any changes in the substance of information that banks report?
(5) Does the use of ISBAR put any particular requirements or restrictions on banks' internal recordkeeping procedures?
(6) What reports are covered in the system?
(7) How will future changes in reporting requirements be handled in the system?
(8) Will the ISBAR approach be extended to other types of reports?
(9) How does ISBAR fit into the general efforts of the banking agencies to deal with problems of reporting burden?
(10) What additional materials on the system are available and how can they be obtained?

(1) What is ISBAR, how will it be used in report procedures, and what types of banks can use it to advantage?

ISBAR consists of a set of materials and procedures that provide, as an alternative to present procedures, a systematic basis for: (a) banking agency requests for information from commercial banks; (b) the definition of the information requested; (c) bank generation of this information; and (d) bank reporting of the information to the agencies.

In the ISBAR approach, each line of information requested in agency reports that deal with balance sheet and related items is completely defined in terms of an appropriate combination of the elements of a standard classification structure. This single, comprehensive structure embraces the definitional needs of all the reports covered in the system. The system's main operating documents are the classification structure, a Dictionary defining each element of that structure, and a set of report Instructions that specify the information requested in the reports in terms of the elements of the classification structure.

For banks, ISBAR will have four separate uses: (a) in their determination of the definition of agency information requests; (b) in connection with their generation of information for agency reports on a coded or automated basis; (c) as an input to their design of recordkeeping and information systems; and (d) in connection with the physical form of reporting to the agencies.

(a) The fundamental use of the system by banks will be definitional. The operating documents provide each bank with the basis for systematically determining the complete specification of all agency requests for information that are covered by the ISBAR structure. Similarly, a basis is provided for a systematic comparison of what is wanted on different reports requesting somewhat similar information.

For such definitional purposes any bank—regardless of size, accounting procedures, or extent of automation or coding of accounts—may find that it can use the system to advantage. This definitional use is independent of the bank's accounting methods or internal procedures. There is no requirement, or even presumption, that a bank has coded its accounts or automated any of its procedures, nor is there any implication that it ever intends to do so. While the Instructions for each report line are stated in terms of code numbers, these codes—insofar as definitional use is concerned—are internal to the ISBAR documents. They serve simply to guide the user from the coded Instructions for the line to the elements of the classification structure and to the Dictionary defining these elements. Once the definition of a line is determined in this way, the ISBAR codes have no further significance for a bank using the system for definitional purposes only.

(b) While the ISBAR operating documents may be used solely for definitional purposes, they may also be used in connection with bank generation of agency reports on a coded or automated basis. The ISBAR classification structure provides the substantive basis of bank coding of accounts that would be appropriate for the agency reports. The ISBAR coded report Instructions state agency requests for information in terms of the elements of the classification structure. With appropriate identification and adaptation of its own classification system to the ISBAR structure, a bank could—if it so chose—use the ISBAR coded Instructions as the basis for compiling some or all of the data needed for agency reports by retrieval procedures that would be stated in terms of the classifications used in its own records.

A bank that has already coded or automated some of its accounts or files for internal purposes may, therefore, have some interest in examining the details of the ISBAR materials to determine the feasibility of using ISBAR to facilitate the coded or automated generation of some of the information needed for agency reports. Such an examination would be a necessary part of the bank's determination of the reports for which it might be worthwhile to link, and adapt as appropriate, its present procedures to the ISBAR materials.

(c) Another potential use of the ISBAR materials is as an input to systems planning for banks that are designing new or revised information systems or automated recordkeeping systems. Such a bank may be interested in a detailed examination of the ISBAR materials if it has any thought of incorporating agency-report-generation features into its new systems or if it has any concern about the relationship between reporting requirements and its systems design.

(d) ISBAR also provides banks with alternative procedures with respect to the physical form of reporting information to the three banking agencies. Banks are given two types of options in this regard. In the first, the data being reported may be identified either by ISBAR codes or by existing procedures. In the second, each bank will have the choice of transmitting the data either by use of the present report forms or by means of computer printouts or punched cards in standard formats to be set by the agencies. Any bank that can put its report returns on computer file may find it convenient to transmit reports by the new alternative methods—even if it does not use other ISBAR procedures and materials.

Eventually, consideration may be given to extending the options in this area to include transmission of the data by magnetic tape or terminals. A few Federal Reserve Banks may be interested in pursuing such transmission methods on an experimental basis with a limited number of banks.

(2) What role have commercial banks had in the design and development of the system?

Commercial banks have played a major role in the design and development of ISBAR. The project originated when the group of banks making up the *ad hoc* Steering Committee on Banking Information suggested to the banking agencies that the banks and the agencies work together to develop an approach to reporting that would permit banks to deal with reporting requirements in a more effective manner. Under the chairmanship of M. H. Schwartz, then a vice president of the First National City Bank of New York and now Director of the Division of Management Information and Telecommunications Systems of the Atomic Energy Commission, and later Robert K. Wilmouth, Executive Vice President of the First National Bank of Chicago, the Steering Committee set the general direction of the project and established the major scope and characteristics of the approach. The members of the Steering Committee stressed to the agencies that banks had a pressing need in the area of reporting and that the project was directed toward that need. The Committee persuaded the agencies to establish the project and to implement the resulting system as an operating alternative for banks.

Throughout the project, the Steering Committee continued to give general guidance to the project staff. In addition, consultations with operating personnel at each of the Steering Committee banks during various stages in the work contributed to significant improvements in the project results.

Commercial bank participation will continue during the present review period. Comments by individual banks on this preliminary version will be taken into account in preparing the operational version to be issued in 1975.

As a supplement to the reviews by individual banks, The American Bankers Association (ABA) and the Bank Administration Institute (BAI) have established a joint steering committee to provide a focal point for industry reaction to the ISBAR approach. The members of the committee are Virgil Dissmeyer, Senior Vice President and Cashier of the Northwestern National Bank of Minneapolis; Graham P. Dozier, III, Comptroller of Wachovia Bank and Trust Company, N.A., of Winston-Salem; Gail M. Melick, Executive Vice President of Continental Illinois National Bank and Trust Company of Chicago; Paul Laskoski, Senior Vice President (Finance) of The First Pennsylvania Banking and Trust Company of Philadelphia; James E. Lodge, Director of the Operations and Automation Division of The American Bankers Association; and Thom McCord, Principal Bank Counselor of the Bank Administration Institute.

The committee is recruiting a group of banks to experiment with procedures for linking ISBAR into their own accounting and information systems. Any bank interested in obtaining more information about the experiment should contact the ABA or BAI staff representative on the committee.

In addition, the ABA and BAI are prepared to organize appropriate forms of educational sessions on ISBAR if a need becomes evident.

(3) Will the use of the system be compulsory for banks?

Nothing in the ISBAR approach is compulsory for any bank. Use of the system is completely at the option of each commercial bank. A major purpose of the approach is to provide the flexibility of alternative procedures to those banks that can use such procedures to advantage, while also allowing each bank the option of continuing under existing procedures.

Each reporting bank has the option to use the system or not. If a bank does choose to use the system, other options arise on how and to what extent. Thus, a bank may use the ISBAR materials for any one, or any combination, of the uses discussed under Question (1). It may use them for all of the reports covered by the system that are applicable to it or for any subset of reports or even for parts of reports. It may use the approach in connection with some of its files or some of its departments and not others. The bank may adopt the procedures as soon as ISBAR becomes operational or at any time thereafter.

(4) Does ISBAR involve any changes in the substance of information that banks report?

ISBAR does not add to, or otherwise change, the substance of reporting requirements. The system focuses on procedural and format matters and on improvement, codification, and systematization of definitions within the context of the existing substance of reports. Whether a bank uses ISBAR or the current procedures, it will report the same items of information at the same levels of detail for the same reports. Any future changes that occur in reporting requirements as a result of changes in banking agency information needs will be reflected in the ISBAR operating materials—just as they will be in the current reporting forms—but the ISBAR procedures do not in themselves initiate such changes.

(5) Does the use of ISBAR put any particular requirements or restrictions on banks' internal recordkeeping procedures?

ISBAR does not impose, or presuppose, any particular design for banks' accounting, recordkeeping, or information systems. Each bank that uses the ISBAR materials will continue to determine its own procedures in accordance with its individual needs.

This is true in particular for the classification and coding systems used by a bank to identify and differentiate its accounts. ISBAR does provide the substantive basis for the classification structure that is needed for such identification of accounts as is relevant to reporting requirements. But the particular format, organization, and level of detail of the ISBAR classification structure does not constitute a recommended standard system of classification for bank use. For its own purposes, each bank may have need for additional classification detail and for a different organization of its classification system. Similarly with respect to the code numbers that represent the classification structure, ISBAR does not require or provide a particular coding system for use by banks in the coding of their accounts. The code numbering used in the ISBAR documents is for identification and reference within the ISBAR materials and for coded communication of information requests. These ISBAR codes are not intended or designed for bank use in coding accounts. A bank that makes any use of the ISBAR materials would use a code numbering system in the classification of its accounts that is appropriate for its own needs.

However, because ISBAR does not put any particular requirements on banks' recordkeeping procedures, each bank using the ISBAR materials in connection with coded or automated generation of agency reports will have to prepare and maintain a conversion table linking the ISBAR classifications, codes, and procedures to its own records, classifications, codes, and procedures. This conversion table would be the operating link between the ISBAR report Instructions, which are stated in terms of the ISBAR codes, and the information as it is organized and identified in a bank's records. As mentioned in connection with Question 2, some experimental exercises in performing the kind of substantive identification necessary to prepare such conversion tables will be organized by the joint ABA–BAI steering committee.

The absence of any requirements on banks' internal procedures, other than for a conversion table, does not mean that a bank's decision to use the ISBAR materials may not have some effect on its recordkeeping procedures. It is unlikely that there will be any significant impact in those cases where the bank is using the ISBAR materials solely for definitional purposes, although even here clarification of reporting requirements may result in some change in internal records. But there may be a significant impact in those instances where a bank is using the ISBAR materials as an input to its systems design activities or where a bank is trying to adapt its existing procedures to take advantage of the ISBAR approach. However, even where use of the ISBAR materials strongly influences the direction that a bank takes in designing or adapting its procedures, each bank will still be free to design its systems to meet its own needs.

(6) What reports are covered in the system?

When ISBAR becomes operational in 1975, it will cover the definitional requirements of reports that meet all of the following conditions: (a) The reports are issued by one or more of the three Federal banking supervisory agencies (including the Treasury's Foreign Exchange Reports collected through the Federal Reserve Banks); (b) they are submitted by commercial banks; and (c) they request information on balance sheet and related items. Certain reports meeting these criteria are excluded as unsuited for the ISBAR approach—for example, reports that request judgmental or qualitative information and some one-time or infrequently collected reports that ask for highly detailed, specialized information. Within the indicated scope, the system covers all reports—whether regulatory, supervisory, or statistical; whether mandatory or voluntary; whether completed by all banks or by a sample of banks.

Reports that will not be explicitly covered in the 1975 version of the system include: (a) banking agency reports that do not deal with balance sheet and related items, such as the Report of Income; (b) reports collected from bank trust departments, Edge Act subsidiaries, and bank holding companies and other nonbank affiliates; (c) reports of other Federal agencies, such as the Securities and Exchange Commission and the Internal Revenue Service; and (d) reports of State banking supervisory agencies.

Similarly, information needs of commercial banks for purposes other than compiling the covered reports are not explicitly incorporated in the structure. While there is a considerable overlap between the information that banks need for reporting and what they need for their own purposes, banks presumably require classification detail for internal purposes that is not provided in the ISBAR structure. Because the additional details needed vary from bank to bank, the commercial bank Steering Committee on Banking Information recommended that the project not attempt to develop a comprehensive classification structure covering all of the information needs of commercial banks.

The preliminary version of the operating materials has not yet incorporated some of the reports that will be covered in the 1975 operational version. The incorporation of the remaining reports to be covered will undoubtedly result in some changes in the ISBAR classification structure and other materials. These changes will be in addition to those resulting from industry and agency review of the preliminary version. The specific reports covered in this preliminary version and those to be included in the 1975 version of ISBAR are listed in the additional descriptive material that is available on request.

(7) How will future changes in reporting requirements be handled in the system?

When ISBAR becomes operational in 1975, the classification structure will reflect the definitional requirements of those reports coming within the scope of the system that are being collected at that time. Not all future requests by banking agencies for new or revised information will come within the scope of ISBAR, but those that do will require prompt preparation and distribution of additional ISBAR materials. If such requests for information can be completely defined in terms of the classification structure as it stands, the main changes required in the material will be the preparation of coded Instructions for the new requests.

However, there can be no guarantee, or presumption, that future information needs of the agencies—even if within the general scope of the system—will be limited to those that can be defined in terms of the ISBAR classification structure as it stands at any time. When agencies do request such new information that is not so definable, appropriate changes will have to be made in the ISBAR classification structure as well as in the Instructions. However, agency procedures will be established in order to prevent unnecessary changes in the structure and to keep to a minimum those changes that are required.

Once the system is operational, all ISBAR documents will be maintained and updated as needed. Whenever a change in reporting requirements entails a change of any kind in the structure, notice to this effect, along with the necessary revisions and additions to all relevant ISBAR documents, will be sent immediately to all banks that have the ISBAR materials. In the 1975 version, these documents will be issued in a looseleaf form so that new and revised pages may be incorporated readily.

(8) Will the ISBAR approach be extended to other types of reports?

An extension of ISBAR to the balance sheet reports requested by other agencies—for example, the Internal Revenue Service, the Securities and Exchange Commission, the Department of Commerce, and the State bank supervisors—would probably require the addition of considerable detail, but not necessarily a drastic redesign of the structure. From the beginning of the project, the intention has been to cover these reports eventually, but the administrative problems involved in doing so have not yet been faced. A feasibility study will undoubtedly be conducted after the system has been satisfactorily implemented in its present scope and is working smoothly.

Extension of the approach to the Report of Income or to reports submitted by bank holding companies would raise difficult problems of substance. These reports might require quite different parallel structures rather than incorporation into the present structure. It is unlikely that the project will be able to turn to those areas until there has been considerable operating experience with the present coverage of reports.

(9) How does ISBAR fit into the general efforts of the banking agencies to deal with problems of reporting burden?

The burden of banking agency reports on banks arises both from the substance of the information to be reported and from the procedures used in requesting, defining, and transmitting the information. ISBAR as such deals only with matters of reporting procedure; it takes the substance of reports as given. However, ISBAR was also intended and designed to be used as a comprehensive framework for approaching problems of substance and to give technical support for those agency programs dealing with such problems. The ISBAR materials provide an effective mechanism for the kind of detailed and comprehensive comparison of the contents of existing reports that would be needed in any program of evaluation and restructuring of the substance of reports. Moreover, the system will provide an efficient mechanism for communicating to reporting banks the results of revisions of individual reports or restructuring of groups of related reports. Also, because it provides a sharp and immediate focus on definitional questions, the system—once it is operational—will have a significant role to play in the design and introduction of new requests for information.

(10) What additional materials on the system are available and how can they be obtained?

The full presentation of ISBAR is contained in a set of documents that provides both a more complete description of the system and copies of the operating materials. The presentation bears the general title *Information System for Banking Agency Reports* and is divided into four major parts:

PART 1 is a general description of the system—its origins, purposes, scope, characteristics, uses, and operating materials and procedures. It also discusses the relationship of the system materials and procedures to banks' own recordkeeping and information systems.

PART 2 consists of the various operating documents required to implement the procedures of the system. These include the classification structure needed to specify the lines of the covered reports, a Dictionary defining each element of the structure, and a set of coded report Instructions that specify the Report of Condition and its schedules in terms of the elements of the classification structure. Part 2 also includes a technical *Guide to Operating Documents* that describes in detail the formats, contents, and use of these documents.

PART 3 contains the coded report Instructions for all covered reports except the Report of Condition, which is in Part 2. Because all banks do not prepare the same reports, a bank requesting Part 3 will receive only those coded report Instructions that are relevant to it.

PART 4 comprises supplementary documents that are not needed for the definitional use of the system but that may be of interest for design and evaluation purposes to those banks that desire to use the system in connection with coded or automated retrieval of information for agency reports. A description of these supplementary documents is contained in the *Guide to Operating Documents* of Part 2.

Each part of the ISBAR presentation is available separately upon request. Banks may request as much of the material as they wish; but because the entire presentation is of considerable size, banks with no previous exposure to the system may find it helpful to examine the descriptive Part 1 before deciding to request the operating documents of Parts 2 and 3 or the supplementary documents of Part 4.

The documents making up the presentation may be obtained by writing to the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or any Federal Reserve Bank. The specific addresses to which requests should be sent are listed on the inside of the back cover of this pamphlet. Requests should specify which parts of the presentation are wanted.

In addition to providing the documents, the agencies will endeavor, within the limits of the availability of knowledgeable personnel, to discuss the use of the ISBAR materials with interested banks. Banks or groups of banks that are interested in arranging discussions between their staffs and the project staff should address inquiries concerning the possibility of such discussions to any of the agency offices listed on the inside of the back cover.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
OFFICE OF THE COMPTROLLER OF THE CURRENCY
FEDERAL DEPOSIT INSURANCE CORPORATION

August 23, 1974

To the Chief Executive Officer,

At the request of a group of commercial banks, the three Federal bank supervisory agencies have been engaged in a joint project to develop a more systematic approach to the procedures of bank reporting to Federal regulatory agencies. This project is part of agency efforts to deal with the problems of reporting burden and of quality of data.

A preliminary version of the results of the project is now ready for distribution to the banking industry for its comments. The attached pamphlet contains a summary description; for banks interested in more information, more detailed descriptions are also available upon request.

We would appreciate receiving any comments and suggestions you may have on this material by February 1975. An operational version of the project's classification system is scheduled to be issued in the second half of 1975, at which time the reporting procedures developed in the project will be available for use by interested banks.

It should be emphasized that there is nothing compulsory in the new approach. Its procedures were developed as alternatives to the present reporting system and each bank can decide whether to use all or part of the new system or to continue with the present procedures. The new system does not change the substance of the data that are being reported by banks to the Federal agencies.

We hope that the availability of these alternative procedures will prove of value to many banks throughout the country, and expect that the new approach will also play a constructive role in our efforts to reduce reporting burden to the extent practicable. We look forward to receiving your comments on this preliminary report.

Sincerely yours,

Arthur F. Burns
Chairman
Board of Governors of the Federal Reserve System

James E. Smith
Comptroller of the Currency

Frank Wille
Chairman
Federal Deposit Insurance Corporation

Statements to Congress

Statement by Robert C. Holland, Member, Board of Governors of the Federal Reserve System before the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs, U.S. Senate, on S. 2591, July 24, 1974.

I am pleased to appear again before the subcommittee to discuss S. 2591 and related proposals for changes in the structure of the Nation's financial system. Let me try to summarize the Board's views in rather general terms, and then respond to any specific questions.

When I appeared before the subcommittee on November 7, 1973, I expressed the Board's belief that there is a need for reform in the structure of financial intermediaries, along the general lines of the proposed Financial Institutions Act. We believe that such reforms should be designed to improve the flexibility of financial institutions to respond to the changing needs of individuals and business. At the same time, reforms must take full account of the need to maintain a base for effective monetary policy. They must also preserve a safe and sound financial system.

Developments since last November have served to underscore the need for such changes. Mr. Chairman, it is clear that you and members of your subcommittee recognize this need, and the Federal Reserve wishes to be as helpful as it can to you as you pursue your consideration of these matters.

As we contemplate the future of our financial institutions, it is important to recognize that the most substantial contribution that can be made to their long-run health and welfare is to bring our present corrosive inflation under control. For all financial intermediaries doing business in fixed-dollar claims, continued inflation raises very serious threats. But inflation is particularly troublesome for the nonbank thrift institutions, which already face increasing problems resulting from the rise in interest rates associated with rapid inflation and its accompaniments. Needing to offer higher rates on deposits in order to attract and hold consumer savings, these institutions find themselves burdened with a portfolio of long-term, relatively low-rate investments.

As the Federal Reserve sees it, for the thrift institutions to respond to this situation effectively, they must be given power to offer more attractive savings rewards and related services to their customers. Governmental action to facilitate such added attractions could include higher interest rate ceilings and permission to offer variable interest rate deposits.

To pay for such increased deposit costs, however, thrift institutions will need both more flexible lending and investing powers and time to utilize those powers to expand their earnings inflows. The Board favors broadening the earning asset opportunities open to thrift institutions along the lines of S. 2591, as I mentioned last fall. Board members feel that an innovation such as the variable-rate mortgage deserves consideration in this connection. We recognize that variable-rate mortgages pose problems; however, we believe that it might be possible to work out arrangements for such instruments that would be fair to both the lender and the borrower and that would fully inform the borrower about his rights and liabilities.

In expanding institutional powers, however, certain cautions must be kept in mind. First, as a simple matter of fairness, the powers of competing institutions should be equitably related. Second, as a matter of good stabilization policy, provision should be made for the application of monetary controls to all relevant monetary claims. Both these concerns prompted the Board to send to the Congress earlier this year its proposal for uniform reserve requirements applicable to all Federally insured institutions handling money-type deposits.

There is a third caution that applies to all the changes I have suggested thus far. Changes can trigger transitional difficulties, some foreseen and some unforeseen. Care needs to be taken that transitions unfold in such a manner as to safeguard the soundness and safety of our institutions and to minimize disruptions in credit flows, particularly in the mortgage market, which is already depressed. Such considerations point to the importance of making changes on a step-by-step basis and to the wisdom of giving the regulatory agencies authority to slow down developments, if necessary, to stem adverse results flowing from too-rapid changes. In this spirit, the Board of Governors favors the gradual lifting of deposit-rate interest ceilings but believes the retention of standby powers to reimpose such ceilings would be prudent.

Fundamental reforms of the type referred to above will clearly take considerable time to be adopted and bear fruit. In the interim the financial system is being plagued with a number of short-range problems, some of the most painful of which are ironic manifestations of underlying deficiencies that proposed longer-run reforms will eventually ameliorate. For this reason, we believe that it is especially important to respond to these short-range problems in a manner that is consistent with our longer-range goals.

One such short-term problem about which all members of the subcommittee are well aware is the current attraction of savings funds away from depositary institutions by offerings of very high-yielding—and sometimes innovatively designed—market securities. Such securities are epitomized by the new variable-rate note issue scheduled to be sold by Citicorp.

The characteristics of the Citicorp issue have been developed with the individual saver–investor in mind.[1] As it is presently structured, the offering would compete with a variety of alternatives but particularly with Treasury bills and with small and medium-size certificates of deposit in banks and thrift institutions. The Board recognizes that the resulting disintermediation from nonbank thrift institutions (and also from commercial bank time deposits) could be significant if the volume of offerings of this type were to become large. Net inflows to the thrifts have already fallen off substantially in recent months, and any significant additional diversion of funds is a matter for public concern.

Nonetheless, it is not clear that the long-run public interest would be served by prohibiting or severely limiting innovative financing efforts of this type. Offerings like the Citicorp issue promise improved investment opportunities for individual savers, reduced pressures on short-term money markets, and strengthened financial positions for the corporations issuing them. While this first such offering is by a bank holding company, there are numerous nonbank firms that may well follow this lead and bring similar issues to market. Any legislative or administrative counteraction aimed at banks or bank holding companies would still leave savings institutions subject to disintermediating pressures from a stream of Citicorp-type offerings from other issuers.

It is impossible to judge at this point how rapidly developments in this area will unfold or how large the drains of funds from the thrift institutions might prove to be. For all these reasons, the Federal Reserve believes it would be wise not to rush in with hasty legislation against Citicorp-type issues. At the same time, we do advocate very close monitoring of the situation and the prudent development of contingency plans—including possible legislative proposals—to deal with seriously adverse results should they emerge.

In such planning the Board believes that first and strongest emphasis should be placed on positive means of bolstering the flow of funds to savings institutions rather than on negative devices that try to dam up flows of funds through other channels. The Federal Home Loan Bank System already has a vigorous program of lending to its member associations, and the Federal Reserve and the Home Loan Bank Board have plans for backstopping the home loan banks if required in necessitous cases.

A more enduring remedy, which has consid-

[1] The Citicorp note as now modified would include an interest rate that varies over time with the yield on 90-day Treasury bills, would be sold in minimum denomination of $1,000 with an initial subscription minimum of $5,000, and would—after June 1, 1976—provide the holder with the option of presenting the notes for redemption semiannually on 30 days' notice. The new security would be listed on the New York Stock Exchange and would be marketed by brokers nationwide.

erable merit in our mind, is to take steps to be certain that depositary institutions are authorized to compete with the Citicorp-type offerings by themselves offering some form of variable-rate instruments. It is undoubtedly true that such institutions could not afford to issue as many of these instruments now as they could in future years after their asset portfolios have had time to adjust; but surely now is a time for them to press their interest-paying ability to the utmost.

The Congress might be able to help the cost–earnings squeeze on savings institutions by standing ready to appropriate larger amounts to subsidize lending to them at below-market rates from the home loan banks. Since mutual savings banks may be especially vulnerable, such programs of assistance might be expanded to include them. Other public officials here today are better positioned than I to comment on the details of this and other possible measures by the Congress to improve the fund-raising ability of the savings institutions.

Now let me turn to the other category of possible actions—those that would try to help the thrift institutions by handicapping competing alternatives. As I have intimated earlier, the Board sees many drawbacks and very uncertain chances for much success in this direction. As a legal matter the Board believes it has no present authority to constrain bank holding companies from offering securities like the Citicorp issue if the proceeds are not transferred to the subsidiary bank.

Nonetheless, if your committee and the Congress feel that it is desirable to consider restrictive legislation on this subject, I can offer some Board comment on several suggested possibilities.

Legislation to require the Board (or some other one or combination of Federal agencies) to give prior approval to all obligations issued by a bank holding company or any of its bank or nonbank subsidiaries would seem to us far too sweeping. Even if it were accompanied by the power to grant exemptions by regulation, the Board's administrative burden and the uncertainty and interference injected into bank holding company decision-making appear excessive.

Another approach would be to expand the Board's regulatory authority with respect to the issuance of "cease-and-desist" orders. This could enable the Board, on a case-by-case basis, to determine if a proposed note issue by a bank holding company or its nonbank affiliates would have a sufficiently adverse impact on financial markets or depositary institutions to justify imposition of appropriate restrictions by the Board. Such authority would be more limited than the preceding legislative proposal, but it would still suffer from the same disadvantages albeit in reduced degree.

Another and direct legislative answer might be for the Congress to amend Sec. 19(a) of the Federal Reserve Act to specifically give the Board discretionary authority to subject note issues of bank holding companies and their nonbank subsidiaries to deposit-type regulation—regardless of the intended use of the proceeds. To permit comparable interest rate regulation of all holding companies with depositary intermediaries, similar authority would have to be given to the Federal Deposit Insurance Corporation and to the Federal Home Loan Bank Board.

The same result might be accomplished by action which spells out the understanding of the Congress that the Board now has such authority under Sec. 19(a). This is the approach taken by Senate Concurrent Resolution 103, introduced by Senator Sparkman (for himself, Senators Brooke, Cranston, Proxmire, and Williams) and referred to the Committee on Banking, Housing and Urban Affairs. If the Congress should pass this concurrent resolution, the Board would accept that statement of congressional intent and be prepared to act accordingly.

If either Sec. 19(a) were amended or if the concurrent resolution were to pass, we would, of course, have to give careful consideration to the implementing actions that should be taken. For example, this authority might be used to apply appropriate interest rate ceilings and reserve requirements to parent bank holding company issues sold to the general public in denominations of less than money market size (say, \$100,000) if they also have maturities or holder redemption options in the first few (say, 2 to 5) years after issuance. Such limited restrictions might perhaps be justified on the grounds that issues for larger amounts or longer terms would not offer sufficient competitive threat to savings deposits to warrant special restrictions.

Weighing all these considerations, the Board is inclined to believe that the above described concurrent resolution may be the best interim course to follow if and when the Congress decides that restrictive action is necessary. I want to conclude, however, with one further qualifying note. If action of this type is to be taken, the Board believes it should be viewed as a temporary remedy—one that should be reconsidered and probably phased out as the reforms visualized in the proposed Financial Institutions Act come into being. Stop-gap solutions have their place, but good public policy requires that they be superseded by more enduring reforms if our system of depositary institutions is to keep up with the financial needs of our evolving economy. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking and Currency, U.S. House of Representatives, July 30, 1974.

I am pleased to appear before this committee today to discuss the six questions posed by Chairman Patman's letter of June 19, 1974. The several areas addressed by these questions are of great interest, particularly to professional economists. My comments on them convey the basic thinking of the Board of Governors, and will—I believe—be responsive to the committee's needs.

I must, however, go beyond a narrow or technical interpretation of these questions. Rapidly rising prices, rapidly rising wages, rapidly rising interest rates—these are the burning economic issues of our time. My testimony today will seek to identify the sources of this menacing inflationary problem and to outline the course that public policy must take to restore price stability.

The first question raised by Chairman Patman concerns the reliability of the trade-off between inflation and unemployment—the so-called Phillips curve—as a guide for monetary policy. The discovery some years ago of a statistical correlation between the rate of inflation and the rate of unemployment seemed to offer a straightforward choice to policy-makers. These early studies—using data first for the British economy, later for the United States and other economies—suggested that unemployment could be reduced if a nation were willing to put up with more inflation, and that advances in the general price level could be slowed down if a higher rate of unemployment were tolerated.

Further research and subsequent developments have indicated, however, that simple statistical correlations of this kind are misleading. The forces affecting economic activity and prices in a modern economy are far too complex to be described by a simple mathematical equation.

We found in 1970 and early 1971, for example, that increases in wage rates and prices may continue—and even accelerate—in the face of rising unemployment and declining real output. The experience of the United States in this regard was not unique; similar developments occurred at about the same time in Canada and the United Kingdom.

We have also come to recognize that public policies that create excess aggregate demand, and thereby drive up wage rates and prices, will not result in any lasting reduction in unemployment. On the contrary, such policies—if long continued—lead ultimately to galloping inflation, to loss of confidence in the future, and to economic stagnation.

The central objective of monetary and fiscal policies should be to foster lasting prosperity—a prosperity in which men and women looking for work are able to find work; a prosperity in which incomes and savings are protected against inflation; a prosperity that can be enjoyed by all. Of late, such a prosperity has eluded us, because we have not yet found a way to bring an end to inflation.

Let me turn to your second question, concerning the benefits and risks involved in the Federal Reserve accommodating increases of the general price level that originate in supply shortfalls and other special events.

Prices in the United States have been affected heavily in the past several years by a variety of special factors. Disappointing harvests in 1972—both here and abroad—caused a sharp run-up of food prices in 1973. Beginning in the fall of last year, the manipulation of petroleum shipments and prices by oil-exporting countries led to huge increases in the price of gasoline, heating oil, and related products.

Furthermore, a worldwide boom in economic activity during 1972 and 1973 led to a bidding up of prices everywhere. In the United States, larger foreign orders for industrial materials, component parts, and capital equipment added to growing domestic demands. Pressures became particularly intense in the major materials industries—such as steel, aluminum, cement, paper—in which expansion of capacity had been limited in earlier years by low profits and environmental controls.

The impact of worldwide inflation was especially severe in the United States because of the decline in the exchange value of the dollar relative to other currencies. Besides stimulating our export trade, and thereby reinforcing the pressures of domestic demand on available resources, devaluation raised the dollar prices of imported products, and these effects spread through our markets.

More recently, the removal of controls over wages and prices has led to sharp upward adjustments in both our labor and commodity markets.

It has at times been suggested that monetary policy could have prevented these special factors from affecting significantly the average level of wholesale and consumer prices. That may well be true, but the cost of such a policy should not be underestimated. Last year, about 60 per cent of the rise in consumer prices was accounted for by food and fuel; for wholesale prices, the proportion was even higher. To achieve stability in the average price level, it would therefore have been necessary to bring down very sharply the prices of other goods and services.

Prices of many commodities—particularly farm products and industrial raw materials—are established in highly competitive markets and are therefore capable of declining as well as rising. The prices of many other commodities and services that make up the gross national product, however, are nowadays rather inflexible in a downward direction, in large part because of the persistent upward push of labor costs and imperfect business competition. For these commodities, significant price declines could be achieved only by drastically restrictive policies—policies that would lead to widespread bankruptcies and mass unemployment. A monetary policy that sought to offset completely the effects on the average price level of the rising cost of food, petroleum products, and other commodities whose prices were so heavily influenced during the past 2 years by special factors would clearly have been undesirable.

Nevertheless, monetary policy must not permit sufficient growth in money and credit supplies to accommodate all of the price increases that are directly or indirectly attributable to special factors. The rise in the price of petroleum, for example, has increased the costs of energy, plastics, petroleum-based chemicals, and other materials. Business firms will endeavor to pass these higher costs through to consumers. Workers, too, will bargain for larger wage increases, in order to compensate for declines in their real incomes. To the extent that wage increases outrun gains in productivity, business costs—and ultimately consumer prices—are driven up. Thus, in addition to their direct effects on prices, special factors may have large and widespread secondary effects on the price level.

A monetary policy that accommodated all of these price increases could result in an endless cost–price spiral and a serious worsening of an already grave inflationary problem. The appropriate course for monetary policy is the middle ground. The price rigidities characteristic of modern industrialized economies must be recognized, but a full pass-through of all the price effects stemming from special factors must not be permitted.

The middle course of policy we have adopted has resulted in a growth rate of the narrowly defined money stock—currency and demand deposits—of about 6 per cent during the past 12 months. This rate of growth is still too high for stability of average prices over the longer term. But moderation in the growth rate of money and credit supplies must be achieved gradually to avoid upsetting effects on the real economy. This is particularly true now, when cost-price relations are seriously distorted.

I turn now to Chairman Patman's third question, which relates to the positive elements and the risks involved in monetizing deficit spending. The simple fact is that financing Federal deficits by printing money involves risks, and the risks are grave.

Fortunately, since 1951 monetary policy in this country has not been conducted with an eye to providing a ready market for Treasury securities, or for financing Federal deficits. Considerations of this kind were an objective of Federal Reserve policy during World War II, when Treasury borrowing proceeded on an unprecedented scale in relation to the size of our economy. I doubt that such a policy was warranted even under wartime circumstances, and its continuation in the years immediately after the war was a very serious mistake. It led to excessive increases in borrowing by private firms, consumers, and State and local governments, and thus fueled the subsequent inflation.

The dangers inherent in this situation became acutely evident during the Korean war, when Federal deficits once again threatened. With the aid of prodding by the Congress, particularly by Senator Douglas, the Federal Reserve and the Treasury resolved their disagreements, and monetary policy returned to its traditional role of regulating the supplies of money and credit in the interest of economic stability. Since then, the Treasury has financed its deficits at prevailing market interest rates in competition with other borrowers.

During periods of large Treasury financings, the Federal Reserve follows the practice of maintaining even keel in the money market—that is, we refrain from taking overt actions that market participants might interpret as a change in monetary policy. On some occasions, therefore, the maintenance of even keel has delayed the timing of changes in monetary policy. Treasury financing operations thus pose problems for monetary policy, particularly when they are large and frequent.

Federal deficit financing becomes a major source of economic and financial instability when it occurs during periods of high economic activity, as it has in recent years. The huge Federal deficits of the past decade have added enormously to aggregate demand for goods and services, and have thus been directly responsible for upward pressures on the price level. Heavy borrowing by the Federal sector has also been an important contributing factor to the persistent rise in interest rates, and to the strains that have at times developed in money and capital markets. Worse still, continuation of budget deficits has tended to undermine the confidence of the public in the capacity of our Government to deal with inflation.

If the present inflationary problem is to be solved, and interest rates brought down to reasonable levels, the Federal budget must be brought into better balance. This is the most important single step that could be taken to restore the confidence of people in their own and our Nation's economic future.

Let me turn, next, to the committee's fourth question, dealing with the benefits and risks of the Federal Reserve's fighting money market fires.

As this committee well knows, the cardinal aim of monetary policy is maintenance of a financial environment in which our national objectives of full employment and price stability can be realized. For the most part, this responsibility is best achieved by striving for appropriate growth rates of the monetary aggregates, and letting financial markets take care of themselves.

The appropriate monetary growth rates will vary with economic conditions. They are apt to be higher during periods of economic weakness, when aggregate spending is in need of stimulus, than when the economy is booming and inflationary tendencies threaten economic stability. Special circumstances may, however, call for monetary growth rates that deviate from this general rule. For example, as noted in my response to the second question, the special factors giving rise to extraordinary price pressures during the past year or two have required toleration of a monetary growth rate that has been relatively high by historical standards.

There are times when responsibility for maintaining financial and economic stability requires the Federal Reserve to focus attention primarily on factors other than growth in the money stock or bank credit. The oldest and most traditional function of a central bank is to act as a lender of last resort—that is, to provide liquidity when dislocation of financial markets threatens serious damage to the economy. Acting in this capacity, the Federal Reserve in the summer of 1970 warded off a developing liquidity crisis in the commercial paper market. This year difficulties encountered by a large commercial bank led to rumors of widespread illiquidity of the commercial banking system. These concerns were reduced by timely Federal Reserve action at the discount window.

It so happens that in neither of these instances did the Federal Reserve's intervention result in a significant deviation of the monetary aggregates from desired growth rates. But let there be no mistake about our determination to deal with financial troubles. In the future, as in the past, we will surely not stand aloof and permit a crisis to develop out of devotion to this or that preconceived growth rate of the money stock.

The responsibility of the Federal Reserve for conditions in the money and capital markets goes beyond its historic function to act as lender of last resort. Monetary policies need to be implemented, I believe, in ways that avoid large and erratic fluctuations in interest rates and money market conditions.

From one month to the next, the public's demand for money is subject to variations that are usually of a short-run nature. For example, a large tax refund, a retroactive increase in social security benefit payments, or a sizable disbursement by the Treasury of revenue-sharing funds may produce a temporary bulge in the demand for cash balances. If the Federal Reserve tried to maintain a rigid monetary growth rate in the face of such developments, interest rates could fluctuate widely, and to no good end. The costs of financial intermediation would be increased, and the course of monetary policy might be misinterpreted. To avoid these harmful effects, the Federal Reserve seeks to achieve desired growth rates of money and credit over relatively long periods. Experience over the past two decades suggests that even an abnormally large or abnormally small rate of growth of the money stock over a period of 6 months or so has a negligible effect on the course of the economy—provided it is subsequently offset.

We recognize, of course, that too much attention to preventing short-run fluctuations in interest rates could inadvertently cause the growth rate of money or credit to drift away from what is appropriate for the longer run. To guard against this possibility, the Federal Reserve in early 1972 introduced a new set of procedures for implementing monetary policy. These procedures focus more attention on providing bank reserves through open market operations at a pace consistent with desired growth rates of monetary and banking aggregates.

The new procedures have been helpful, but numerous problems of monetary control still remain. For example, a substantial part of the money stock is in the form of deposits at nonmember banks. As a consequence of this and other factors, there is considerable slippage between the supply of bank reserves controlled by the Federal Reserve and the Nation's money stock. Monetary control is therefore less precise than it could or should be. I would once again urge the Congress to correct this defect by extending the Federal Reserve's power over reserve requirements to all commercial banks.

Let me turn next to Chairman Patman's fifth question, which deals with the relationship that interest rates, the money stock, and the rate of inflation bear to one another.

Most interest rates in the United States are now at the highest levels in our history. There are some who believe that restrictive monetary and credit policies are responsible for this state of affairs. This view is erroneous. The basic reason why interest rates have risen to their present level is the accelerating pace of price advances over the past decade, so that we now find ourselves in the midst of a two-digit inflation.

Historical evidence—from other countries as well as our own—indicates beyond any doubt that inflation and high interest rates go together. The reasons are not hard to understand. In most countries throughout the Western World, inflationary expectations have become deeply imbedded in the calculations of lenders and borrowers. Lenders now reckon that loans will probably be repaid in dollars of lesser value, and they therefore hold out for nominal rates of interest high enough to assure them a reasonable real rate of return. Borrowers, on their part, are less resistant to rising costs of credit when they anticipate repayment in cheaper dollars.

Interest rates at anything like present levels are deplorable. They cause hardships to individuals and pose a threat to the viability of some of our industries and financial institutions. But we cannot realistically expect any lasting decline in the level of interest rates until inflation is brought under control.

History also indicates that high rates of inflation are typically accompanied by high growth rates in supplies of money and credit. But inflationary tendencies and monetary expansion are not as closely related as is sometimes imagined. For example, the econometric model of the St. Louis Federal Reserve Bank, which assigns a major role to growth of the money stock in movements of the general price level, has seriously underestimated the rate of inflation since the beginning of 1973. Simulations of the model, using the actual growth rates of the money stock since the first quarter of 1972, suggest that the rate of inflation during the past two quarters should have been a mere 3½ per cent. Apparently, special factors—such as I mentioned previously—have been at work.

Inflationary processes are characterized by rising turnover rates of the existing stock of money as well as by relatively high rates of monetary expansion. Recent experience in the United States illustrates this fact. Over the past 10 years, the average annual increase in the money stock has been about 6 per cent—a higher rate than in the previous decade. Since 1964, however, the income velocity of money—that is the ratio of gross national product to the money stock—has risen at an average annual rate of about 2½ per cent, thus contributing importantly to the inflationary problem.

The role of more rapid monetary turnover rates in inflationary processes warns against assuming any simple causal relation between monetary expansion and the rate of inflation either during long or short periods. Excessive increases in money and credit can be an initiating source of excess demand and a soaring price level. But the initiating force may primarily lie elsewhere, as has been the case in the inflation from which this country is now suffering.

The current inflationary problem emerged in the middle 1960's when our Government was pursuing a dangerously expansive fiscal policy. Massive tax reductions occurred in 1964 and the first half of 1965, and they were immediately followed by an explosion of Federal spending. The propensity of Federal expenditures to outrun the growth of revenues has continued into the 1970's. In the last 5 fiscal years, total Federal debt—including the obligations of the Federal credit agencies—has risen by more than $100 billion, a larger increase than in the previous 24 fiscal years.

Our underlying inflationary problem, I believe, stems in very large part from loose fiscal policies, but it has been greatly aggravated during the past year or two by the special factors mentioned earlier. From a purely theoretical point of view, it would have been possible for monetary policy to offset the influence that lax fiscal policies and the special factors have exerted on the general level of prices. One may therefore argue that relatively high rates of monetary expansion have been a permissive factor in the accelerated pace of inflation. I have no quarrel with this view. But an effort to use harsh policies of monetary restraint to offset the exceptionally powerful inflationary forces of recent years would have caused serious financial disorder and economic dislocation. That would not have been a sensible course for monetary policy.

The last question put to me deals with how monetary policy should be used to check inflation and bring interest rates down to reasonable levels.

The principal objective of monetary policy since late 1972 has been to combat the inflationary forces threatening our economy. To this end, supplies of money and credit have been restricted at a time when credit demands were booming. Inevitably, therefore, interest rates have risen. This unhappy consequence has led some observers to conclude that restrictive monetary policies are counterproductive—because rising interest rates are an added cost to businesses and thus may result in still higher prices.

There is a grain of truth in this argument, but no more than that. For most businesses, interest costs are only a small fraction of total operating expenses. The direct effects of a restrictive monetary policy on costs and prices are therefore small. The indirect effects of a restrictive monetary policy on prices are far more important. When growth in supplies of money and credit is restrained, some business firms and consumers are discouraged by the high cost of credit from carrying through their plans to spend; others find it more difficult to obtain credit and therefore trim their spending; still others, reckoning that monetary restraint will cool off aggregate demand, curtail their outlays for goods and services even though they do not depend on the credit markets for spendable funds. In all these ways, a restrictive monetary policy helps to moderate aggregate spending and thus to reduce inflationary pressures.

In order to bring interest rates down to reasonable levels, we shall need to stay with a moderately restrictive monetary policy long enough to let the fires of inflation burn themselves out.

Progress can still be made this year in slowing the rate of price increase, and it is urgent that we do so. Inflation has been having debilitating effects on the purchasing power of consumers, on the efficiency of business enterprises, and on the condition of financial markets. The patience of the American people is wearing thin. Our social and political institutions cannot indefinitely withstand a continuation of the current inflationary spiral.

We must face squarely the magnitude of the task that lies ahead. A return to price stability will require a national commitment to fight inflation this year and in the years to come. Monetary policy must play a key role in this endeavor, and we in the Federal Reserve recognize that fact. We are determined to reduce over time the rate of monetary and credit expansion to a pace consistent with a stable price level.

Monetary policy, however, should not be relied upon exclusively in the fight against inflation. Fiscal restraint is also urgently needed. Strenuous efforts should be made to pare Federal budget expenditures, thus eliminating the deficit that seems likely in fiscal 1975. The Congress should resist any temptation to stimulate economic activity by a general tax cut or a new public works program. There may be justification for assistance to particular industries—such as housing—that are especially hard hit by a policy of monetary restraint. An expanded public-service employment program may also be needed if unemployment rises further. But Government should not try to compensate fully for all the inconvenience or actual hardship that may ensue from its struggle against inflation. Public policy must not negate with one hand what it is doing with the other.

There are other actions that may be of some help in speeding the return to general price stability. For example, limited intervention in wage and price developments in pacesetting industries may result in considerable improvement of wage and price performance. I would urge the Congress to re-establish the Cost of Living Council and to empower it, as the need arises, to appoint *ad hoc* review boards that could delay wage and price increases in key industries, hold hearings, make recommendations, monitor results, issue reports, and thus bring the force of public opinion to bear on wage and price changes that appear to involve an abuse of economic power.

Encouragement to capital investment by revising the structure of tax revenues may also be helpful, as would other efforts to enlarge our supply potential. For example, minimum wage laws could be modified to increase job opportunities for teenagers, and reforms are still needed to eliminate restrictive policies in the private sector—such as featherbedding and outdated building codes.

A national effort to end inflation requires explicit recognition of general price stability as a primary objective of public policy. This might best be done promptly through a concurrent resolution by the Congress, to be followed later by an appropriate amendment to the Employment Act of 1946. Such actions would heighten the resolve of the Congress and the Executive to weigh carefully the inflationary implications of all new programs and policies, including those that add to private costs as well as those that raise Federal expenditures. And they would signal to our people, and to nations around the world, that the United States firmly intends to restore the conditions essential to a stable and lasting prosperity. □

Statement by Jeffrey M. Bucher, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs, U.S. Senate, July 31, 1974.

I am pleased to have the opportunity to present the view of the Board of Governors on proposals to authorize national banks, and Federally insured banks and savings and loan associations to charge their corporate borrowers interest rates that reflect current market conditions.

The Board has been concerned for some time with the impact that usury ceilings have on the availability of funds in local credit markets. It goes without saying that no one wants to pay higher rates of interest for borrowed money than is absolutely necessary. But at the same time, it is very important to insure the availability of credit and the flow of funds in all financial markets on an equitable basis. When interest rates in specific markets are limited to artificially low levels, the continued availability of credit in these markets will be severely threatened. Under such circumstances, lenders are likely to impose much stricter nonprice lending terms in order to compensate for the relatively low nominal rates that can be charged. And borrowers, finding it increasingly difficult to obtain financing in local markets, may be forced to seek funds from out-of-State sources.

There is no question but that the potential for disruption of credit flows in States with relatively low usury ceilings has increased greatly in recent months due to the general increase of interest rates in competitively determined markets. Large commercial banks have been paying rates of 12 per cent or more on large certificates of deposit in recent weeks in order to obtain loanable funds. These rates exceed by as much as 2 percentage points the maximum rates that banks are allowed to charge on loans to businesses in several States—including Tennessee, Arkansas, and Montana. Since July, moreover, the prime rate charged by large money market banks to their *best* corporate customers has been at 12 per cent—also above the usury ceiling on business loans in the aforementioned States. It is reasonable to assume that many of the lending institutions in these States are finding it unattractive to lend at the relatively low usury rate, and because they cannot afford to compete effectively for money market funds, these institutions will find it increasingly difficult to continue to accommodate local credit needs if these conditions persist.

Our information—although limited—does indicate a noticeable slowdown in business lending at some of the larger banks in Tennessee and Arkansas in the last 2 months. In late April the national prime rate rose above the 10 per cent usury ceiling that prevails in these two States, and in May and June commercial and industrial loans at 12 of the large Tennessee and Arkansas banks (the only regional banks for which we have current data) declined by approximately 5½ per cent. This decline contrasts with experience in the comparable months of previous years, when loans at these banks generally increased; and it contrasts especially with the continued substantial expansion this past spring in business loans at other large banks around the country. It might also be noted that in the last few weeks Federal funds—which are overnight loans sold by one bank to another—have traded at rates above 12 per cent. Thus, there is some temptation for banks in States like Tennessee, Arkansas, and Montana to sell Federal funds or to direct their money into other more attractive investments, rather than to lend to local borrowers at the 10 per cent ceiling rate.

Because of distortions such as these that result from artificially low rate limitations, the Board strongly encourages efforts to reduce the restraints imposed on local credit markets by usury ceilings. We would prefer that remedial action to correct these inequities be undertaken at the State level, and in this regard we believe that States should promptly re-evaluate their usury laws in the light of recent experience. We understand, however, that in some States this is a constitutional problem that may require considerable time to resolve. In view of this, and given the urgency of the problems developing in some markets currently, the Board supports the emergency measure proposed by S.3817 as a means of providing some relief to these markets.

The Board has reservations about two specific items in the pending bill. First, we strongly urge that the maximum loan rate that institutions will be allowed to charge *not* be tied to the Federal Reserve discount rate. As you are aware, the discount rate is a policy rate, administered by the Federal Reserve for monetary policy purposes. It is not a market-determined rate and at times may not move in parallel with market rates.

Instead, the Board would advise that the loan rate be tied to a market-determined interest rate, one that more clearly responds to changes in credit market conditions. We suggest for this purpose the rate paid on 90-day Treasury bills, and specifically the average rate paid over the preceding month or quarter on such bills. The bill rate is published weekly and is a familiar rate to lending institutions. If the loan rate were tied to such a market rate, then adjustments would be made automatically to changing market conditions, whereas this might not necessarily be the case if the base rate used were the discount rate.

The second concern that the Board has with the proposed bill is that the legislation would apply only on loans to corporations and would exclude all noncorporate borrowers. For equity reasons the Board believes that the bill should be expanded to cover all loans for business purposes. Indeed, if lending institutions are allowed to charge higher rates on loans to corporations, we can foresee sharp diminution in the availability of credit for unincorporated businesses. Available funds will be channeled into higher-yielding corporate loans, and credit that is already scarce for other borrowers could become virtually unavailable. And, as a side effect, we would probably see many partnerships and proprietorships incorporating in order to obtain financing. This has reportedly occurred in Missouri, a State with a relatively low usury ceiling from which only corporate borrowers are exempted.

With the inclusion of the above two modifications—that is, tying the loan ceiling to a market rate and not the discount rate, and expanding the coverage to all business loans, not just corporate loans—the Board favors the proposed legislation as a productive and desirable emergency measure that should help to ease disproportionate credit constraints in certain local markets. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee, August 6, 1974.

I am pleased to appear before this Committee once again to present the views of the Board of Governors on the condition of the national economy.

Our country is now struggling with a very serious problem of inflation. In the past 12 months, the consumer price level has risen by 11 per cent; wholesale prices have risen even faster. When prices rise with such speed, inflation comes to dominate nearly every aspect of economic life.

The current inflation is of worldwide scope and of virulent intensity. Among the principal industrial countries, consumer prices over the past year have risen anywhere from 7 to over 20 per cent, while wholesale prices have advanced from 15 to over 40 per cent. Inflation is also raging among the less developed countries, and apparently in socialist countries as well as in those practicing free enterprise.

A major cause of the stepped-up rate of inflation around the world was the coincidence of booming economic activity among major industrial nations during 1972 and 1973. With production rising rapidly, prices of labor, materials, and finished products were bid up everywhere. The pressures of demand were particularly acute for industrial materials; severe shortages developed and prices of these commodities skyrocketed.

The impact of worldwide inflation on our own price level was magnified by the decline since 1971 in the value of the dollar in foreign exchange markets. Higher prices of foreign currencies raised the dollar prices of imported goods, and these price increases were transmitted to domestic substitutes as well as to finished products based on imported materials. Moreover, as the dollar became cheaper for foreign buyers, our export trade increased rapidly and thus reinforced the pressure of demand on domestic resources.

Other special factors have also contributed to the higher rate of inflation since the beginning of last year. Disappointing harvests in 1972—both here and abroad—forced a sharp run-up in food prices during 1973. And the manipulation of petroleum shipments and prices by oil-exporting countries has caused a spectacular advance since last fall in the prices of gasoline, heating oil, and other petroleum products.

More recently, the removal of direct controls over wages and prices has been followed by sharp upward adjustments in both labor and commodity markets.

The inflation that we have been experiencing has already caused injury to millions of people, and its continuance threatens further and more serious damage to the national economy.

As a result of the inflation, consumer purchasing power is being eroded. During the past year, the take-home pay of the typical worker declined nearly 5 per cent in real terms.

As a result of the inflation, the real value of the savings deposits, pensions, and life insurance policies of the American public has diminished.

As a result of the inflation, financial markets are experiencing strains and stresses. Interest rates have moved skyward. Some financial and industrial firms have found it more difficult to roll over their commercial paper or to raise needed funds through other channels. Savings flows to thrift institutions have diminished, and stock prices have plummeted.

As a result of the inflation, profits reported by corporations have risen sharply; but much of the reported profit is illusory because it fails to take into account the need to replace inventories, plant, and equipment at appreciably higher prices.

In short, as a result of the inflation, much of the planning that American business firms and households customarily do has been upset and become confused. The state of confidence has deteriorated, and the driving force of economic expansion has been blunted.

It should not be surprising, therefore, that the physical performance of the economy has remained sluggish in recent months, despite the lifting of the oil embargo that depressed the economy last winter. Auto sales have recovered somewhat since March, but total retail sales—allowing for price advances—have continued to move sidewise. Residential building activity is in a slump. Although the volume of new housing starts rose a little in June, the average for the second quarter fell and the number of new building permits also declined. Actually, most major sectors of the economy recorded little or no change of activity in the second quarter, and early estimates suggest a slight further reduction of the real gross national product in that 3-month period.

Recent economic movements do not have, however, the characteristics of a cumulative decline in business activity. In a typical business recession, all—or nearly all—comprehensive indicators of economic activity move downward simultaneously. That is not the case presently. For example, the demand for labor has remained strong. Employment has continued to rise, and the unemployment rate appears to be at about the same level now as it was in January.

In the industrial sector, production has recovered somewhat over recent months; factory shipments have continued their upward course; and new orders received by manufacturers of capital goods have risen further. Unfilled orders on the books of business firms, especially in the capital goods industries, are enormous and are still advancing, as shortages of critical materials and parts continue to hold back production schedules.

In addition to the business capital sector, our export markets are a source of continuing strength to the economy. Also, some businesses are adding significantly to their inventories, in order to replenish depleted stocks and bring them into better balance with sales. These sources of strength have kept up activity in the industrial sector and have prevented the downward tendencies in our economy from cumulating in the manner characteristic of economic recessions.

We should, however, act decisively to bring inflation under control before these remaining sources of strength are undermined. If interest rates continue to soar, if construction costs and equipment prices continue to rise at a feverish pace, if our export prices continue to mount, we may eventually find that incentives for business investment are being eaten away and that our export markets are shrinking.

Let me turn now to the condition of international financial markets and recent trends in our international trade and payments accounts.

Our foreign trade balance has moved into deficit this year, principally because of the huge increase in the bill for imported oil. The dollar value of our fuel imports rose from an annual rate of $8 billion in the second quarter of 1973 to a $28 billion rate in the second quarter of this year. The deterioration in the over-all trade account was much less than this, however, since our exports over the past year have risen much more than imports outside the petroleum category.

Partly for these reasons, partly also because our money and capital markets have been attracting funds from oil-exporting nations, the high price of imported oil has not created a serious balance of payments problem for the United States. Uncertainties surrounding the effects of recent oil prices have given rise to large and rather unsettling swings in the value of the dollar relative to other currencies since last October, but on balance the dollar is stronger now than it was at that time. The value of the dollar in exchange markets began to recover last October, fell once again between February and May, and since then has gathered some strength. At present, the average price of the dollar in exchange markets, although below the high point reached in January, is still about 6 per cent higher than it was in October of last year before the oil crisis. Intervention in exchange markets by the Federal Reserve and other central banks, while not extensive, has helped to prevent exchange rate fluctuations from becoming unduly large and upsetting to the calculations of firms operating in international markets.

Other oil-importing countries have fared less well during this difficult period of high and rising oil prices. For many of the less developed nations around the world, the rising costs of fuel and fertilizer have shattered plans for economic development. Industrialized nations also—notably Italy and to a lesser extent other countries such as Japan—have experienced severe strains in their international payments accounts. And all oil-importing countries have suffered a significant loss of consumer purchasing power due to the massive increase in fuel costs.

Unless the price of oil declines materially, the oil-importing nations as a group cannot avoid sizable deficits in their current international accounts. This situation is fraught with danger for the stability of international financial markets. It is by no means clear that private financial institutions will be able to recycle the huge surpluses of the oil-exporting nations to the many nations of the world that are experiencing current account deficits. A substantial decline in the price of oil is, in my judgment, essential and requires the closest attention of the world's statesmen.

Strains in the international financial system will, of course, be reduced if the oil-exporting nations use their surpluses to provide assistance to countries with current-account deficits—if not directly, then indirectly through international financial institutions. Tension in international financial markets will also be lessened if countries throughout the industrialized world, besides practicing conservation in the use of oil, assign high priority to gaining control over their internal inflationary problem. Most of them are now relying on monetary or fiscal restraints for that purpose, and the worldwide boom in economic activity is therefore abating. If this and other nations around the world persist in this struggle, the raging fires of inflation will eventually burn themselves out.

In our own country, the battle against inflation has relied heavily on monetary restraint. The Federal Reserve recognizes that a restrictive monetary policy is bound to cause some inconvenience and even hardships. While we have tried to apply the monetary brakes firmly enough to get results, we have also been mindful of the need to avoid a credit crunch.

Thus, the supply of money and credit has continued to grow. During the past 12 months, the narrowly defined money stock—that is, currency plus demand deposits—has increased 5½ per cent, while loans and investments by commercial banks have risen by 12 per cent.

Since the beginning of this year, the annual rate of growth of these two aggregates has been a little higher—6¼ per cent for the narrow money stock and 13½ per cent for total bank loans and investments. For one category of credit—namely, business loans of commercial banks—the annual rate of growth has been much higher, in fact over 20 per cent during the first half of this year.

Clearly, the American economy is not being starved for funds. On the contrary, growth of money and credit is still proceeding at a faster rate than is consistent with general price stability over the longer term.

Yet, the demand for money and credit has been rising at a very much faster pace than the supply. This huge and growing demand for borrowed funds reflects the continuing strength of business capital investment; it reflects the efforts of many firms to rebuild inventories that were depleted by earlier shortages and slow deliveries; it reflects the inflated prices at which inventories must now be replenished; and it reflects, to some degree, anticipatory borrowing by those who fear that credit may later be unavailable or be still more costly.

In any event, with the demand for credit expanding much more rapidly than supply, credit markets have tightened, and interest rates have risen to levels such as we have not previously known in over a century of our Nation's recorded experience.

For example, the rate of interest that commercial banks charge on short-term loans to their largest and best known business customers has risen to 12 per cent. In recent weeks many of these same business firms have been paying from 11½ to 12¼ per cent in the commercial paper market. Long-term interest rates have also risen substantially. The highest-grade corporate bonds are selling at yields around 10 per cent; rates on tax-exempt securities have been averaging about 6½ per cent. Home buyers now face mortgage interest rates of 9 per cent or more.

These interest rate levels are disquieting. They cause difficulties for many individuals and pose a threat to the viability of some of our industries and financial institutions. But we cannot realistically expect a lasting decline in the level of interest rates until inflation is brought under control. When the rate of inflation is 11 or 12 per cent, an interest rate of even 10 per cent means that the rate of return to the lender, in real terms, is negative.

Evidence is accumulating that the restrictive policy pursued by the Federal Reserve is helping to moderate aggregate demand by reducing the availability of credit to potential borrowers and disciplining inflationary psychology. In the first half of last year, the credit extended to private domestic borrowers increased at an annual rate of $165 billion and amounted to about 14½ per cent of the private component of the gross national product. Estimates for the first half of this year suggest that the rate of aggregate private credit expansion has fallen to about $145 billion, or 11½ per cent of private GNP.

Of late, many businesses attempting to borrow at commercial banks have found it more difficult to obtain loans. The public securities markets have also been less receptive. Since the beginning of June, cancellations or postponements of corporate bond and stock offerings have amounted to almost $2 billion. State and local governments have also been affected; cancellations or postponements of municipal security offerings since early June have amounted to about $800 million.

Some sectors of our economy now face unusually difficult problems. The housing industry—which had already been suffering from the erosion of workers' purchasing power, from rising construction and land costs, from fears of a gasoline shortage, and from overbuilding in some areas—is now experiencing added hardships because of soaring interest rates and reduced availability of mortgage credit at savings institutions and commercial banks. Public utilities have also been caught in a squeeze; the rates charged to their customers have lagged behind the prices of fuel and other materials, while rising interest rates have been adding to the costs of debt service.

During the recent boom, some carelessness crept into our financial system, as usually happens in a time of inflation. Some commercial banks permitted their liabilities to grow much faster than their capital. They also allowed dependence on volatile funds—such as overnight loans from other banks, certificates of deposit, and Euro-dollars—to reduce their liquidity. The great majority of our banks have been managed prudently; but in some instances unhealthy practices have turned up—such as speculating in foreign exchange or acquiring large amounts of long-dated securities.

Striving for quick profits is a characteristic feature of an inflationary boom. In fact, our entire business system has come to rely on credit too heavily, as so often happens in a time of exuberance. But financial adventuring on the part of banking firms—whether in the United States or abroad—is especially deplorable, since mistakes on the part of individual banks can have pervasive effects on the state of confidence.

Taken as a whole, however, the commercial banking system in the United States is entirely sound, and it can be counted on to continue to function efficiently. My judgment is based on the actual condition of our banks, and it reflects also the state of readiness of the Federal Reserve to deal with such temporary financial problems as may arise.

The Federal Reserve stands ready, as the Nation's lender of last resort, to come promptly to the assistance of any solvent bank experiencing a serious liquidity problem. Besides, the Federal Reserve has long had on hand well-laid contingency plans for assisting, if the necessity should arise, other types of enterprises experiencing liquidity problems.

The need to activate these plans appears remote. But the resources of the Federal Reserve are enormous, and there should be no uncertainty about our readiness to deal with financial emergencies.

Tensions in financial markets have lessened in recent weeks, but they may continue to trouble us until more evidence appears that the rate of inflation shows promise of diminishing. There are a few hopeful signs that price increases may abate during the second half of this year, but they are inconclusive.

The role of the special factors that served to accelerate price increases during the past year or two is now waning. Food and fuel prices have recently contributed less to the rise in the consumer price level than they did in 1973 or early 1974. The boom in our own economy and that of other nations has tapered off, and the pressure of demand on available industrial capacity should therefore continue to diminish.

The underlying problem of inflation, however, remains very grave. The Federal budget continues to be in deficit. Farm prices, which had a downward trend during the past 10 months, have again staged a spirited recovery in the past few weeks. Shortages of materials and component parts—for example, steel, aluminum, coal, bearings, electric motors, forgings—continue to be troublesome.

Most serious of all, the rise of wage rates has accelerated sharply this year, while industrial productivity has been stagnating. Hourly earnings in the private nonfarm economy rose at an average annual rate of 10 per cent during the second quarter, and labor costs per unit of output rose faster still.

Progress can still be made this year in slowing the rate of advance in our price level, and it is urgent that we do so. We must face squarely the magnitude of the task that lies ahead. A return to general price stability will require a national commitment to fight inflation this year and in the years to come.

For a time, we should be prepared to tolerate a slower rate of economic growth and a higher rate of unemployment than any of us would like. A period of slow growth is needed to permit an unwinding of the inflationary processes that have been built into our economy through years of neglect. I believe the American people understand this and are prepared to make the sacrifices necessary to stop inflation.

There are, of course, risks that a period of slow economic expansion will lead to a gradual weakening of demand for goods and services, to a deterioration in the economic outlook, and to cumulative recessionary tendencies. Public policy cannot ignore this possibility. But the principal danger our country faces today is from the corrosive effects of inflation. If long continued, inflation at anything like the present rate would threaten the foundations of our society.

The proper course for public policy, therefore, is to fight inflation with all the energy we can muster.

Monetary policy must play a key role in this endeavor, and we in the Federal Reserve recognize that fact. Our actions this year have signaled a firm resolve to stick to a course of monetary restraint until the forces of inflation are under good control. We are determined to reduce over time the rate of monetary and credit expansion to a pace consistent with a stable price level.

However, monetary policy should not be relied upon exclusively in the fight against inflation. Fiscal restraint is also urgently needed. Strenuous efforts should be made to pare Federal budget expenditures in fiscal 1975. The Congress should resist any temptation to stimulate economic activity by a general tax cut or a new public works program.

Greater assistance from fiscal policy in the fight against inflation could, I believe, have dramatic effects on our financial markets. Even if no change were made in the course of monetary policy, interest rates would tend to fall and the stock and bond markets revive. Such developments would be of enormous benefit to the working of financial markets and to industries such as homebuilding that depend heavily on credit.

There may well be justification for governmental assistance to housing or other activities that are especially hard hit by a policy of monetary restraint. An expanded public-service employment program may also be needed if unemployment rises further. But Government should not try to compensate fully for all the inconvenience or actual hardship that may ensue from its struggle against inflation. Public policy must not negate with one hand what it is doing with the other.

There are other actions that would be of help in speeding the return to general price stability. Fresh efforts should be made to bring our Nation's business and labor leaders together to discuss their common interest in checking the wage–price spiral. A degree of governmental intervention in wage and price developments in pace-setting industries might also be helpful. In the construction industry, the pace of wage increases is once again accelerating, and the progress made earlier through the Construction Industry Stabilization Committee could easily be lost. Re-establishment of that Committee would be in the public interest. The Board of Governors would also urge the Congress to re-establish the Cost of Living Council and to empower it, as the need arises, to appoint *ad hoc* review boards that could delay wage and price increases in key industries, hold hearings, make recommendations, monitor results, issue reports, and thus bring the force of public opinion to bear on wage and price changes that appear to involve an abuse of economic power.

Encouragement to capital investment by revising the structure of tax revenues may also be helpful, as would other efforts to enlarge our supply potential. For example, minimum wage laws could be modified to increase job opportunities for teenagers, and reforms are still needed to eliminate restrictive practices in the private sector—such as featherbedding and outdated building codes. We also need to enforce the antitrust laws more firmly and stiffen penalties for their violation.

A concerted national effort to end inflation requires explicit recognition of general price stability as a primary objective of public policy. This might best be done promptly through a concurrent resolution by the Congress, to be followed later by an appropriate amendment to the Employment Act of 1946. Such actions would heighten the resolve of the Congress and the Executive to deal thoroughly with the inflationary implications of all new governmental programs and policies, including those that add to private costs as well as those that raise Federal expenditures.

This illustrious Committee has on past occasions provided timely and courageous leadership to the Congress and to the Nation. The opportunity has arisen once again for the Joint Economic Committee to help our country find its way out of the great peril posed by raging inflation. Our people are weary, and they are anxiously awaiting positive and persuasive steps by their Government to arrest inflation and to restore general price stability. The Federal Reserve pledges to you its full cooperation in your search for ways to restore a stable and lasting prosperity. □

Statement by Henry C. Wallich, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on International Finance of the Committee on Banking and Currency, U.S. House of Representatives, August 13, 1974.

Mr. Chairman and Members of the Subcommittee, I welcome the opportunity to discuss with you some of the problems created by the enormous increase in the price of oil in the past year. As a result of that increase, oil-consuming nations will be paying out over $100 billion per year to the oil-exporting [OPEC] countries at current prices and volumes, an increase of some $80 billion in the revenues of these countries in one year. Even after allowing for a steep rise in their expenditures for imported goods and services, the OPEC countries will be left with a surplus of funds available for investment of some $60 billion. This surplus will almost certainly diminish as time goes by, either because the price of oil is reduced to levels more compatible with a stable world economy, or because the OPEC countries will use a greater share of their increases to buy capital and consumer goods and services from other countries, and to provide assistance to countries most severely affected by rising costs of oil. Nevertheless, without trying to project into the more distant future, we must address our attention to the likelihood that the OPEC countries will have huge surpluses for some time to come.

In analyzing the consequences of this enormous new flow of funds in the world, it is helpful to look first at the real impact on income and investment in the consuming countries and then to consider the financial problems related to managing this flow of funds. These two aspects of the oil situation are interrelated, of course, and if the financial mechanism does not prove equal to the demands that will be placed upon it, the consequences will enormously aggravate the already severe problems of the real sector.

The first—immediate and obvious—effect of higher prices paid for OPEC oil is that funds are pulled out of the income stream in the consuming countries, and, since as a group the OPEC countries cannot for some time spend more than a fraction of these funds on current output, there is a relative reduction in consumer demand. You will recall that last October we also confronted a reduction in supply when we were faced with a cut in oil imports, which would also have reduced production capabilities. This situation set in motion an effort at planning in individual countries, and multilaterally through the follow-up on the energy conference held in Washington in February—to share research programs, to reduce dependence on imported petroleum, and to share oil in the event of further embargoes. In the United

States, Project Independence got under way. I would regard it as a serious mistake if we should allow the more relaxed supply situation to cause us to slow down these efforts. For the United States, in particular, the most effective way to deal with the energy problem is to mount a strong national program for holding down energy use and moving as quickly as possible to develop substitutes for imported oil. Not only will this give us some leverage in dealing with the present price and supply problems—it will move us in the right direction for the long-run benefit of the country.

In some ways the effect of the jump in payments for oil can be likened to an excise tax—cutting down consumption of oil itself as the price rises, and cutting consumption of other goods to the extent more is spent for oil—directly and indirectly. But there are important differences: the quasi-tax is levied by foreign governments rather than by a domestic government, and the use of the funds is not under our control, although, as I shall point out later, we can nevertheless guide the shifts in demand and output that will result from the quasi-tax. As I shall point out, the desirable shift of production is in the direction of more investment.

It is important to note that while these payments to OPEC countries tend to dampen consumption demand in the oil-consuming countries, and may cause severe sectoral dislocations in some countries, they do not in themselves reduce our over-all productive capabilities. Recall that when the oil price change was occurring, the United States and other industrial countries were approaching together the crest of a remarkable boom in world demand—accompanied, as you know, by an explosion of world prices as our economies were being driven at almost full practicable capacity. By the fall of 1973 nearly all governments were trying to put a lid on this boiling over of demand, and were adopting more restrictive fiscal and monetary policies. In that context there was no reason to be concerned about the demand-depressing effects of higher oil payments, so that any advocacy of expansionary policies to compensate for them was clearly misplaced. Now, as this and other countries are experiencing an abatement of the boom, we must be increasingly aware of the fact that the rise in oil prices has consequences that depress activity, as well as those observed initially that were inflationary.

One result of the contraction that the oil situation has caused in aggregate consumer demands and in investment demands of some sectors depending on petroleum is that there is some additional room for investment elsewhere to take place. This substitution does not automatically take place—we need to take whatever steps we can to shift more of our economic activity from consumption into investment. Such a shift will redress the imbalance between demand and potential supply that underlies the problem of inflation. Stepping up investments in the energy sector is especially important. The financial requirements of such ventures are huge and we should give thought to the problems of financing these investments, which we have the economic capacity to make.

I would now like to turn from questions of reordering our domestic priorities to the more general problems of all oil-importing countries and shall focus first upon those countries that are hardest hit, many of them less developed, but some also among the industrial countries. If the less developed countries (LDC's) that are severely affected cannot afford to buy the oil they need, or the food and fertilizer they need, their present already low standards of living will fall further, and their hopes of making some gains by industrializing will in many cases have to be shelved. Unless adequate ways to help these countries are found, an important part of the real cost of adjusting standards of living to pay for oil will fall on those countries least able to bear such a burden. Food prices are now rising generally, and the added problems of paying for fuel and fertilizer may well reach the point of depriving some countries of their minimal subsistence needs, posing very harsh alternatives. It can cogently be argued that the additional problems of these developing countries should be the responsibility of the oil-exporting countries.

We can see how the burden of high oil prices will impact if we look at the way in which the balances of payments of different groups of countries are likely to be affected unless these prices come down. The OPEC countries will have a huge surplus in their current account—an export surplus—amounting to perhaps $60 billion or more per year at current prices. They will dispose of this surplus in various ways; some will go into bilateral aid programs, or into the international institutions, and this can help take some of the strain off the poorer countries; but the bulk of the funds will be placed in the capital markets of the wealthier industrial countries. The industrial countries as a group will have a large current account deficit with the OPEC countries. In the aggregate, however, this will be automatically financed—if my presumption about capital investment plans of the OPEC countries is correct—by a capital inflow from OPEC countries. This is another way of saying that these wealthier countries as a group will not have to, and will indeed not be able to, pay for their full oil imports by exporting goods and services, until such time as the OPEC countries can absorb imports equal to their exports; and indeed they will not be able to repay their debts, again as a group, until the OPEC countries begin to run trade deficits, perhaps after the exhaustion of their oil or its replacement by alternative energy sources that the high oil price is likely to encourage. This is not to say there will not be problems of adaptation in the industrial countries of the sort I mentioned a moment ago. It does mean that, provided the oil deficits can be financed, real incomes need not be much different from what they would have been without the rise in oil prices. But that is not true for those industrial as well as developing countries that will not—through the workings of the market or through public policy measures—be able to attract an inflow of capital that will take care of their new import requirements. These countries can in some cases run down existing reserves. After that, they would face drastic adjustments unless they receive support. Taking these three groups of countries as aggregates, we find one group—the OPEC countries—very much better off both in terms of current incomes and in terms of their claims on future world production; we find a second group—the wealthier countries with attractive capital markets or good capacity to borrow—that are very uncomfortable perhaps about a rising debt to OPEC countries, but would be able to cope with the relatively small loss of real incomes that might occur; and we find another group of countries—some counted as LDC's and some counted in the ranks of industrial countries—who will face serious difficulties. Their difficulties may, in turn, react adversely upon the countries originally in a more favorable position.

I remarked just now that some of the wealthier countries may be increasingly uncomfortable about a rising debt to OPEC countries. In fact, some countries dislike the idea so strongly that they may resolve to avoid it by bringing their current account into balance—that is, they may try really to pay for oil by either increasing exports or decreasing other imports well below the levels that would otherwise be observed. This sounds very virtuous—we all feel that going into debt should be limited and should be for some productive purpose. But the rest of the world happens to be in a unique situation vis-a-vis the OPEC countries—until those countries as a group buy more than they sell, they can only pile up financial surpluses abroad. Thus, if each consuming country—acting in what appeared to be a rational fashion—tried to avoid going into debt, there could only be a greater debt accumulation by other consuming countries. In real terms, the countries avoiding debt would be paying for their oil currently, while other countries would find that their trade balance was being driven into deficit more than would otherwise be the case and that their debt was increasing. In effect, some countries would be unloading their deficits upon the rest. They might do this either by using direct controls to affect their trade balance, or manipulating their exchange rate to depreciate it, or taking some extra measure of restraint to hold down domestic demand. The holding down of demand may in many cases be entirely desirable in order to curb inflation or eliminate any payments deficit arising independently of the oil situation. Such deficits exist now, and the countries experiencing them should indeed eliminate them. But if many countries try to eliminate those deficits resulting from the rise in the price of oil, we would, I believe, be in serious danger not only of a major setback in world economic activity but also of a breakdown in the rules for fair trade among nations that could take us back to the practices of the 1930's.

We have not come near to such a state of turmoil in the world trading system. I believe we can avoid it. But it is difficult to predict the decisions of nations when they find themselves confronted with major difficulties. Some countries may well consider the problems confronting them insolvable at the present price of oil. In the absence of a substantial reduction in that price, unforeseeable conditions could develop that could make the situation difficult if not impossible to manage.

I would like to turn now to the U.S. balance of payments and to the effects of the oil crisis on our international position. Our trade balance has already felt the weight of the sharply higher cost of imported fuel—in the second quarter of this year we were paying $28 billion at an annual rate for fuel imports—about $20 billion more at an annual rate than we had been paying a year ago. This is almost entirely a price effect—in volume terms, imports of fuels were nearly unchanged. Mainly because of rising fuel imports, our trade balance for all goods has worsened sharply from a surplus at an annual rate of $4.2 billion (balance-of-payments basis) in the fourth quarter of last year—when we reached the high point of recovery from the deep deficit in 1972—to a deficit at an annual rate of nearly $7 billion in the second quarter of this year. However, our underlying trade balance, that is, abstracting from the arbitrary increase in oil prices and also leaving out the extraordinary jump in agricultural exports, has shown considerable strength, moving steadily from a deficit at an annual rate of about $12 billion in the first quarter of last year to a deficit of only about $1 billion in the second quarter of this year. In volume terms we have done even better, with export volumes rising and import volumes no higher than they were early in 1972.

So far as our merchandise trade is concerned, we seem to have made the kinds of gains in competitive position that could be expected from the depreciation of the dollar since 1970, and this, together with the extraordinary rise in the value of agricultural exports, has helped to offset the huge jump in oil imports. However, like other countries we must be concerned with achieving an over-all balance in our accounts, including capital movements, that will underpin a stable dollar in exchange markets. The part of that underpinning that must come from an appropriate net inflow of capital from abroad could be significantly less than the extra $20 billion in payments due to the higher price of oil, if it turns out that there are sufficient improvements in the rest of our accounts.

There have been considerable gyrations in the exchange value of the dollar since the second devaluation in February of last year. But since about mid-May the dollar has held fairly stable against a weighted average of the currencies of the countries that are our major competitors in world markets. As it stands now, the dollar has depreciated about 17 per cent against those currencies since May 1970, and has moved up slightly in recent months. On a broader measure, taking into account the movement of the dollar against a weighted average of nearly all foreign currencies, the devaluation of the dollar has been appreciably less—amounting to perhaps 12 per cent since 1970. The smaller depreciation measures the dollar's so-called "effective rate," against the world as a whole. The reason for the difference between the two measures is that while the currencies of most of the major industrial countries have appreciated quite sharply against the dollar, those of numerous other countries, including most of the developing world, have tended to stay with or near the dollar. It is the average rate relationship that comes closer to representing the longer-run effects on our balance of payments, rather than changes from time to time against particular foreign currencies.

Recent relative stability of the dollar has, of course, been gratifying. It has materialized within an environment of floating exchange rates, in which very wide swings had occurred during the 12 months following the breakdown of the fixed rates system in February–March 1973. Rate flexibility has proved its usefulness in times of severe disturbance. It has given rise, on the other hand, to new concerns. Among these has been the fear that flexibility might be abused to engage in competitive depreciation as a means of stimulating exports. So far nothing of the kind, and indeed perhaps the very opposite, has happened. Faced with strong demand for exports and with domestic inflation, most countries have had a motive to keep the value of their currencies high. That holds down the price of imports and helps restrain domestic inflation. Downward fluctuations of the dollar, such as occurred in the middle of 1973 and in the early months of this year, must in the light of this nexus be regarded as harmful to our efforts to curb inflation in the United States. Of course, one cannot anticipate that national preferences as regards exchange rates will always be the same and will always favor a high rather than a low value for the local currency. If demand in international trade should slacken, or if some countries should begin to make strong efforts to eliminate their oil deficits, national preferences and the trend of foreign exchange rates may change.

It is of considerable interest, therefore, that as part of the effort to reform the international monetary system, certain guidelines for floating rates have been proposed. The reform effort has met with only limited success, which was to be expected once skyrocketing oil prices and universal inflation engulfed the world. No long-run reform has been agreed upon, although valuable preparatory work has been done. But among the immediate steps that were agreed upon by the Committee of Twenty of the International Monetary Fund, the proposal establishing guidelines for floating provides some hope that extreme and inappropriate rate fluctuations can be contained.

The recent stability of the dollar in the exchange market within a context of floating rates indicates that the net movement of capital to the United States has increased sufficiently to just about offset the deterioration in our balance on goods and services. Unfortunately, we do not yet have actual data in detail to support this inference, but certain patterns were showing up earlier. In the first quarter, U.S. direct investors' net outflows were quite low, while there was a very large inflow of capital from foreign business concerns acquiring businesses in the United States. This pattern of direct investment may well be continuing. Portfolio investments involving international dealings in securities seem to have dropped off sharply this year, with Americans buying only a small volume of foreign securities even though the Interest Equalization Tax on such purchases has been dropped, while foreign purchases of U.S. corporate stocks—an important type of inflow in the past few years—has also paused. Moreover, new issues of bonds in the international markets outside the United States have been less this year than in any recent year.

By contrast, there has been an extraordinary surge so far this year in international capital flows through banks in both directions—we see it in our own data and also in terms of new loans arranged in the Euro-dollar market. U.S. banks, including the U.S. agencies and branches of foreign banks, increased their foreign assets by about \$9 billion in the first 5 months of this year, spread over many countries but especially directed toward Japan. A simultaneous massive rise in liabilities reduced the net outflow—which measures the net impact on our international balance and on our domestic credit markets—to only about \$1½ billion.

I would associate part of the increased international activity of U.S. banks with the removal or reduction of barriers to such transactions that occurred both here and abroad early in the year. At times, differences in relative interest rates have also been important, with U.S. rates moving up relative to foreign rates after the early part of the year. But I believe much of the heightened activity was a result of the new oil situation, which generated a demand for loans by some countries to help meet the higher costs, and at the same time resulted in an added supply of liquid loanable funds in international markets as OPEC countries placed their revenues with the Euro-banks.

In examining these manifold flows of capital, it must, of course, be borne in mind that an inflow or outflow of funds does not ordinarily influence the amount of bank reserves in the U.S. banking system or the American money supply. Foreign capital does not bring any new dollars from abroad. Every dollar of foreign capital "flowing" to the United States was in fact in the United States before. It simply shifted ownership. This shift could have taken the form of an American selling dollars to the foreigner, in which case the inflow was matched by an outflow as the American acquired whatever foreign currency or assets the buyer paid him with. Or it could have represented a shift among foreign holders, for instance if the foreigner acquired dollars from a foreign central bank, which had held them previously as part of its reserves. What changes as a result of changes in capital flows under our present regime of flexible exchange rates is the exchange rate, as a rise in the demand for dollars in the case of capital inflows, or in the supply in the case of outflows, shifts the balance of the market in favor of or against the dollar. Only in special cases is a different interpretation appropriate.

One further conclusion that I would draw from the variety of offsetting capital flows that have occurred is that under today's conditions capital is highly mobile. The world's national money and credit markets are more open to shifts among countries—sometimes via the Euro-markets—than they have been since before the 1930's. Hence the system of national and international capital markets constitutes, in effect, something like a large and only moderately compartmentalized pool, rather than many separate watertight compartments. As a result, any movement of capital in one direction is quite likely to be offset by movements in the opposite direction. A large outflow from the United States tends to drive down interest rates abroad, which makes American capital markets relatively more attractive and causes other funds to come to the United States, and inversely. To pour capital, whether owned by OPEC countries or others, into any one part of this market does not mean that the net supply in that market is increased by the full amount. Capital already present there tends to be pushed elsewhere, thus tending to even up the supply. Of course, these equalizing movements will take place only if conditions are otherwise propitious. When there are heavy risks of a credit, exchange, or political sort, the movements will not occur or will occur only in response to severe declines of exchange rates or increases in interest rates or both. The evidence that in today's markets capital is highly mobile should be kept in mind in examining the possible effects of placement of OPEC money in any one particular market.

This leads me to some comments on the more specific aspects of the flows of funds derived from OPEC revenues and their impact on financial institutions and structures. I believe it is worth emphasizing that there will be great disparities among the OPEC countries in their ability to utilize this new wealth to improve their own countries and in their plans for investment of this huge cash flow in foreign capital markets. We see already that Iran has made plans for industrialization and is developing ties with countries that can be helpful in that process. We know that Kuwait, for instance, has been thinking through the requirements of an acceptable investment portfolio for some time and is probably fairly well diversified. In the case of Saudi Arabia, the initial reaction, which was simply to let funds accumulate in liquid forms in the Euro-dollar market, seems to be moving already in the direction of finding more permanent lodging in such investments, perhaps, as special issues of U.S. Treasury obligations. According to International Monetary Fund data, the reported increase in monetary reserves of the OPEC countries in the first half of 1974 was about $15 billion, but the gains were accelerating and were $3 billion to $4 billion per month in May and June with larger increases still to come.

These funds should not be regarded as a monolithic mass of maneuver, poised to shift this way or that for speculative or political reasons. There are many individual OPEC governments involved, and there is no evidence that they are taking any unnecessary risks with their funds. Working with their financial advisers, these countries are likely to distribute their funds over a wide range of investments, always mindful of the need for security and stability. In return for continued rising levels of oil output in OPEC countries, those countries understandably wish to be provided with suitable ways of holding their accumulating assets. I doubt that there will be attempts to attain dominance over particular large companies or economic sectors in the industrial countries, since this would expose them to considerable economic and political risks. At the same time, the amounts involved are formidable by any normal standards of international capital flows. Questions naturally arise about the ability of capital markets to absorb such flows without suffering severe dislocations. I believe some of these concerns are justified, but that others are exaggerated.

There are a number of ways in which an annual flow of funds of, say, $50 billion can be compared with over-all flows of funds in financial markets. In the United States alone the total of funds raised by nonfinancial sectors in U.S. credit markets is now close to $200 billion a year; for all industrial countries together the total is two to three times that amount. By far the greater part of these flows of funds is between domestic sectors of the economy, though at times the flow of funds vis-a-vis other countries can have a significant effect on capital markets in individual countries. Also, in recent years the Euro-currency markets have grown in importance as a mechanism through which funds move to and from national money and credit markets. The Euro-markets have now taken on increased importance, since a large part of the receipts of the OPEC countries is being deposited in their accounts in these banks, and, in turn, will be loaned by this group of banks to borrowers in national markets. The record shows that the Euro-currency market has been capable of very rapid growth in the past. For instance, the net size of the Euro-currency market (that is, after eliminating claims of one bank on another within the eight countries usually considered as forming "the market") grew by $25 billion in 1972 and by $50 billion in 1973. There is an estimate that a further net growth of $30 billion has occurred this year to mid-May, bringing the net size of the market to about $185 billion.

It seems to me that if we have problems in handling the flows of funds associated with higher payments for oil, it will not be so much because of the sheer size of the amounts involved but because of several kinds of potential dislocations.

In the first place, the normal stream of investment into financial assets in a given country will reflect the existing asset preferences of investors and institutions in that country—a mixture of corporate debt and equity, financing of government at various levels, mortgages, and deposits in financial institutions. On the other hand, the investment preferences of OPEC governments may be quite different; I would expect them to be more interested in assets that are relatively liquid, widely traded both nationally and internationally, and backed by the strongest guarantees. That would imply some shifts in the yields on different kinds of financial assets in national markets, reducing yields on more liquid assets relative to yields on, say, mortgages. In the case of the United States, if there should be a large inflow to major U.S. banks and to Treasury obligations, as seems possible, some downward pressure may result on yields in those sectors. That does not mean necessarily that the rate of growth of the monetary aggregates will be significantly affected, but it does mean that yield relationships could be changed for some time to come. The Federal Reserve could establish and maintain any desired degree of over-all restraint or ease in monetary policy.

Another kind of irregularity in flows that could be troublesome is that OPEC countries are likely to prefer assets based directly or indirectly on the countries with the strongest economies and the broadest markets. So may the banks that receive OPEC deposits in the Euro-dollar market and lend them out to governments and private borrowers all over the world. The problem of the weaker countries is obvious—they will sooner or later find it difficult to attract funds from the market as their debt burdens reach the limits which the market should and probably will place on their borrowing capacity.

However, if they do not succeed in attracting funds to cover their deficits, it must be that some of the stronger countries are attracting more than enough funds to cover their own deficits with the OPEC countries. If a few countries with strong economies and broad capital markets attract a disproportionate share of OPEC investments—and the United States could well be one of them—a number of adjustments are possible. First, other countries needing to borrow to cover their deficits would be able to take advantage of the additional liquidity available in these surplus countries—that is, capital markets in these countries could do a considerable part of the recycling job. Also, countries receiving inadequate financing could allow their currencies to depreciate, so that part of the adjustment could come through changes in the trade balance. After a point, however, these accommodations through the market mechanism would not take care of the problems of countries whose debt capacity was running out or who could not adjust their trade balance beyond some point of necessity.

To deal with such situations the most logical solution would clearly be for the responsible parties—the OPEC countries—to relieve the burden. The total amount of aid required would not be large relative to the mounting OPEC reserves, and it might be a more fruitful investment in terms of the stability of the world economy than a continuing accumulation of financial assets in the stronger countries. If the OPEC countries do not meet this challenge, should we expect those countries that receive OPEC funds in excess of their needs to act as financial intermediaries, borrowing from OPEC countries at market rates and with assurance that these assets of the OPEC countries are sound, while extending aid to cover the cost of oil to countries who cannot borrow at market terms? I raise this question not because I believe the industrial countries should cease to contribute to the economic progress of poorer countries—quite the contrary—but rather to emphasize that there is now a new burden on these countries that should call forth a new set of aid donors.

There has already been a considerable amount of activity by the OPEC countries that may ultimately relieve the burden for some of the LDC's, but though the list of proposals for new funds or institutions is quite long, it is not clear how well the actual disbursement of funds will meet the needs of particular countries. Nevertheless, if the OPEC countries are willing to do their share and the industrial countries are not left with an untenable intermediary position, we should be able to provide mechanisms for aiding countries when market sources are not available.

Finally, another aspect of the flow of petrodollars causing concern is the impact of these flows on the institutions in world financial markets. In particular, will untenable strains develop from a flood of OPEC funds coming in as very short-term liabilities for which banks must quickly find outlets that are usually much less liquid? It would be unwise to be complacent about this question—bad judgments may be made and things can go wrong for individual banks. We must be prepared to meet these risks, by obtaining and providing up-to-date information, by careful regulation and supervision, and in the last resort by action that would safeguard the liquidity of markets and the integrity of the payments mechanism by keeping possible problems of any one institution from creating problems for the entire system. But given proper caution on all sides, I believe that fears sometimes expressed of financial difficulties are greatly exaggerated.

Banks and their OPEC customers have already begun to rationalize the flow of funds: there are reports that on the deposit side the maturities are stretching out, or yields are dropping enough to cause OPEC governments to seek out other assets; banks are assisting these countries to find more suitable outlets for their funds; on the asset side, some of the problem of liquidity is alleviated by the practice of making term loans whose interest rate can be adjusted at intervals to reflect changing conditions in the market.

So far, it appears that the leading banks have dealt with these flows efficiently and relatively smoothly. Countries in need of funds have been able to raise very large sums in the Euro-dollar markets—anticipating their requirements for some time ahead. For instance, in the first half of this year, publicly announced medium- and long-term Euro-currency bank credits totaled about $20 billion, which is almost as much as in all of 1973 and far more than in any earlier year.

Nevertheless, to express faith in our financial institutions does not mean to say that they can meet any and all demands on them. On the contrary, if they are to act prudently, they will have to keep the scale and kind of their operations within the limits of acceptable risks. Given present oil prices, this may leave substantial investment needs of the oil exporters and borrowing needs of the importers to be met through other channels. There can be no assurance, at this time, that the problems, particularly of the borrowing countries, can be met without a substantial cut in the price of oil.

Whether the problems I have discussed relating to petro-dollars become acute or not depends in good part also on our ability to get control of inflation and generate more investment in the areas of greatest capacity shortages. If we can make progress on those fronts, we can be more hopeful that special problems of adjustment to high oil prices, or to other unexpected strains, will not degenerate into serious impasses. □

Statement by Henry C. Wallich, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on International Finance and Resources of the Committee on Finance, U.S. Senate, August 14, 1974.

I am glad to have this opportunity of discussing international economic problems and their domestic repercussions before this distinguished subcommittee.

If a broad-brushed picture of the international economic scene in recent years is drawn, several major features stand out. The international economy has been upset by a number of severe disturbances. Foremost among the recent disturbances have been the oil embargo and the jump in the international price of oil. More broadly, the international prices of commodities have moved dramatically, rising particularly rapidly during late 1972 and early 1973. The rises in the price of oil and other commodities have contributed to the worldwide inflation that is currently raging, but inflation can by no means be exclusively attributed to the commodity sector. In recent years aggregate demand in many countries has become overheated; too many have tried to do too much too quickly.

But if disturbances and change have been major unsettling features of the international economy in recent years, its resilience has offered some reassurance. In spite of the disturbances, there have been solid gains in the volume of trade and other transactions among countries. For the United States, for example, exports of goods and services have increased more rapidly than total gross national product, rising from 5.9 per cent of GNP one decade ago to 7.8 per cent of GNP during the past year. Looking at goods only, foreign markets have become even more important to U.S. producers, since exports of goods last year amounted to more than 10 per cent of our domestic goods production, compared with 8.2 per cent in 1964. These gains in international trade reflect elements of strength in the international economy—the reductions in tariffs that have been painstakingly negotiated in recent decades, the highly developed and continuously improving system of transportation and communication, and the rapid growth in world production.

While the over-all level of international transactions has expanded rapidly, the trade balance of the United States has moved unevenly in recent years, sliding into deficit in 1971 and 1972, and then temporarily recovering to a small surplus in 1973 as agricultural exports boomed and as the devaluations of the dollar began to have their effect. Elements of strength continue to benefit U.S. export trade, but they have been overwhelmed by increases in the price of oil, with the result that our trade balance is now back in deficit. During the second quarter, the deficit amounted to $6.8 billion at an annual rate, seasonally adjusted. During that quarter fuel imports were running at an annual rate $20 billion above last year's.

It seems unlikely that the trade balance will improve very much, if at all, over the next 12 months. Much depends on the size of the harvests here and abroad and on the price of oil. In 1973, following poor crops abroad, our agricultural exports rose to 25 per cent of our total merchandise exports, compared with 19 per cent in 1972. In 1974 this percentage is likely to decrease.

The degree of exchange rate flexibility that has developed in recent years has contributed to the ability of the international economy to withstand shocks. Indeed, it is difficult to see how the disturbances of the past few years could have been absorbed as smoothly as they in fact were, if exchange rates had been pegged and rigidly defended. As a result of the negotiations recently conducted by the Committee of Twenty of the International Monetary Fund (IMF), the evolving system of exchange rate flexibility can be put on a more systematic basis. A major feature of the reform effort has been a set of guidelines for floating, which define what countries should and should not do in the way of intervening in foreign exchange markets. The development of guidelines for intervention should limit potential conflicts among nations over exchange rates and limit swings in rates, and this tends to ease some of the concern that we may feel with respect to the system of floating rates.

But while exchange rate flexibility has increased the shock resistance of the international economy, it has produced problems of its own, such as the speculative losses that have affected some financial institutions in recent months. Market swings have been unnecessarily wide and have, from time to time, permitted declines in the value of the dollar, which have contributed to inflationary pressures. In any event, exchange flexibility can at best make only a marginal contribution to the very real longer-run difficulties engendered by the increase in the price of oil. The difficulties with which I specifically want to deal in this testimony are balance of payments problems, financial strains, and domestic repercussions.

When the oil-exporting countries receive their huge additional payments, they basically have two ways of using their great windfall. They can import additional goods, or they can acquire assets in the oil-importing countries. Insofar as they do the former, a course of action that is limited by their absorptive capacity, the total current-account deficits of the oil-importing countries are reduced. Of course, this partial solution of their balance of payments problem cannot be considered a painless outcome for the oil-importing countries, since they will of necessity then have to give up the resources needed for the production of their additional exports to the oil producers, with a consequent reduction in their living standards. Insofar as the oil exporters take the second option—acquiring assets, and in a broad sense, investing in the oil-importing countries—they are automatically recycling the oil receipts to the oil importers as a group. In general, money not used for imports must be deposited or invested somewhere, and wherever it goes, it is available to the oil-importing countries.

But the automatic recycling occurs only with respect to the oil-importing countries as a group. For individual countries and institutions serious problems may nevertheless arise. First, the oil-exporting countries may want to hold their funds in only a limited number of large banks. A great increase in deposits, for instance, could strain the capital positions of these banks. A desire for high liquidity on the part of the oil-exporting countries, causing them to hold their funds in the form of short-term deposits, would strain the banks' liquidity positions. Second, some countries may suffer severe financing difficulties if their ability to finance imports by drawing on reserves or by borrowing them falls short of needs.

Both problems can be mitigated to the extent that the oil exporters are prepared to make appropriate financial arrangements. To the extent that the oil-exporting countries decide to hold some of their assets in forms other than bank deposits, the problems of the financial institutions will be lessened. If, further, oil exporters were willing to acquire assets in the importing countries in approximate proportion to the need of the importing countries to pay for oil, the danger that some countries may not get enough recycling would be obviated. We are beginning to see encouraging developments along these two lines. As of this time, however, one cannot expect that the problems of financial institutions and of balances of payments will be fully met by such developments.

The normal workings of the market will ease some of the problems growing out of the vast payments to the oil producers. If the oil-exporting countries, like other recipients of windfalls, initially hold most of their new wealth in liquid bank balances, they will compel banks to tighten up the conditions on which they will accept these funds. This would give the Organization of Petroleum Exporting Countries (OPEC) an incentive to look for other investments, either of a debt or equity nature. If a country receives less recycling than needed to meet its current-account deficit, it may be able to borrow from countries that receive more than they require. The market has a major role to play in redistributing funds according to need. This applies both to the Euro-dollar market and to the national capital markets of countries. The ability of capital markets to fulfill their function as intermediaries between countries with plentiful and relatively scarce supplies of capital has been enhanced by recent moves towards freer capital markets.

Situations may develop that the market cannot handle, however. Such situations will be more frequent if the price of oil remains at anything like the present level. For instance, where credit risks are perceived by private financial intermediaries as excessive, facilities in addition to those that the market can supply may be required. Some international steps are now being taken to make financing available to needy countries, most notably through the IMF oil facility. The financial facilities of the European Economic Community have been drawn upon by Italy. As strains on the international financial system are to a large degree attributable to the actions of the OPEC countries, it is urgently desirable that they contribute to the easing of the situation by lowering the price of oil and by making funds increasingly available for official financing arrangements.

Potential strains on the international financial system can be reduced if steps are taken to keep some fair balance among the current-account positions of the oil-importing countries. As a group, the oil-importing countries will run large current-account deficits into the foreseeable future—unless the oil problems are reduced by a major price rollback. How these deficits should best be distributed has been a matter of concern, both within international organizations such as the Organization for Economic Cooperation and Development (OECD) and within national governments.

It must be borne in mind that the oil deficits are occurring in addition to deficits and surpluses that particular countries were already experiencing as a consequence of domestic policies and other factors. Where good policy calls for elimination of these deficits, every effort should now be made to eliminate them. But a country cannot eliminate its oil deficit without increasing the deficit of some other country, since the surplus of the oil-exporting countries, for reasons already stated, cannot be eliminated in the short run. Individual countries might, of course, attempt to eliminate their oil deficits. But such attempts, if pursued too vigorously, could lead to general contraction since the standard ways to eliminate a deficit are to restrain aggregate demand, restrict imports and other payments, and possibly depress exchange rates. The danger, so to speak, is that the oil-importing countries may be lured into a game of musical chairs with their combined deficit. The deficit will remain, but the game itself can become mutually destructive.

But while mutually contradictory attempts to eliminate current-account deficits represent a danger, there is no fully satisfactory basis for agreeing as to how the deficits should be distributed. It is frequently suggested that countries should attempt to balance their current-account receipts and expenditures exclusive of the deficits attributable to the increase in the price of oil. Alternatively, it has been suggested that countries adjust their trade balances in such manner that each oil-importing country accepts a deficit proportionate to its GNP. Neither of these criteria provides an adequate guide, if only because some countries may be unable to borrow enough in the market, and then would have to cut down their deficit unless they receive aid.

It is appropriate that countries that face both large current-account deficits and strongly inflationary domestic conditions should take firm steps to control domestic demand. Each country, of course, should frame its policy in full awareness of the fact that, collectively, large current-account deficits cannot be avoided by the oil-importing countries. But the prospective oil deficits do not mean that countries should ignore the prudent fiscal and monetary policies needed to put their domestic house in order.

In summarizing this review of the financial repercussions of the high price of oil, I would say this; we have good markets and institutions, and public policymakers are not without guides as to what to do in the face of this situation. But one cannot at this time be sure that the situation will in fact be manageable, unless there is a substantial reduction in the price of oil.

I now turn to the second group of problems set out earlier, relating to domestic repercussions of international events. Among the oil-importing countries, by far the greatest problems are encountered by the less developed countries (LDC's). Facing an uncertain future at best, a number of them have been put in a grim position by the increases in the price of oil—upon which depend their transportation, their nascent industries, and their supplies of fertilizer. Indeed, unless the price of oil is reduced, or unless the LDC's receive large flows of capital or aid from the OPEC or OECD countries, the outlook for some of them is very difficult indeed. The adverse effects of high oil prices on the supply and cost of fertilizers and therefore on the price of food is particularly troublesome.

For the economically developed countries, increases in the price of oil also have important domestic implications. Representing a strong autonomous increase in costs, they have exacerbated the already grave inflationary problems of the United States and other countries. The increases in the price of oil have frequently been compared with a large excise tax paid to foreigners, having an effect both of pushing up prices, and also of tending to drain real disposable income from the economy, thereby increasing the dangers of weakness in economic activity. This source of softness of demand has, however, tended to be offset by new demands for capital investment.

Several aspects of the changes in the international economy have contributed to the need for additional capital, of which the need to develop substitute sources of energy is only one. Another is the fact that, as the current accounts of the United States and other oil-importing countries show large deficits, there will be an accumulation of liabilities to the oil-exporting nations. In order to ease the future problems of debt repayment, we should encourage the growth of our capital stock and productive capacity.

Fortunately, one of the effects of the higher price of imported oil is to create an opportunity for increased investment in each oil-importing country's economy. As already mentioned, the increase in the price of imported oil, like an excise tax, removes purchasing power from the domestic economy. The resources thus released can advantageously be channeled into investment. Such an increase in investment could come about, for instance, if the oil-exporting countries recycle the funds to the importing countries and acquire assets there.

Nevertheless, until the present inflation has been brought under control, increases in investment must be accompanied by determined restraint on aggregate demand. It is here that restraint in the Government budget has a crucial role to play. Cutting of Government expenditures and a reduction in the volume of Government financing will have desirable direct effects in restraining inflationary forces. Furthermore, given the over-all monetary restraint applied by the Federal Reserve, more fiscal discipline will mean less Government borrowing and hence lower interest rates both here and abroad. The relaxation of pressures on institutions that finance the housing industry would be especially beneficial. Indeed, a strong case for budgetary restraint can be made on the grounds that, in present circumstances, Government expenditures are directly competitive with home construction.

In our domestic fight against inflation, we must not expect quick success; perseverance has become the keynote. If we are to be successful in our anti-inflationary fight—and it is imperative that we achieve success—then we must be determined to fight inflationary pressures over an extended period. And, just as the international prevalence of excess demand in recent years has meant that national inflationary problems have tended to reinforce one another, so, on the other side, the unwinding of inflation will be less difficult for each country if there is an international determination to exercise restraint.

The problems of inflation as well as those of international finance and of balances of payments would be greatly eased by a decline in the price of oil. There are reasons for expecting such a decline, not only on the grounds of a current excess of supply over demand, but also on the grounds of the long-term economic self-interest of the oil-exporting countries which undoubtedly will want to protect their markets. But a decline to the prices of past years cannot be expected.

Efforts to cope with inflation are needed almost everywhere. In the OECD countries, inflation currently rages at rates that range between 7 per cent and 23 per cent. Inflation has reached a stage in which fears are being expressed openly about the survival of democratic institutions. Germany, which took anti-inflationary action earlier in the cycle, has been rewarded by the lowest rate of inflation among the major industrial countries. German restrictive actions in the past year have kept domestic demand approximately flat in real terms, with the expansion of German economic activity being completely accounted for by the buoyancy of its exports.

In many countries, the combination of a rapid rate of inflation accompanied by softness on the real side of the economy have added to current difficulties. In the United Kingdom, real GNP in 1974 is not expected to be above that in 1973. In Japan, a 25 per cent rate of inflation during the first quarter of this year was accompanied by a fall of 5 per cent in real GNP—both of these developments being due in significant part to Japan's heavy dependence on imported oil.

Given these conditions and policies, the outlook seems to be for a period of, at best, moderate growth abroad, as it is at home. I do not, however, see policies that are deliberately designed to restrain inflation leading to a serious decline in the world economy, as prophets of gloom sometimes predict, anymore than I see a crisis of the world's financial system ahead. We must not deceive ourselves about the fact that we face severe difficulties. We shall be sailing in uncharted waters part of the time. But our institutions are strong, the right policies are at hand, and given the will, I feel confident that the way will be found. □

Record of Policy Actions

of the Federal Open Market Committee

MEETING HELD ON MAY 21, 1974

Domestic policy directive

The information reviewed at this meeting suggested that real output of goods and services was changing little in the current quarter, after having declined at an annual rate of 6.3 per cent in the first quarter, and that the increase in the GNP implicit deflator, which had accelerated to an annual rate of 11.5 per cent in the first quarter, was continuing at a rapid pace. Staff projections suggested that real economic activity would rise somewhat in the second half of the year and that prices would increase at a less rapid rate than in the first half.

In April industrial production expanded somewhat—after having receded over the preceding 4 months—mainly as a result of increases in output of automobiles and business equipment. Employment in manufacturing establishments also rose, following four consecutive months of decline, and total nonfarm payroll employment advanced moderately. The civilian labor force, which had changed little since January, declined in April, and the unemployment rate edged down from 5.1 to 5.0 per cent. According to the advance report, retail sales expanded moderately further, reflecting in large part an increase in sales of domestic models of new automobiles.

Wholesale prices of farm and food products declined substantially in April, for the second consecutive month. However, wholesale prices of industrial commodities continued upward at a rapid pace; price increases, which were reported for most commodity groups, were particularly large for metals, wood pulp, paper products, chemicals, and some types of machinery. In March the consumer price index had risen almost as substantially as in the preceding month, although retail prices of meats had declined.

The index of average hourly earnings of production workers on nonfarm payrolls, which had risen more in February and March than earlier data for those months had indicated, advanced at a faster pace in April. In the first quarter, when real output and productivity declined, unit labor costs in the private nonfarm economy increased sharply.

The latest staff projections for the second half of 1974, like those of 5 weeks earlier, suggested that business fixed investment would increase further and that government purchases of goods and services would continue to grow at a fairly rapid rate. However, it was now expected that the expansion in real consumption expenditures would slow, reflecting mainly a slower rise in sales of new automobiles, and that the upturn in residential construction activity would be more moderate than had been anticipated 5 weeks earlier.

In foreign exchange markets the dollar depreciated further against leading foreign currencies in April and the first half of May. In mid-May, however, the dollar was buoyed by a speculative flurry based on a news report that the United States, Germany, and Switzerland were contemplating concerted intervention in the markets. The U.S. balance of payments, which had been in deficit in February and March, remained in deficit in April and early May. The U.S. foreign trade balance had shifted into sizable deficit in March, mainly because of increased costs of imports of petroleum and other industrial materials which reflected earlier increases in prices; for the first quarter as a whole the trade balance was still in surplus, but the amount was small and represented a substantial deterioration from the preceding quarter.

Growth in loans and investments at U.S. commercial banks remained strong in April, reflecting for the most part continuation of rapid expansion in business loans; loans to nonbank financial institutions and to foreign commercial banks also increased, and banks added to their holdings of both Treasury and other securities. As in March, effective rates on bank loans were favorable relative to rates in the commercial paper market, and businesses continued to concentrate their strong short-term credit demands at banks. Between mid-April and mid-May the prime rate applicable to large corporations was raised in six steps from 10 per cent to 11½ per cent at most banks.

Growth in the narrowly defined money stock (M_1)[1] slowed some-

[1] Private demand deposits plus currency in circulation.

what in April from the rapid pace of the preceding 2 months, but at an annual rate of about 8 per cent, it was slightly faster than over the first quarter as a whole. Banks' net inflows of time and savings deposits other than large-denomination CD's picked up slightly, and growth in the more broadly defined money stock (M_2)[2] remained at about the moderate rate recorded in March. In order to help finance the growth in their loans, banks further stepped up the issuance of large-denomination CD's—to a record amount in April—and continued to increase borrowings in the commercial paper and Euro-dollar markets. As a result, the bank credit proxy[3] rose at an unprecedented rate.

Net deposit inflows at nonbank thrift institutions slowed sharply in April, as yields on market securities became increasingly attractive to savers, and growth in the measure of the money stock that includes such deposits (M_3)[4] slackened somewhat. Contract interest rates on conventional mortgages and yields in the secondary market for Federally insured mortgages rose sharply in April and early May.

On May 1 the Treasury announced that it would auction up to $4.05 billion of notes and bonds to refund the bulk of $5.6 billion of publicly held securities maturing on May 15; the remainder would be retired by drawing down cash balances. In an auction on May 7 the Treasury sold $1.75 billion of 4¼ year, 8¾ per cent notes at an average price to yield 8.73 per cent; and in auctions on May 8 it sold $2 billion of 25½-month, 8¾ per cent notes at an average price to yield 8.73 per cent and $300 million of 25-year, 8½ per cent bonds at a price to yield 8.23 per cent.

System open market operations since the April 15–16 meeting had been guided by the Committee's decision to seek bank reserve and money market conditions that would moderate growth in monetary aggregates over the months ahead, while taking account of the forthcoming Treasury financing and of international and

[2] M_1 plus commercial bank time and savings deposits other than large-denomination CD's.

[3] Daily-average member bank deposits, adjusted to include funds from nondeposit sources.

[4] M_2 plus time and savings deposits at mutual savings banks and at savings and loan associations.

domestic financial market developments. Soon after the meeting, available data suggested that in the April–May period the annual rates of growth in the monetary aggregates would be above the upper limits of the ranges of tolerance that had been specified by the Committee. Accordingly, System operations were directed toward tightening in bank reserve and money market conditions.

Largely because of unexpectedly strong money market pressures, the Federal funds rate rose to around 11 per cent on April 22 and 23—from around 10¼ per cent just before the April meeting—and in the statement week ending April 24 it seemed likely to average a little above the upper limit of 10¾ per cent set by the Committee. The System Account Manager reported that in order to bring the funds rate back within the range of tolerance he would have to expand reserve-supplying operations, thus stimulating further growth of the monetary aggregates. On April 24 the members of the Committee—with the exception of Mr. Bucher—concurred in the Chairman's recommendation that, in view of those circumstances and against the background of the increase in Federal Reserve discount rates announced that day, the upper limit of the funds rate constraint be raised by ¼ of a percentage point to 11 per cent.

In mid-May available data suggested that in the April–May period growth rates in M_1 and M_2 would be within their short-run ranges of tolerance while the growth rate in reserves available to support private nonbank deposits (RPD's) would be well above its specified range. The Federal funds rate remained above its 11 per cent upper limit, averaging 11.46 per cent in the most recent statement week, despite System efforts to achieve a lower rate. Major member banks apparently were bidding in the Federal funds market in order to avoid borrowing at the discount window; in addition, efforts to provide reserves were hampered by a technical market shortage of collateral for repurchase agreements. In any event, it would have been difficult to reduce the funds rate to 11 per cent without providing reserves through open market operations on a scale that would have risked market misinterpretation of the System's policy intent. On May 17 the members—with the exception of Mr. Holland—concurred in Chairman Burns' recommendation that the Committee take note of the difficulties faced by the System Account Manager in recent days and, in view of the likelihood that those conditions would persist over the next few days, that it change the ceiling guideline for the funds rate from 11 to 11¼ per cent.

On the day before this meeting, the Federal funds rate was 11¼ per cent. In the four statement weeks ending May 15, member bank borrowings averaged about $1,920 million, compared with an average of about $1,555 million in the preceding 4 weeks.

Private short-term market interest rates rose sharply further in the period between the Committee's meeting on April 15–16 and this meeting—in response to persistent strong business demands for credit and further tightening in money market conditions. In addition, yield spreads between high- and lower-quality securities widened, in part because of the uneasiness that developed in financial markets as a result of press reports of the special problems being experienced by Franklin National Bank and of rumors that some other financial institutions might be encountering liquidity problems and other difficulties.

Treasury bill rates also increased in late April and early May. Subsequently, however, they dropped in response to a number of influences, including substantial purchases of bills by foreign monetary authorities, strong demands by small investors who continued to be attracted by the high yield relative to interest rates available on time deposits, System purchases for its own account, and the apparent shift in investor preference toward securities of higher quality. On the day before this meeting, the market rate on 3-month bills was 7.94 per cent, down nearly a percentage point from levels reached in late April and early May, and about the same as at the time of the April meeting. Federal Reserve discount rates were raised from 7½ to 8 per cent, effective at seven Reserve Banks on April 25; shortly thereafter, rates were raised at the remaining five Banks.

Yields on long-term securities also increased in the inter-meeting period, but by much less than those on private short-term instruments. Demands for the longer-term issues—especially from small investors—tended to increase as yields advanced. Moreover, the volume of public offerings of corporate bonds declined in April, in part because some scheduled offerings of new issues were postponed or canceled. A substantial increase in the volume was in prospect for May. Offerings of State and local government issues expanded in April, and a moderate decline was in prospect for May.

A staff analysis suggested that maintenance of prevailing money market conditions at this time would be associated with a dampening in the rate of growth of the narrowly defined money stock over the months ahead, because the demand for money was likely to be restrained by the lagged effects of the sharp rise in short-term market rates of interest that had occurred over the past few months. According to the analysis, growth in consumer-type time and savings deposits at both banks and nonbank thrift institutions would continue to be curtailed—because of high market interest rates relative to rates available on time deposits—and growth in broader measures of the money stock would slow further. Banks would continue to rely heavily on issuance of large-denomination CD's and borrowings in the Euro-dollar market to finance loan expansion, although it appeared likely that a tightening in banks' lending terms would moderate loan growth.

The Committee concluded that the economic situation continued to call for moderate growth in monetary aggregates over the months ahead. At the same time, the members decided that—in view of the sensitive state of financial markets and the considerable tightening in money market conditions that had occurred over recent months—greater emphasis than usual should be placed on money market conditions during the period until the next meeting, and accordingly, that the range specified for the Federal funds rate should be narrower than usual. In particular, they agreed that operations in the coming period should be directed toward maintaining about the prevailing restrictive money market conditions, provided that the monetary aggregates appeared to be growing over the May–June period at rates within specified ranges of tolerance. The members also agreed that the lower limits of the tolerance ranges specified for the monetary aggregates should be set at levels that would accommodate slower growth rates than expected at present in the event that such rates developed, given about the prevailing money market conditions.

Taking account of the staff analysis, the Committee decided that in the period until the next meeting the weekly average Federal funds rate might be permitted to vary in an orderly fashion from as low as 11 per cent to as high as 11½ per cent, if necessary, in the course of operations. For the May–June period the Committee adopted ranges of tolerance of 3 to 7 per cent and 4½ to 7½ per cent for the annual rates of growth in M_1 and M_2, respectively. The members agreed that rates of growth within those ranges would be likely to involve RPD growth during the same period at an annual rate within a 13 to 20 per cent range.

The members also agreed that, in the conduct of operations, account should be taken of developments in domestic and international financial markets. It was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives and constraints.

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

> The information reviewed at this meeting suggests that real output of goods and services—which had declined appreciably in the first quarter—is likely to change little in the current quarter and that price increases are continuing exceptionally large. In April industrial production and manufacturing employment expanded somewhat, after having declined for 4 months. The unemployment rate edged down to 5 per cent, as the civilian labor force declined. Wholesale prices of farm and food products declined substantially further, but increases among industrial commodities again were widespread and extraordinarily large. The advance in wage rates has accelerated somewhat in recent months, and unit labor costs have been rising at a fast pace.
>
> In April and early May the dollar depreciated further against leading foreign currencies, and the balance of payments remained in deficit on the official settlements basis. Rising import costs for petroleum and other products contributed to a sizable deficit in U.S. foreign trade in March.
>
> Growth in the narrowly defined money stock slackened somewhat in April from the rapid pace in the preceding 2 months, and the more broadly defined money stock continued to expand moderately. Deposit experience at nonbank thrift institutions deteriorated sharply. Business short-term credit demands remained exceptionally strong. These demands were concentrated in banks, and to help finance loan growth, banks issued a record amount of large-denomination CD's and continued to borrow in the commercial paper and

Euro-dollar markets. Private short-term market interest rates have risen sharply further in recent weeks and conditions in financial markets have been uneasy. Treasury bill rates also rose in late April and early May, but have declined markedly in recent days. Long-term rates have continued upward. Effective April 25, Federal Reserve discount rates were raised one-half point to 8 per cent.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to resisting inflationary pressures, supporting a resumption of real economic growth, and achieving equilibrium in the country's balance of payments.

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to maintain about the prevailing restrictive money market conditions, provided that the monetary aggregates appear to be growing at rates within the specified ranges of tolerance.

> Votes for this action: Messrs. Burns, Hayes, Black, Brimmer, Bucher, Clay, Holland, Kimbrel, Mitchell, Sheehan, Wallich, and Winn. Votes against this action: None.

In the first 3 days of the statement week beginning June 6 the Federal funds rate averaged about 11.40 per cent, close to the 11½ per cent upper limit established by the Committee. The System Account Manager advised that market psychology was delicately poised; expectations of declining interest rates had strengthened during the past week, partly in conjunction with publicity attendant on reductions in the prime rate by a number of banks. Although those expectations had been dampened by System operations, the Manager reported that it would be useful to have some additional leeway with respect to the funds rate if necessary to counteract a resurgence of such expectations. Against that background, Chairman Burns recommended on June 10 that the upper limit of the funds rate constraint be raised to 11¾ per cent, on the understanding that the Manager would use the additional leeway if market interest rates came under downward pressure or if the monetary aggregates for the May–June period appeared to be testing the upper limits of their tolerance ranges. The members concurred in the Chairman's recommendation.

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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 90 days after the meeting and are subsequently published in the BULLETIN.

Law Department

Statutes, regulations, interpretations, and decisions

RULES REGARDING DELEGATION OF AUTHORITY

The Reserve Banks presently have delegated authority to approve, under certain standards, one-bank holding company formations, bank holding company formations involving more than one bank, bank acquisitions by existing bank holding companies, bank mergers and mergers of bank holding companies. The Board has expanded this authority by delegating to the Reserve Banks the authority to approve, pursuant to § 4(c)(8) of the Bank Holding Company Act, the acquisition by bank holding companies of existing finance companies, industrial banks, and certain insurance companies engaged in activities which the Board has previously determined to be permissible for bank holding companies. The Board has set forth standards under which this authority may be exercised. Applications falling outside these standards will be forwarded to the Board for further consideration.

AMENDMENT TO RULES REGARDING DELEGATION OF AUTHORITY

Effective July 31, 1974 §§ 265.2(f)(31) and (32) are added, to read as follows:

SECTION 265.2—SPECIFIC FUNCTIONS DELEGATED TO BOARD EMPLOYEES AND FEDERAL RESERVE BANKS

* * * * *

(f) **Each Federal Reserve Bank** is authorized, as to member banks or other indicated organizations headquartered in its district, or under subparagraph (25) of this paragraph as to its officers:

* * * * *

(31) Under the provisions of § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and §§ 225.4(a)(1), (2), (3) and (9)(ii) of Regulation Y (12 CFR 225.4(a)(1), (2), (3) and (9)(ii)) to approve the acquisition by a bank holding company of an interest in a finance company[1] or an industrial bank,[2] whether by acquisition of shares or assets, provided that the following conditions are met:

(i) No member of the Board has indicated an objection prior to the Reserve Bank's action.

(ii) Applicant does not hold shares of a subsidiary finance company or subsidiary industrial bank or directly engage in such activities itself pursuant to § 4(a)(2) of the Act which may not be retained or engaged in beyond December 31, 1980 without Board approval.

(iii) All relevant departments of the Reserve Bank recommend approval.

(iv) No substantive objection to the proposal has been made by a bank supervisory authority, the United States Department of Justice, or a member of the public.

(v) No significant policy issue is raised by the proposal as to which the Board has not expressed its view.

(vi) Each office of applicant's existing[3] and proposed[4] subsidiary banks, subsidiary industrial banks and subsidiary finance companies and of applicant (if applicant directly engages in such activities) is 25 miles or more distant (in a straight line) from each office of the finance company or industrial bank to be acquired.

(vii) (a) The maximum in assets of finance companies and industrial banks acquired under

[1] A finance company is defined, for purposes of this regulation, as a concern which engages in consumer finance, sales finance and/or second mortgage activities. The acquisition of more than one separately incorporated company when such companies are part of an identifiable unit should be processed under a single acquisition application.

[2] An industrial bank is a State-chartered institution which provides consumer credit and accepts limited types of deposits; it does not both accept demand deposits and make commercial loans. The term "industrial bank" also encompasses Morris Plan banks for purposes of this regulation.

[3] The definition of an existing subsidiary also includes, for purposes of this regulation, a bank or company for which the acquisition has been approved by the Federal Reserve System but not yet consummated.

[4] A proposed subsidiary is defined, for purposes of this regulation, as a bank or company for which an application for acquisition has been submitted to the Federal Reserve System.

delegated authority in any calendar year[5] does not exceed \$15 million; *and*

(vii)(b) The maximum size in assets of the finance company or industrial bank to be acquired does not exceed \$5 million. (*Exception:* The maximum size in assets of the finance company or industrial bank to be acquired is \$15 million if the aggregate assets of applicant's existing subsidiary finance companies and industrial banks[6] and of the finance company or industrial bank to be acquired do not exceed \$50 million.)

(viii) Total assets of the finance company or industrial bank to be acquired will not exceed 10 per cent of the total consolidated assets of applicant after consummation.

(ix) The sale of credit-related insurance by the finance company or industrial bank to be acquired is limited to the sale, under individual or group policies, of credit life insurance,[7] credit accident and health insurance, and property damage insurance protecting collateral.[8]

(x) The activities of the firm to be acquired are clearly permissible under § 4(c)(8) of the Act and §§ 225.4(a)(1), (2), (3) and (9)(ii) of Regulation Y.

(xi) Neither applicant, applicant's subsidiaries, nor the finance company or industrial bank to be acquired has entered into or proposes to enter into any agreement with any director, officer, employee or shareholder of the finance company or industrial bank that contains any condition limiting or restricting in any manner the right of such person to compete with applicant or any of applicant's existing or proposed subsidiaries.

(xii) The Reserve Bank determines that consummation of the proposal can reasonably be expected to result in 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.

* * * * *

(32) Under the provisions of § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.4(a)(9)(iii)(a) of Regulation Y (12 CFR 225.4(a)(9)(iii)(a)) to approve the acquisition or, as an incident to a bank holding company formation pursuant to § 3(a)(1) of the Act, the retention by a bank holding company of shares or assets of a company that acts as insurance agent or broker in offices at which the holding company or its subsidiaries are otherwise engaged in business (or in an office adjacent thereto) with respect to any insurance sold in a community that has a population not exceeding 5,000, provided that the following conditions are met:

(i) No member of the Board has indicated an objection prior to the Reserve Bank's action.

(ii) All relevant departments of the Reserve Bank recommend approval.

(iii) No substantive objection to the proposal has been made by a bank supervisory authority, the United States Department of Justice, or a member of the public.

(iv) No significant policy issue is raised by the proposal as to which the Board has not expressed its view.

(v) Neither applicant, applicant's subsidiaries, nor the company to be acquired has entered into or proposes to enter into any agreement with any director, officer, employee or shareholder of the company that contains any condition that limits or restricts in any manner the right of such person to compete with applicant or any of applicant's existing or proposed subsidiaries.

(vi) The Reserve Bank determines that consummation of the proposal can reasonably be expected to result in 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.

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[5] For the year 1974, the maximum figure is \$8 million.

[6] If applicant itself directly engages in finance company or industrial bank activities, the assets related to such activities should be included in a determination of aggregate assets.

[7] Applications involving level term credit life insurance may not be acted upon by the Reserve Bank under delegated authority.

[8] If a finance company or industrial bank otherwise falling within these guidelines has a subsidiary engaged in the underwriting, as reinsurer, of credit life and credit accident and health insurance in connection with extensions of credit by the finance company or industrial bank or if a finance company or industrial bank acts as agent for the sale of types of credit-related insurance other than designated herein, the application may not be acted upon by the Reserve Bank under delegated authority.

BANK HOLDING COMPANY AND BANK MERGER ORDERS *ISSUED BY THE BOARD OF GOVERNORS*

ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

FIRST DAKOTA BANCORPORATION, INC., FARGO, NORTH DAKOTA

ORDER APPROVING FORMATION OF BANK HOLDING COMPANY

First Dakota Bancorporation, Fargo, North Dakota, 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 100 per cent of the voting shares (less directors' qualifying shares) of West Fargo State Bank, West Fargo, North Dakota ("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 organized corporation formed for the purpose of becoming a holding company through the acquisition of Bank. The proposed transaction involves the transfer of control of Bank from individuals to a corporation ninety per cent of the shares of which are owned by individuals residing in the Fargo area. Thus, the proposal would result in a continuation of the local ownership of Bank. Bank holds deposits of $9 million, representing approximately 2.3 per cent of total deposits in the relevant market (approximated by the Fargo-Moorhead SMSA), and thereby ranks as the eighth largest of 24 commercial banks operating therein.[1] Upon acquisition of Bank, Applicant would control less than one-half of one per cent of total deposits in commercial banks in North Dakota. Since Applicant presently has no subsidiaries, consummation of the proposal would not have an 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. Therefore, the Board concludes that the competitive considerations are consistent with approval of the application.

The future prospects of Applicant are primarily dependent upon the financial resources of Bank. Bank is presently in a sound financial condition with a capital to assets ratio of 8 per cent. Applicant proposes to service the debt it will assume incident to this proposal over a 10 year period through dividends from Bank averaging 48 per cent of Bank's earnings. In light of Bank's past earnings and its anticipated growth, the projected earnings of Bank provide Applicant with the necessary financial flexibility to meet its annual debt servicing requirements while maintaining an adequate capital position for Bank. Moreover, the principals of Applicant appear to have the independent financial resources and have expressed the willingness to maintain Bank's capital at acceptable levels throughout the debt retirement period. The managerial resources of Applicant and Bank are considered satisfactory and the future prospects for each appear favorable. Thus, the considerations relating to the banking factors are consistent with approval of the application.

Although consummation of the proposal would effect no changes in the services offered by Bank, the considerations relating to the convenience and needs of the community to be served are consistent with 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 the effective date of this Order, unless such period is extended for good cause by the Board or by the Fedeal Reserve Bank of Minneapolis pursuant to delegated authority.

By order of the Board of Governors, effective July 1, 1974.

Voting for this action: Governors Sheehan, Bucher and Holland. Voting against this action: Governors Brimmer, and Wallich. Absent and not voting: Chairman Burns and Governor Mitchell.

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

[1] All banking data are as of June 30, 1973.

DISSENTING STATEMENT OF GOVERNORS BRIMMER AND WALLICH

We would deny the application of First Dakota Bancorporation to become a bank holding company through the acquisition of West Fargo State Bank. In our judgment, Applicant would not have the necessary financial flexibility to service the debt it would incur as part of this transaction without adversely affecting the capital position of Bank.

With respect to questions of acquisition debt and debt-equity ratios, the Board has been relatively liberal in the standards it has applied in cases where a current or prospective owner-chief executive is establishing, or has established, a one-bank holding company to hold the direct equity interest in his bank. Essentially, this type of transaction involves the transfer of the ownership of a bank to a corporation owned by the same individuals. In effect, control of the subject bank and its operations remain unchanged. In the present application, the transaction does not involve an owner-chief executive situation. Upon consummation of the proposed transaction, the present shareholders of Bank would not be the shareholders of Applicant. The proposal contemplates the purchase by Applicant of Bank's shares from the present owners and thereafter replacing five of Bank's current directors with Applicant's five shareholders. In fact, only one shareholder of Applicant would be an active officer of Bank. Under such circumstances, we do not believe that the principals of Applicant (who are really investors) should be afforded the more liberal debt-equity treatment of a mere change from individual to corporate ownership.

Turning to the financial aspects of the proposal, we find that Applicant's earning prospects are entirely dependent upon the earnings of Bank. In this regard, Applicant expects to service its acquisition debt over a 10-year period through Bank dividends averaging 48 per cent of Bank's projected net income and through savings realized by the holding company from filing consolidated income tax returns. The projected earnings for Bank do not, in our view, provide Applicant with the necessary financial flexibility to meet its annual debt servicing requirements as well as any unexpected problems that might arise at Bank. Furthermore, Bank's payment of the projected dividends necessary to retire Applicant's substantial acquisition debt could inhibit growth in Bank's capital, unless future earnings have been accurately estimated. These financial requirements of Applicant could place an undue strain on Bank. Therefore, it is our judgment that such financial considerations warrant denial of the application.

For these reasons, we believe the proposed transaction is not in the public interest and should be denied.

LANDMARK BANKING CORPORATION OF FLORIDA, FORT LAUDERDALE, FLORIDA

ORDER APPROVING ACQUISITION OF BANK

Landmark Banking Corporation of Florida, 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 First National Bank of Seminole, Pinellas County, 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 application and all comments received have been considered by the Board 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 Florida, and controls 14 banks with aggregate deposits of $616 million, representing 3 per cent of the total deposits in commercial banks in the State.[1] Acquisition of Bank ($8.1 million in deposits) would not significantly increase Applicant's share of total deposits in commercial banks in Florida, and its rank among banking organizations in Florida would not change.

Bank is located in the South Pinellas County banking market, where it controls less than 1 per cent of the total deposits in commercial banks and ranks twenty-third out of 29 banks. In the relevant market, Applicant controls two banks: Union Trust National Bank ("Union Bank") (deposits of $155.5 million) and American Bank[2] (deposits of $4.6 million), both of St. Petersburg. Through these two subsidiary banks, Applicant controls about 14 per cent of the total deposits in commer-

[1]Banking data are as of June 30, 1973, and reflect holding company acquisitions approved through June 30, 1974.

[2]Applicant received approval to indirectly acquire shares of American Bank by Board order of September 18, 1973 approving Applicant's acquisition of North American Mortgage Corporation.

cial banks in the market and ranks as the third largest banking organization therein. Upon acquisition of Bank, Applicant would increase its share of market deposits by less than 1 percentage point, and would become the second largest banking organization in the market.

Bank is located approximately 12 miles from Union Bank and 5.5 miles from American Bank. It appears that Bank derives some deposits from the areas served by Union Bank and by American Bank, and that Union Bank and American Bank each derive some deposits from Bank's service area. Although Applicant's acquisition of Bank would eliminate some existing competition between Bank and Applicant's existing subsidiary banks, in the context of the banking structure in the relevant market the elimination of such competition is not regarded as significant. The market is not highly concentrated, and there are a large number of alternative competing banking organizations, including subsidiaries of the four largest Florida bank holding companies available in the market. Moreover, it does not appear that Applicant would gain a dominant position in the market following consummation of this proposal. Applicant's nonbanking subsidiary, North American Mortgage Company, derives only a small amount of business from the relevant market and Bank and North American Mortgage Company combined are minor factors in mortgage banking in the relevant market. Accordingly, the Board concludes that competitive considerations with respect to existing competition are consistent with approval of this application.

While Applicant could expand in the relevant market *de novo*, Bank is not a substantial competitor in the market and as noted above, Applicant's competitive position in the market will not be substantially affected through its acquisition of Bank. Moreover, in view of the distances separating Bank from Applicant's existing subsidiary banks, the large number of banks in the market, and Florida's restrictive branching laws, the Board concludes that consummation of the proposed acquisition would not significantly decrease the potential for increased competition in the market.

The financial and managerial resources and future prospects of Applicant, its present subsidiary banks, and Bank are generally satisfactory, and consistent with approval of the application. Applicant proposes to expand the range of services presently offered by Bank to include trust services and a drive-in facility. In addition, affiliation with Applicant would enable Bank to expand its lending services. Therefore, considerations relating to the convenience and needs of the community to be served lend some weight toward 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 Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective July 31, 1974.

Voting for this action: Governors Bucher, Holland, and Wallich. Voting against this action: Governors Brimmer and Sheehan. Absent and not voting: Chairman Burns and Governor Mitchell.

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

DISSENTING STATEMENT OF GOVERNORS BRIMMER AND SHEEHAN

We would deny Applicant's proposal to acquire Bank. We believe that approval of the application would have adverse effects on competition within the relevant market. In the absence of considerations relating to the convenience and needs of the communities to be served which would outweigh such adverse effects, the proposal should be denied.

Through its subsidiaries (American Bank and Union Bank), Applicant already controls about 14 per cent of the deposits in the South Pinellas County banking market and ranks as the third largest banking organization in the market. The record indicates that Bank competes directly with both American Bank and Union Bank. In our view, consummation of the proposal would eliminate substantial existing competition.

We are also concerned about the effects of Applicant's proposal on competition in the relevant market in the future. The South Pinellas County banking market has grown substantially in the last several years, and it appears that the area will continue to experience such growth in the future. Six new banks have successfully entered the market in the last five years and, at present, the population per banking office and per capita deposits in the market are higher than the State average. Bank, which opened for business in late 1972, has already become a meaningful competitor to the other banking institutions in the market. Applicant's subsidiary, American Bank, also began operations in late 1972 and is located only 5½ miles from Bank. In addition to removing a direct competitor from the market, Applicant's acquisition of Bank would foreclose the possibility of competition developing between the institutions in the future. Moreover, since Bank is one of only two remaining institutions available for acquisition, approval of the proposal would virtually eliminate the possibility of entry into the market by other organizations. These adverse effects on competition are even more serious because Applicant is already substantially represented in the market as the third largest banking organization, and it possesses the resources and expertise to expand *de novo* in this market. In view of the above, we believe Bank should be preserved as an independent competitor or as an entry vehicle for a banking organization not yet represented in the market. Accordingly, we believe that the Board's approval will have serious adverse effects on competition within the relevant market.

The Bank Holding Company Act requires the Board to deny any acquisition "whose effect in any sections of the country may be substantially *to lessen competition*" *unless the adverse competitive* effects are clearly outweighed in the public interest by considerations relating to the convenience and needs of the communities to be served. We believe the asserted benefits to the public are not significant because numerous competing institutions in the market already provide such services to customers, and several other banking organizations that could acquire Bank would be able to provide such benefits without adverse effects on competition.

For these reasons, we would deny the application.

MERCANTILE BANKSHARES CORPORATION, BALTIMORE, MARYLAND

ORDER APPROVING ACQUISITION OF BANK

Mercantile Bankshares Corporation, Baltimore, Maryland, 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 up to 100 per cent, but not less than 80 per cent, of the voting shares of The First National Bank of Southern Maryland of Upper Marlboro, Upper Marlboro, Maryland ("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 and all comments and views received have been considered by the Board in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant controls 10 banks with aggregate deposits of $542 million, representing about 7 per cent of the total deposits of commercial banks in the State.[1] It ranks as the sixth largest banking organization in Maryland and controls, in addition to its 10 banks, two nonbanking subsidiaries. One of the subsidiaries is engaged in mortgage financing and servicing and the other is engaged in commercial, specialized consumer and second mortgage lending, factoring, lease financing and loan servicing. Upon acquisition of Bank ($61 million in deposits), Applicant would increase its share of State deposits by .8 of a percentage point and its rank among banking organizations would not change.

Bank's head office and six of its seven branches are located in Prince George's County, Maryland, and its seventh branch is located in the adjoining Anne Arundel County. With deposits of $61 million, Bank controls 1 per cent of the total deposits in commercial banks in the Washington, D. C. SMSA (the relevant banking market). In addition, Bank ranks as the eighth largest of twenty-three competing banking organizations in the Prince George's-Montgomery County area, holding about 4 per cent of the total deposits therein. Applicant controls three subsidiary banks that are headquartered within this two-county area, and they hold about 3 per cent of the total deposits in that area. Through its banking subsidiaries, Applicant also controls approximately 1.3 per cent of the deposits in the Washington, D. C. SMSA. Bank is located about 10 miles from Applicant's closest existing subsidiary banking office, and there does not appear to be any significant existing competition between Applicant's subsidiaries and Bank. Upon consummation of this proposal Applicant would become the eleventh largest banking organization in the relevant market and the fourth largest banking organization in the Prince George's-Montgomery County area. However, each of the ten largest Maryland banking organizations have offices in the two-county area, and Applicant would

[1] All other banking data are as of December 31, 1973, and reflect bank holding company formations and acquisitions approved by the Board through April 30, 1974.

control substantially less deposits than the larger banking organizations represented in the two-county area and in the market. In view of the large number of competing banks and the distance separating banking offices, it appears that no significant potential competition between Applicant and Bank would be eliminated upon consummation of the proposal. The Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and prospects of Applicant, its subsidiaries and Bank are all regarded as satisfactory and consistent with approval of the application. Although there is nothing in the record to indicate that the banking needs of the area are not presently being served, Bank's affiliation with Applicant would give it access to Applicant's resources and its managerial and financial expertise, thus enabling Bank to become more aggressive and competitive for larger loans in the area. Considerations relating to convenience and needs of the community are 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 Richmond pursuant to delegated authority.

By order of the Board of Governors, effective July 15, 1974.

Voting for this action: Chairman Burns and Governors Sheehan, Bucher, Holland, and Wallich. Voting against this action: Governors Mitchell and Brimmer.

(Signed) CHESTER B. FELDBERG,

[SEAL] *Secretary of the Board.*

DISSENTING STATEMENT OF GOVERNORS MITCHELL AND BRIMMER

We would deny the application of Mercantile Bankshares Corporation to acquire The First National Bank of Southern Maryland of Upper Marlboro ("Marlboro Bank"). In our view, consummation of the proposal would have serious adverse effects on future competition between Applicant and Marlboro Bank that are not outweighed in the public interest by considerations relating to the convenience and needs of the communities to be served. We are also concerned with the significant increase in the concentration of banking resources which would result from the proposal within Prince George's County, a region within the Washington, D. C. SMSA banking market.

The main thrust of this proposed acquisition will be felt in Prince George's County where six of Marlboro Bank's seven offices are located and two of Applicant's subsidiary banks are headquartered. Within the county area, Applicant is the fifth largest banking organization and holds 6.2 per cent of total deposits; Marlboro Bank holds 7.3 per cent of such deposits and is the fourth largest banking organization. Upon consummation, Applicant would become the third largest banking organization in Prince Georges County with total deposits of $138 million -representing 13.5 per cent of total deposits for the county. Furthermore, the proposed acquisition would result in Applicant—along with the first and second largest of the 13 banking organizations represented in the county-holding 74 per cent of total deposits for the Prince George's area. In view of the market conditions, it appears important that Applicant's expansion through acquisition in the Washington, D. C. banking market should not be permitted to be concentrated in the Prince George's County area.

It appears to us that some existing competition between Applicant's offices and those of Marlboro Bank would be eliminated by consummation of this proposal, and we believe that forceful competition between these banking offices would develop in the near future in this rapidly growing area. The Board's recent denial of an application to acquire a bank in Frederick County, adjacent to the Washington D. C. SMSA, was based upon the foreclosure of potential competition within a county area.[1] In our judgment the same issues confront the Board in the present application. In our opinion, the prospect of Marlboro Bank developing into a meaningful competitive force in the county is highly promising. The present acquisition would seriously diminish this opportunity.

The total deposits of Marlboro Bank have increased by 50 per cent during the period from January 1, 1969, through December 31, 1973; its resources have increased by 54 per cent and total capital accounts have increased by 70 per cent

[1]Application by Suburban Bancorporation, Hyattsville, Maryland, to acquire Farmers and Mechanics National Bank, Frederick, Maryland, 59 Federal Reserve BULLETIN 825.

during this same period. As indicated by these data, Marlboro Bank has experienced rapid growth over the last several years, which demonstrates that it is effectively competing within the relevant areas. It is apparent that, in the absence of this proposal, Marlboro Bank could develop into a more meaningful source of competition not only within the Prince George's County area but also in the Washington, D. C. SMSA banking market. In our opinion, the anticompetitive effects of this proposal are not outweighed by "the probable effect of the transaction in meeting the convenience and needs of the community to be served." We do not believe that Applicant's ability to enhance Marlboro Bank's capacity to become more aggressive and competitive for larger loans in the area is sufficient grounds for outweighing the significantly adverse effect this proposal would have on area competition. Moreover, we feel strongly that the proposed acquisition would increase the regional concentration of banking resources in Prince George's County. Accordingly, we would deny the present application.

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 Act (12 U.S.C. 1842(a)(3)) to acquire 100 per cent (less directors' qualifying shares) of the voting shares of the successor by merger to Arlington Bank and Trust, Arlington, Texas ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of Bank. Accordingly, the proposed acquisition 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 fourth largest multi-bank holding company in Texas, presently controls fifteen banks[1] with aggregate deposits of approximately $1,787 million, representing 5.14 per cent of the total commercial bank deposists in Texas.[2] Approval of the present proposed acquisition would not result in a significant increase in the concentration of banking resources in Texas.

Bank is situated in Arlington, Texas, within the Dallas banking market area (approximated by the Dallas RMA). Bank has deposits of $84 million, representing a 1.2 per cent share of market deposits, and is the eighth largest of 113 banks in the market. Approval of the application would have no adverse effects on competition in the Dallas banking market. Consummation of the proposed acquisition would increase Applicant's share of total commercial bank deposits in the Dallas banking market from 0.8 to 2.0 per cent, an increase which would not represent a substantial degree of further concentration of Applicant's deposits in the market. Applicant's nearest subsidiary to Bank, which is also in the Dallas banking market, is located some 22 miles to the northeast. There is no substantial existing competition between Bank and any of Applicant's subsidiaries, nor is there a reasonable probability of substantial competition developing in the future, in view of the distances involved, the number of intervening banks, and Texas' restrictive branching laws. Removal of Bank as an independent bank and a potential vehicle for entry into the market would not have a significantly adverse effect on potential competition since three remaining banks in the immediate area and many small remaining banks in the market could serve as a means of entry into the market by other organizations. Bank's relatively small share of market deposits also contributes to the conclusion that the proposal would not have any adverse effect on potential competition.

[1] The Board's Orders of August 31, 1972, and November 28, 1972, approving the acquisition of certain banks by Applicant require, respectively, Applicant to divest all interest in Beaumont State Bank, Beaumont, Texas, by October 12, 1974, and all interest in Permian Bank and Trust, Odessa, Texas, by January 8, 1975.

[2] All deposit figures are as of June 30, 1973, and bank holding company statistics reflect holding company formations and acquisitions approved by the Board of Governors to the date of May 1, 1974. Subsequent to the latter date, the Board has approved Applicant's proposed acquisition of Southeast Bank, Houston, Texas; and the Federal Reserve Bank of Dallas, acting pursuant to delegated authority for the Board, has approved Applicant's proposed acquisitions of three *de novo* banks in Houston, Texas, Plaza Commerce Bank, Commerce Medical Bank, and Westwood Commerce Bank; Guaranty National Bank and Trust Company of Corpus Christi, Corpus Christi, Texas; Union Bank of Fort Worth, Fort Worth, Texas; and First National Bank of Hurst, Hurst, Texas.

Accordingly, the Board concludes 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 regarded as generally satisfactory and consistent with approval. The affiliation of Applicant with Bank would enhance Bank's ability to meet the expanding banking needs resulting from the accelerating growth of both the residential and commercial segments of Arlington, as well as enable Bank to strengthen its trust and investment services and to provide effective real estate, mortgage warehouse and construction financing. Accordingly, considerations related to the convenience and needs of the community to be served lend some weight toward approval. It is the Board's judgment that the proposed acquisition 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 Dallas pursuant to delegated authority.

By order of the Board of Governors, effective July 23, 1974.

Voting for this action: Governors Brimmer, Sheehan, Bucher, Holland, and Wallich. Absent and not voting: Chairman Burns and Governor Mitchell.

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

CONCURRING STATEMENT OF GOVERNOR BRIMMER

While I voted to approve the application by Texas Commerce Bancshares to acquire the Arlington Bank and Trust Company, Arlington, Texas, it should be noted that the proposal can be distinguished from several recent cases in Texas denied by the Board. In each of those cases, one of the largest holding companies in the State was attempting to acquire one of the largest banks in an important banking market in the State.[1] As indicated previously, such proposals, if approved, would result in increasing the already substantial size disparity between the State's largest banking organizations and the smaller holding companies developing in the State. The net result of this trend would be a banking structure in which a few large organizations would control the largest banks in almost every important city in the State. This type of banking structure, in my view, tends to stifle banking competition throughout the State.

The present acquisition would not have the substantially adverse effect on competition noted in those previous cases. Although the fourth largest banking organization in Texas, Applicant is not the largest banking organization in the Dallas banking market, a market dominated by two larger organizations holding collectively over 50 per cent of total market deposits. In absolute terms the bank to be acquired in the present case is a relatively large bank; however, it holds only 1.2 per cent of total market deposits and ranks as the market's eighth largest bank. Furthermore, in the context of the Dallas banking market, the removal of Bank as an independent organization would not inhibit entry by other holding companies since there remain many independent banks which are available for acquisition. Thus, the effects of the proposal on potential competition in the Dallas market do not appear to be significant.

For the foregoing reasons and on the basis of the record, I voted to approve the application.

ORDERS UNDER SECTION 4 OF BANK HOLDING COMPANY ACT

THE ALABAMA FINANCIAL GROUP, INC., BIRMINGHAM, ALABAMA

ORDER APPROVING APPLICATION TO ENGAGE *DE NOVO* IN CERTAIN INSURANCE AGENCY ACTIVITIES

The Alabama Financial Group, Inc.,[1] Birmingham, Alabama ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, on February 24, 1972, applied to the Federal Reserve Bank of Atlanta for approval, under § 4(c)(8) of the Act, as amended, and § 225.4(a)(9) of the Board's Regulation Y (12 CFR 225.4(a)(9)), to engage *de novo* in certain insurance agency activities at various locations in Alabama at which Applicant or its

[1] See for example, Board Orders at 1974 Federal Reserve BULLETIN 43, 290, and 450.

[1] In April, 1974, Applicant's corporate name was changed to Southern Bancorporation.

banking and bank-related subsidiaries are otherwise engaged in business, through an insurance agency subsidiary ("Agency") to be formed by Applicant.

Applicant proposes through Agency to act as insurance agent or broker with respect to:

1. All insurance for Applicant and its subsidiaries.
2. Any insurance to protect assets financed by Applicant and its subsidiaries and other insurance calculated to protect the lender's ability to obtain repayment of loans including:
   a. fire and extended coverage insurance
   b. use and occupancy insurance
   c. business interruption insurance
   d. liability insurance
   e. homeowners insurance
   f. performance bonds connected with construction loans
   g. boiler and machinery insurance
   h. fidelity insurance
   i. theft insurance
   j. collision and comprehensive insurance
   k. surety bonds
   l. marine property insurance
3. Any insurance the purpose of which is to provide loan or repayment funds in the event of loss of income or other inability to repay debt including:
   a. credit life and credit accident and health insurance
   b. mortgage life or mortgage guaranty insurance
4. Convenience insurance within the limitations of Regulation Y.
5. A full line of general insurance at offices located in communities having less than 5,000 population.

Applicant proposes to sell such insurance only in connection with extensions of credit or the provision of other financial services, or as a matter of convenience to the purchaser within the limits of Regulation Y, or in communities with less than 5,000 population. The sale of certain types of insurance is an activity that has been determined by the Board to be closely related to banking (12 CFR 225.4(a)(9)).

Notice of the application was published in the communities to be served in accordance with § 225.4(b)(1) of the Board's Regulation Y. Objections to the application, requesting a hearing and seeking permission to intervene, were filed by the National Association of Insurance Agents ("NAIA"), the Alabama Association of Insurance Agents ("AAIA"), the Independent Insurance Agents of Birmingham ("IIAB"), and U.S. Fidelity and Guaranty Company ("USF&G"). On March 29, 1972, the Federal Reserve Bank of Atlanta stayed the proceeding and requested that the Board act directly on the application.

By order dated March 6, 1973, the Board directed that a formal hearing be held on the subject application, as well as 21 other pending applications by bank holding companies to engage in certain insurance agency activities (38 *Federal Register* 6441), before a designated Administrative Law Judge ("Law Judge"). In addition to the parties designated above, other parties sought and were granted permission to participate in the proceeding, including the American Bankers Association ("ABA"), National Association of Casualty & Surety Agents ("NACSA"), and the Committee to Preserve Consumer Options ("CPCO"), an association of 28 banking institutions including most of the applicant bank holding companies in other docketed insurance agency applications then pending before the Board.

Following a prehearing conference in Washington, D. C., on March 27, 1973, a public hearing was held on this application in Atlanta, Georgia, on June 25-26, 1973.[2] The hearings and related proceedings have been conducted in accordance with the Board's Rules of Practice for Formal Hearings (12 CFR 263).

In a Recommended Decision of February 7, 1974, the Administrative Law Judge concluded that the evidence supported a partial approval of the application and recommended:

(1) That the application of the Alabama Financial Group be granted with respect to proprietary and employee insurance and for credit life, health and accident and mortgage redemption insurance but denied as to all other forms of insurance in Birmingham, Dothan and Marion County, Alabama.
(2) That the application be granted as to credit-related insurance agency sales except surety bonding to customers of banking and nonbanking affiliates located in Huntsville, Mobile and any other area in which a banking subsidiary may be acquired in which said subsidiary controls less than 15 per cent of local deposits.
(3) That, in those respects in which the application is granted, the authorization be subject to appropriate anticoercion statements to be fur-

[2] Board counsel participated in the hearing in a nonadversary capacity but took no position with respect to the merits of the application (12 CFR 263.6(d)).

nished for execution by loan/insurance customers as part of their applications.

The Board, having considered the exceptions taken to the Recommended Decision by the various parties and the entire record, and having determined that the Administrative Law Judge's findings of fact, conclusions, and order, as modified and supplemented herein, should be adopted as the findings, conclusions, and order of the Board, now makes its findings as to the facts, its conclusions drawn therefrom, and its order.

Applicant controlled four banking subsidiaries as of December 30, 1972, with aggregate deposits of $676.8 million. These subsidiaries were located in Jefferson, Houston, Madison and Mobile Counties. Applicant predicts that its proposed agency will generate approximately $200,000 in annual premiums from the requirements of the holding company and its subsidiaries, and approximately $600,000 in annual premiums from the sale of credit life and credit accident and health insurance. Applicant stated that it was unable to make reasonable projections of premium income from the sale of other types of insurance.

The principal issues before the Board that arise from this application are: (1) whether the proposed insurance agency activities are permissible activities under § 225.4(a)(9) of Regulation Y and are therefore so closely related to the business of banking or managing or controlling banks as to be a proper incident thereto; (2) whether performance of the proposed activities can reasonably be expected to produce benefits to the public such as greater convenience, increased competition, or gains in efficiency, and (3) whether such benefits to the public outweigh possible adverse effects such as undue concentration of resources, decreased or unfair competition, conflicts of interests or unsound banking practices. The Board has previously determined by Regulation (12 CFR 225.4(a)(9)) that the following activities are so closely related to banking or managing or controlling banks as to be proper incident thereto.[3]

(9) acting as insurance agent or broker in offices at which the holding company or its subsidiaries are otherwise engaged in business (or in an office adjacent thereto) with respect to the following types of insurance:

(i) Any insurance for the holding company and its subsidiaries;

(ii) Any insurance that (a) is directly related to an extension of credit by a bank or a bank-related firm of the kind described in this regulation, or (b) is directly related to the provision of other financial services by a bank or such a bank-related firm, or (c) is otherwise sold as a matter of convenience to the purchaser, so long as the premium income from sales within this subdivision (ii)(c) does not constitute a significant portion of the aggregate insurance premium income of the holding company from insurance sold pursuant to this subdivision (ii);

(iii) Any insurance sold in a community that (a) has a population not exceeding 5,000 or (b) the holding company demonstrates has inadequate insurance agency facilities.

Upon reviewing the legislative history to the 1970 Amendments to the Bank Holding Company Act, the Law Judge concluded that "the Congress clearly had credit-related insurance agency sales in mind as an enterprise closely related to banking subject, however, to surviving the gamut of a net public benefits test. . . ." page 17. The Board's own understanding of the legislative history to the 1970 Amendments is consistent with that of the Law Judge and formed the basis upon which the above-described Insurance Regulation was promulgated. Although no precise guidelines were given the Board for making its determination of those activities which are closely related to banking, the legislative history of the 1970 Amendments to the Bank Holding Company Act include, as the Law Judge noted, references to sales of credit-related insurance as examples of activities closely related to banking. The Law Judge's review of the legislative history was described fully in companion Recommended Decisions[4] to which he referred in his Recommended Decision in the instant matter. Indeed, in a companion Recommended Decision issued November 9, 1973, the

[3]The Board's Insurance Regulation was adopted after notice of proposed rule-making and following receipt of comments on the substance of the proposed regulation. The insurance activities authorized by the regulation are those that are organizationally and physically integrated into the operations of the bank holding company. The Board's decisions in this area prior to the 1970 Amendments to the Act are generally to the same effect (see, for example, *Otto Bremer Company* 1959 F.R. BULL. 892; First Bank Stock Corporation 1959; F.R. BULL. 917; and United Virginia Bancshares, Inc., 1970 F.R. BULL. 599.)

Members of both houses of Congress referred to the Board's prior decisions during the legislative debate to the 1970 amendments. A member of the Conference Committee, Senator Bennett, stated: "The Federal Reserve Board under the existing language of § 4(c)(8) for the past 14 years has approved insurance activities for bank holding companies and there was no intent on the part of the Conference Committee to overrule these past decisions". *Congressional Record* S20645, December 18, 1970.

[4]Recommended Decisions Docket Numbers IA-3, 6, 7, 12, and 13 issued November 9, 1973, pp. 15-22; Docket Numbers IA-8, pp. 9-16 issued January 14, 1974.

Law Judge found that "the business of selling general insurance" was an activity so closely related to banking as to be a proper incident thereto. However, the Applicant in this proceeding has not sought the Board's prior approval to operate a general insurance agency. Instead, Applicant listed in its application those specific insurance coverages it contemplated selling and for which prior Board approval is sought.

The insurance Applicant seeks to sell under No. (1) above (all insurance for Applicant and its subsidiaries) has been specifically permitted under § 225.4(a)(9)(i) of the Board's Insurance Regulation. By a published Interpretation to this Regulation, the Board has further indicated that it regards the sale of group insurance for the protection of employees of the holding company as insurance for the holding company and its subsidiaries within § 225.4(a)(9)(i). However, NAIA argued that the sale of group insurance and fidelity insurance on employees would not be closely related to banking where the employees pay part of the premiums. Regardless of which party pays the premium, the Board views the protection of a bank holding company's employees through group insurance as a distinct benefit to the holding company itself. Thus, the provision of group insurance protecting a holding company's employees is no less "for the holding company" than would be insurance on real property owned by the holding company. Accordingly, the Board finds that the sale of insurance for the holding company and its subsidiaries, including group insurance for the protection of employees of Applicant, to be a permissible activity under § 225.4(a)(9)(i) of the Insurance Regulation.

Applicant seeks to sell various forms of insurance under No. (2) above that protects the collateral in which a subsidiary has a security interest as a result of an extension of credit. Included among these coverages are physcial damage insurance on real estate and physical damage insurance on personal property. Applicant contends, and the Board so finds, that such coverages are directly related to an extension of credit within the meaning of § 225.4(a)(9)(ii)(a) of the Insurance Regulation. The extension of credit on a secured loan is founded upon the value of the collateral securing the loan. Thus, insurance is essential from the lender's standpoint to assure that the value of the collateral will not be impaired by physical damage. The financial nature of the insurance transaction forms an integral function for the borrower as well, since the presence or lack of insurance protecting loan collateral is an essential element of the credit evaluation. The evidence of record confirms, in the Board's view, that the sale of insurance protecting the collateral securing an extension of credit is directly related to such extension of credit. The Board notes further that this finding is in accord with its previously published Interpretation (12 CFR 225.128) pertaining to insurance that supports the lending transactions of a bank or banking related firm in the holding company system.

Applicant also seeks Board approval to sell liability insurance on both real and personal property, as described above, when a subsidiary has taken a security interest in such property as the result of an extension of credit. It appears from the evidence of record that liability insurance is generally sold in conjunction with or as part of an insurance package with insurance that protects the collateral securing an extension of credit. Thus, a "packaged" insurance policy, combining liability insurance with insurance relating to physical damage on property purchased from loan proceeds, fulfills a legitimate need of the lender and borrower alike at the time a loan is made. Moreover, in the case of homeowner's insurance, it appears that it would not be economical for a borrower to procure separately the various coverages customarily packaged in such a policy. The Board concludes from all the evidence of record that the sale of liability insurance on both real and personal property supports the lending transactions of a bank or bank-related firm in the holding company system when it is sold to borrowers in conjunction with or as part of an insurance package with insurance protecting the collateral in which the bank or bank-related firm has a security interest and is a permissible activity within § 225.4(a)(9)(ii)(a) of the Insurance Regulation.

Applicant has also requested permission to sell surety bonds. Such bonds would include bid bonds (guaranteeing that a successful bidder on a building contract will enter into the contract), subdivision bonds (guaranteeing to a municipality that the builder will make all required improvements) and completion or performance bonds (insuring against a maintenance contractor's failure to maintain its obligation under a maintenance agreement). The procurement of the coverages involved through surety bonds has traditionally been a part of a mortgage loan transaction. In the Board's judgment, a direct relationship exists between the sale of surety bonds and an extension of credit. Accordingly, the sale of surety bonds is, in the Board's view, an activity within § 225.4(a)(9)(ii)(a) of the Insurance Regulation.

The Board finds, with three exceptions, that the several types of insurance listed under No. (2) above are either property insurance or liability insurance sold as part of a package with property insurance on assets financed by Applicant and therefore within § 225.4(a)(9)(ii)(a) of the Insurance Regulation. The exceptions are (1) use and occupancy insurance, (2) business interruption insurance, and (3) fidelity insurance. Little or no evidence was presented concerning these types of insurance. Accordingly, there is insufficient evidence in this record upon which the Board may conclude that any of the insurance noted in the exceptions above fall within § 225.4(a)(9)(ii)(a) or (b) of the Insurance Regulation.

Applicant has requested prior Board approval to engage in the sale of credit life, credit accident and health, mortgage redemption and mortgage guaranty insurance. With the exception of mortgage guaranty insurance, the Board has previously determined by order[5] that the sale of these forms of insurance was so closely related to banking as to be a proper incident thereto within the meaning of § 225.4(a)(9) of the Insurance Regulation. The previous findings of the Board concerning such coverages are reaffirmed herein since such insurance is often required to assure repayment of an extension of credit by the holding company system in the event of death or disability of the borrower. Under these conditions, the Board finds that the sale of such insurance is directly related to an extension of credit. Mortgage guaranty insurance is a form of credit risk insurance that serves to protect the lender against loss of a specified percentage of a loan in the event of foreclosure and sale of collateral. In this respect, it may be likened to mortgage redemption insurance. The Board therefore concludes that the sale of mortgage guaranty insurance is also within § 225.4(a)(9)(ii)(a) of the Insurance Regulation.

Applicant also requests permission, under No. (4) above, to sell insurance that is otherwise sold as a matter of convenience to the purchaser, so long as the premium income from sales within this category does not constitute a significant portion of the aggregate insurance premium income from insurance sold in connection with loans or other financial services. The sale of such insurance has been expressly permitted by the Board under § 225.4(a)(9)(ii)(c) of the Insurance Regulation. The Board does not regard this provision as being designed to permit entry into the general insurance agency business but only permits the limited sale of such insurance as a matter of convenience to the purchaser.

Finally, Applicant has applied to sell general insurance at offices located in communities with a population not exceeding 5,000. This request is clearly within § 225.4(a)(9)(iii)(a) of the Insurance Regulation. One of the communities affected under this request is the community of Hoover, Alabama. It is clear that the population of Hoover does not exceed 5,000. The fact that Hoover is situated within the Birmingham Standard Metropolitan Statistical Area ("SMSA") does not prevent this community from qualifying under the provisions of § 225.4(a)(9)(iii)(a) of the Insurance Regulation. The provisions of 12 U.S.C.A. § 92, pertaining to the powers of a national banking association to engage in the insurance business in a community the population of which does not exceed 5,000 inhabitants, contain no such limitation. Accordingly, the Board concludes that the sale of general insurance in communities with a population not exceeding 5,000, including the community of Hoover, is a permissible activity within the Insurance Regulation.

In determining whether a particular activity is a proper incident to banking or managing or controlling banks, the 1970 Amendments to the Act require the Board to "consider whether its performance by an affiliate of a 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". Each of these factors has been separately considered by the Board in its determination herein.

In the Board's view, it is reasonable to anticipate that approval of the subject application will result in a benefit to the public in terms of greater convenience to the borrower. The ability of a borrower to complete an entire credit-insurance transaction at one location is likely to result in a considerable savings in time as well as eliminate the duplication of certain informational requirements. Moreover, it appears from the record that borrowers have often requested insurance from Applicant's banks in the past, and there is a present demand for this added convenience. Although Applicant will initially have but one licensed agent

[5] See Board Order of January 28, 1974, granting approval to Worcester Bancorp, Inc., Worcester, Massachusetts, to engage *de novo* in the sale of credit life, credit accident and health, and mortgage redemption insurance (1974 F.R. BULL. 393).

at the head office of its lead bank, there would appear to be some convenience, although to a lesser degree, for borrowers at Applicant's other banking locations. Applicant intends to have its loan officer contact the licensed agent to permit the latter to obtain the necessary information to complete the insurance transaction. The Board therefore concludes that approval of the instant application would bring greater conveniences to the public, and that this factor supports approval of the application.

Approval of the subject application is also likely to result in some gains in efficiency. Most of the policies sold must, by Board Regulation, be directly related to an extension of credit or the provision of other financial services offered by Applicant. Thus, some savings can be anticipated through the reduction or even elimination of advertising and solicitation expenses as the agent's customers will normally be referred to him by loan officers. Efficiencies are also likely to result through Applicant's ability to combine its insurance and loan billing operations. It is the Board's judgment that such efficiencies will result in positive public benefits in terms of the service Applicant will be able to offer its borrower-insureds.

It is reasonable to anticipate some increased competition among insurance agents in Alabama. While it does not appear that Applicant can introduce more than a minimum amount of price competition in those insurance agency markets that Applicant enters, it would appear capable of injecting strong competition in such markets on the basis of service. The added convenience of completing a credit-insurance transaction at one location, discussed *supra*, is one of the competitive means whereby Applicant may improve its service to the public. The ready availability of the financial expertise which Applicant brings to its borrower-insured will offer a new dimension to the competitive scene. In addition, certain technical efficiencies in the data processing area give Applicant the capability of competing effectively with independent agents. Based on these and other facts of record, it is the Board's judgment that approval of the subject application will produce public benefits through increased competition among insurance agents in local Alabama markets.

One of the possible adverse effects which Congress directed the Board to consider in determining whether a particular activity is a proper incident to banking or managing or controlling banks is the danger of an undue concentration of resources. As noted in the Conference Report accompanying H.R. 6778, this particular danger "is enhanced when concentrations of power are centered about money, credit and other financial areas, the common denominators of the economy." The share of commercial bank deposits Applicant's banking subsidiaries hold in local Alabama markets does not establish an undue concentration of resources in those markets. It appears from the record in this proceeding that there are numerous banking alternatives in Alabama's banking markets. Moreover, additional competition in individual markets has resulted from the expansion of the State's bank holding companies. Thus, the Board concludes that the danger of an undue concentration of resources which the Congress feared might arise from bank holding company entry into a particular nonbanking activity is not present in this proceeding. Accordingly, Applicant's *de novo* entry into the sale of those insurance coverages the Board has found to be closely related to banking will not disturb the present competitive relationships in Alabama's local banking markets.

Another possible adverse effect which the Congress directed the Board to consider in any § 4(c)(8) application concerned the danger of decreased or unfair competition. Since the Law Judge found in his Recommended Decision that Applicant's sale of the above-described insurance coverages would encourage a practice of "voluntary tying," he concluded that Applicant would possess an unfair competitive advantage. Accordingly, the Law Judge recommended that Applicant not be permitted to sell insurance in markets where its banking subsidiaries hold more than 15 per cent of the total deposits in commercial banks. However, the evidence of record contains no specific instances of a tying arrangement resulting from either coercion or through a form of market power that could lead to "voluntary tying." On the other hand, there was testimony by Applicant's witness that insurance was not discussed until after a loan had been closed with the possible exception of commercial loans. This would lessen any presumed pressure on borrowers to tie their purchase of insurance to their borrowing of funds. Also, penetration figures for a bank-related insurance agency in North Carolina indicate that a very low percentage of sales of insurance relative to total loans was obtained by that agency. The Board notes that the concentration of deposits in commercial banks in Alabama is not significantly different from that in North Carolina and that it is therefore reasonable to anticipate a comparatively low penetration of insurance sales relative to total loans for Applicant.[6]

Additionally, lenders other than commercial banks operate in most of the local markets in Alabama in which Applicant wishes to sell insurance. For example, borrowers can obtain automobile loans from sales finance companies, personal loans from consumer finance companies and credit unions, and mortgage loans from savings and loan associations and mortgage bankers. Considering these nonbank sources of credit together with the several banking alternatives available in local markets in Alabama, the Board concludes that Applicant's entrance into the insurance business will not create a possible danger of voluntary tying by borrowers of their insurance needs to their loans.

It is clear from this evidence of record that Applicant does not possess that degree of market power sufficient to create the danger of voluntary tying or that such a practice could become a realistic threat. In view of the evidence of record concerning the fear of voluntary tying, discussed *supra*, the Board does not believe it should adopt an arbitrary standard which would foreclose Applicant from selling insurance in areas where its banking subsidiaries possess more than 15 per cent of deposits in commercial banks. Such a standard would prevent Applicant's sale of insurance in many markets thereby negating the convenience and benefits the Board has found exist. The public would not be served well in that case. Accordingly, it is the Board's judgment that approval of the subject application will not result in decreased or unfair competition.

The Law Judge recommended in his decision that "appropriate statements be included in all insurance application forms furnished by affiliates of the Applicant, in bold type above the borrower's signature, to the effect that the customer understands the placement of such insurance is not offered as a condition to the grant of credit, nor is an inducement therefor. . . ." The Board finds that the evidence in this record is not sufficient to require such language.

The Law Judge also recommended as a condition of approval that language be added to insurance application forms indicating that "similar insurance, not necessarily naming the lending institution as beneficiary, may be obtained from independent agents or in lieu thereof, that existing insurance owned by the debtor may be assigned to the bank" (page 20). The Board has not required this specific condition before and the evidence in this record is insufficient to demonstrate a public need for such a requirement.

In considering the possible adverse effect of conflicts of interests that may arise through Applicant's entry into the proposed insurance agency activities, the Law Judge found that a conflict existed in the "business of surety bonding." A prerequisite that the bond purchaser secure a line of credit from a lender in order to establish his economic solvency in the eyes of the underwriter would tempt the banking affiliate, so the Law Judge found, "to extend the necessary letter of credit even though sound banking practice would not so dictate." The Board does not find any credible evidence of record to support this conclusion. Nor does the record support a conclusion that lending affiliates of the Applicant would risk making an undesirable loan for the purpose of selling the customer any other form of insurance. Regulatory supervision of loans made by banking affiliates of Applicant appears to provide a reasonable safeguard against this possibility. Accordingly, the Board finds that the adverse effects that might arise from possible conflicts of interest are not present in this application. In addition, a review of the entire record indicates that no other unsound banking practices would result from Applicant's entry into the sale of the specified insurance coverages. Therefore, it is the Board's judgment that consummation of the proposed transaction would not result in unsound banking practices.

The Board notes that NAIA has objected to the exclusion by the Law Judge of certain testimony of Mr. Harrison Houghton, a witness for NAIA. The Board, after examining the record, concludes that the Law Judge correctly exercised his discretion in refusing to admit this testimony since it was cumulative to other testimony in the record and, moreover, irrelevant to many of the issues involved in this application.

NAIA filed a motion to exclude Board personnel who were involved in this hearing from participating "in the making of the Board's decision" on this application. Since such personnel of the Board did not participate in the decisional process, the issue raised by the motion is moot.

Based on the foregoing and other considerations reflected in the record, the Board has determined

[6]There is not a one-to-one relationship between an amount of penetration and an amount of voluntary tying in a particular context. Rather, a given penetration figure determines the maximum amount of voluntary tying that can possibly exist. If the penetration figure is low, as is the evidence presented from North Carolina, then the voluntary tying figure will be low. The converse is not true; a high penetration figure does not by itself indicate a high amount of voluntary tying.

that the balance of the public interest factors the Board is required to consider under § 4(c)(8) is favorable. Accordingly, the application is hereby approved, subject to the conditions noted above. This determination is further subject to 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 the 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 herein approved 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 Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective July 3, 1974.

Voting for this action: Vice Chairman Mitchell and Governors Brimmer, Sheehan, Bucher, Holland, and Wallich. Absent and not voting: Chairman Burns.

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

FIRST NATIONAL HOLDING CORP., ATLANTA, GEORGIA

ORDER APPROVING ACQUISITION OF MERIT FINANCE CORPORATION

First National Holding Corp., Atlanta, Georgia, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to acquire, through its wholly-owned subsidiary, Dixie Finance Co., Inc., Atlanta, Georgia, all of the voting shares of Merit Finance Corporation, Mobile, Alabama ("Merit"). Merit engages in the activities of making, acquiring or servicing loans or other extensions of credit for personal, family or household purposes, and acting as insurance agent or broker in selling credit life, credit accident and health insurance and property damage insurance for collateral supporting loans that are made by Merit. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1), (3) and (9)(ii)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (39 Federal Register 17593). The time for filing comments and views has expired. The application and all comments and views received have been considered by the Board in light of the public interest factors in § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant is the one-bank holding company parent of The First National Bank of Atlanta, Atlanta, Georgia, which holds deposits of $1 billion, representing 9.5 per cent of the total deposits in commercial banks in Georgia.[1] Applicant also controls nonbanking subsidiaries which engage in consumer financing, mortgage banking, advising a real estate investment trust, computer services, personal property leasing, and factoring.

Merit, a subsidiary of Walter E. Heller International Corporation has total receivables of $23.2 million (as of June 30, 1973). Headquartered in Mobile, Alabama, Merit has 56 offices located in seven States: Alabama, Oklahoma, Georgia, Indiana, Tennessee, Florida, and Louisiana.

By order of April 18, 1974, the Board denied an application by Applicant to acquire shares of Merit. In that order, the Board expressed concern as to the effect consummation of the proposed acquisition would have upon existing competition for personal instalment loans in certain local markets in Georgia. In order to eliminate any possible adverse effects upon competition in markets presently served both by operating offices of Applicant and of Merit, Applicant has modified the proposal by applying to acquire all of Merit's offices except six Georgia offices which have been sold by Merit's parent, Walter E. Heller International Corporation. In view of the foregoing, it appears that consummation of the proposed transaction would not have an adverse effect on existing competition in any market in Georgia. Applicant does not presently compete in any geographic market in which Merit competes, therefore, consummation of the proposed transaction would not adversely affect existing competition in any relevant market.

With respect to the question whether consummation of the proposal would eliminate any significant competition in the future, the Board finds that Applicant appears to possess both the resources and expertise to enter the markets that are presently served by Merit *de novo*. However, no significant market served by Merit appears concentrated and the recent closing of certain of its offices indicates that it is a weakening competitive force. The Board therefore concludes that consummation of the proposal would have at the most only very slight adverse effects with respect to the elimination of probable future competition.

[1] Banking data are as of June 30, 1973.

Upon approval of this application Applicant proposes to inject equity capital into Merit in order to strengthen Merit's capital position and make available greater amounts of funds for lending in the communities served. Applicant further proposes to increase the efficiency of existing offices of Merit through centralized purchasing, advertising, and recordkeeping. Finally, Applicant proposes to establish *de novo* offices of Merit in Indiana, Oklahoma, and Tennessee, in areas where offices of Merit already exist, in order to maximize the benefits of supervision.

There is no evidence in the record indicating that consummation of the proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8), 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 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 Atlanta.

By order of the Board of Governors, effective July 31, 1974.

Voting for this action: Governors Sheehan, Bucher, and Wallich. Voting against this action: Governors Brimmer and Holland. Absent and not voting: Chairman Burns and Governor Mitchell.

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

DISSENTING STATEMENT OF GOVERNOR BRIMMER

I dissent from the majority's action in approving this application of First National Holding Corp. to acquire Merit Finance Corporation. The majority has approved the revised proposal on the basis that excluding six Georgia offices from the proposal eliminates any adverse effect that consummation of the proposal would have on existing competition.

However, unlike the majority, I believe there are additional adverse factors weighing against approval of the application. As I stated in my Concurring Statement of April 18, 1974, concerning Applicant's earlier proposal to acquire Merit, Applicant has demonstrated that it possesses the expertise to enter new markets *de novo*. Moreover, I believe Applicant is one of the most likely entrants into a number of markets now served by Merit. In the absence of the proposed acquisition, it seems probable that Applicant would expand *de novo* into those markets where Applicant and Merit do not presently compete. Accordingly, I would deny this application because the proposed acquisition would have adverse effects on probable future competition.

Furthermore, as I previously stated, I believe the trend by bank holding companies to trade nonbanking subsidiaries among themselves should be discouraged. Once a bank holding company is serving a community through a nonbanking subsidiary, the acquisition of that subsidiary by another bank holding company would not generally result in any net benefits to the public. I continue to believe that there are no public benefits to be gained from approval of this application since Merit's present parent corporation has the ability itself to strengthen Merit.

Finding no public benefits to outweigh the foregoing adverse effects, I would deny the application.

FIRST RAILROAD AND BANKING COMPANY OF GEORGIA, AUGUSTA, GEORGIA

ORDER APPROVING ACQUISITION OF CMC GROUP, INC.

First Railroad and Banking Company of Georgia, Augusta, Georgia, 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 CMC Group, Inc. ("CMC"), Charlotte, North Carolina, a company that engages, through wholly-owned subsidiaries, in the activities of making or acquiring loans or other extensions of credit through the operation of offices engaged in consumer finance, mortgage lending, sales finance, and insurance premium financing; acting as reinsurer of credit life and credit accident and health insurance which is directly related to extensions of credit by the bank holding company system, and acting as insurance agent with respect to credit life and credit accident and health insurance and credit property insurance directly related to extensions of credit.[1] Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1), (9), and (10)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (39 Federal Register 13718). The time for filing comments and views has expired, and the Board has considered all comments received, including those of the National Consumer Law Center, Inc., ("NCLC"), Boston, Massachusetts, in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. 1843(c)).

Applicant's only banking subsidiary, Georgia Railroad Bank & Trust Company ("Bank"), Augusta, Georgia, controls deposits of approximately $223 million,[2] representing about 2 per cent of the total deposits in commercial banks in the State, and is the fifth largest banking organization in Georgia. Bank operates in the Augusta banking market,[3] and included among the commercial banking services it offers to the public are making consumer finance loans and second mortgage real estate loans, discounting instalment notes for retailers, and selling credit life and credit accident and health insurance directly related to its extensions of consumer instalment credit.

CMC engages in making consumer loans, purchasing retail instalment paper, originating second mortgage loans, and acting as insurance agent with respect to the sale of credit life insurance, credit accident and health insurance, and credit property insurance directly related to extensions of credit, through wholly-owned subsidiaries with 16 offices in North Carolina, 8 offices in South Carolina, and 2 offices in Georgia. CMC also has a subsidiary engaged primarily in insurance premium financing[4] for insurance written by independent insurance agencies, and another subsidiary engaged in reinsuring credit life and credit accident and health insurance directly related to extensions of credit by CMC's finance subsidiaries.

Both Bank and CMC engage in consumer finance, second mortgage, sales finance, and credit insurance activities. CMC has an office located 17 miles from Bank in Aiken, South Carolina, which is the eleventh largest of 14 existing consumer finance offices. However, all of CMC's consumer finance offices are located in markets other than that of Bank; there is no existing competition between Bank and CMC. In view of the distance involved and Bank's inability to branch into South Carolina, it does not appear likely that any significant competition would develop in the future between these institutions. Accordingly, the Board is of the view that approval of the application, with respect to the consumer finance, second mortgage, sales finance, and credit insurance activities, would not have any significant adverse effects on existing or future competition in any relevant market.

Due to the limited scope of CMC's insurance premium financing and reinsurance activities, it does not appear that Applicant's acquisition of these activities would have any adverse effects on existing or future competition.

It is anticipated that following consummation of the proposed acquisition, Applicant will provide CMC with increased financial resources which will enable CMC to make more funds available for lending in the respective communities served by CMC's offices. In addition, Applicant has committed that immediately upon consummation of the acquisition, CMC will reduce the premiums currently being charged on the credit life and credit accident and health insurance policies that are sold in connection with extensions of credit by CMC's subsidiaries and that are reinsured by its reinsurance subsidiary. For North Carolina and South Carolina, Applicant will reduce the premiums charged for credit life insurance by 15 per cent, and in Georgia, Applicant will reduce such premiums by 9.6 per cent. Premiums on credit life insurance policies sold in connection with retail sales contracts will be reduced by 15 per cent in all three States. In North Carolina, South Carolina, and Georgia, CMC will reduce premiums for credit accident and health insurance by between 4.6 and 5 per cent.

There is no evidence in the record indicating that consummation of the proposed acquisition would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse ef-

[1] CMC also has a subsidiary which is engaged in mobile home sales, but Applicant has committed that this subsidiary will be divested prior to the date of consummation of the acquisition

[2] All banking data are as of December 31, 1973.

[3] On the basis of the facts of record, the Augusta, Georgia banking market is approximated by the Augusta Ranally Metro Area, which includes portions of Columbia and Richmond Counties in Georgia and a portion of Aiken County, South Carolina, excluding the city of Aiken.

[4] Insurance premium financing involves making extensions of credit to finance the payment of casualty, liability, and other insurance premiums.

fects on the public interest. In its consideration of this application, the Board has examined the covenant not to compete which was executed in connection with the proposal. The Board finds that the provisions of this covenant are reasonable in duration, scope, and geographic area and are consistent with the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8), that consummation of this proposal can reasonably be expected to result in 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 of 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 Atlanta.

By order of the Board of Governors, effective July 29, 1974.

Voting for this action: Chairman Burns and Governors Sheehan, Bucher, Holland, and Wallich. Voting against this action: Governor Brimmer. Absent and not voting: Governor Mitchell.

(Signed) CHESTER B. FELDBERG,
Secretary of the Board.

[SEAL]

DISSENTING STATEMENT OF GOVERNOR BRIMMER

I would deny the application by First Railroad and Banking Company of Georgia to acquire CMC Group, Inc. My decision is based on the existence of covenants not to compete which were executed between Applicant and two principals of CMC Group, Inc. As part of the proposed transaction, CMC's two principal executive officers will enter into employment agreements with Applicant that contain covenants not to compete. For a period of two years from the date of termination of their employment with CMC, the latter's principal officers would be prevented from providing their expertise to either an existing or future competitor of CMC in any geographic area in which CMC presently has an office. I believe that such agreements are inherently anticompetitive, and the majority has presented no evidence to demonstrate that the adverse effects of such covenants are outweighed by reasonably expected benefits to the public. For reasons stated more fully in my dissents to the application of Orbanco, Inc., to acquire Far West Security Company (59 Federal Reserve BULLETIN 368-369 (1973)), and the application of CBT Corporation to acquire General Discount Corporation (59 Federal Reserve BULLETIN 471 (1973), I believe such covenants are not in the public interest and should not receive the sanction of the Board. I would deny this application.

ORDERS NOT PRINTED IN THIS ISSUE

During July, 1974, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies of the orders are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

ORDER UNDER SECTION 3(a)(1) OF BANK HOLDING COMPANY ACT—APPLICATION FOR FORMATION OF BANK HOLDING COMPANY

Applicant	*Bank*	*Effective date*	*Federal Register citation*
Business Administrative Needs of Kansas, Ltd., Wichita, Kansas	State Bank of Lancaster, Lancaster, Kansas	7/9/74	39 F.R. 26068 7/16/74

ORDERS UNDER SECTION 3(a)(3) OF BANK HOLDING COMPANY ACT— APPLICATIONS FOR ACQUISITION OF BANK

Applicant	*Bank(s)*	*Board action (effective date)*	*Federal Register citation*
Bank of Virginia Company, Richmond, Virginia	Bank of Virginia- Eastern Shore, Hallwood, Virginia	7/12/74	39 F.R. 26944 7/24/74
Ellis Banking Corporation, Bradenton, Florida	Ellis Bank of North Tampa, Tampa, Florida	7/1/74	39 F.R. 25360 7/10/74
First City Bancorporation of Texas, Inc., Houston, Texas	Citizens State Bank, Sealy, Texas	7/30/74	39 F.R. 28564 7/8/74
First Financial Corporation, Tampa, Florida	Citizens Bank and Trust Company, Quincy, Florida	7/26/74 8/5/74	39 F.R. 28189
First United Bancorporation, Inc., Fort Worth, Texas	Farmers-First National Bank of Stephenville, Stephenville, Texas	7/9/74	39 F.R. 26070 7/16/74
General Bancshares Corporation, St. Louis, Missouri	Central Bank of Clayton, Clayton, Missouri	7/12/74	39 F.R. 26787 7/23/74
Mercantile Bancorporation, Inc., St. Louis, Missouri	Bank of Memphis, Memphis, Missouri	7/15/74	39 F.R. 26944 7/24/74
Mercantile Bancorporation, Inc., St. Louis, Missouri	The Farmers Bank of Bowling Green, Bowling Green, Missouri	7/22/74	39 F.R. 27757 7/31/74
National Detroit Corporation, Detroit, Michigan	National Bank of Dearborn, Dearborn, Michigan	7/3/74	39 F.R. 25553 7/11/74
The Dunmire Agency, Inc., Spring Hill, Kansas	The State Bank of Spring Hill, Spring Hill, Kansas	7/19/74	39 F.R. 27356 7/26/74

ORDERS UNDER SECTION 4(a)(8) OF BANK HOLDING COMPANY ACT— APPLICATIONS TO ENGAGE IN NONBANKING ACTIVITIES

Applicant	*Nonbanking company (or activity)*	*Board action (effective date)*	*Federal Register citation*
First Tennessee National Corporation, Memphis, Tennessee	Tower Loan Company, Hannibal, Missouri	7/10/74	39 F.R. 26318 7/18/74
Rimco, Inc., Rangely, Colorado	Rimco Insurance Agency, Rangely, Colorado	7/3/74	39 F.R. 26070 7/16/74
The Conifer Group, Inc., Worcester, Massachusetts	Conifer Personnel Resources Inc., Worcester, Massachusetts	7/11/74	39 F.R. 26490 7/19/74

ORDERS ISSUED BY FEDERAL RESERVE BANKS

During July 1974, applications were approved by the Federal Reserve Banks under delegated authority as listed below. The orders have been published in the Federal Register, and copies of the orders are available upon request to the Reserve Bank.

**ORDERS UNDER SECTION 3(a)(3) OF BANK HOLDING COMPANY ACT—
APPLICATIONS FOR ACQUISITION OF BANK**

Applicant	*Bank*	*Reserve Bank*	*Effective date*	*Federal Register citation*
Bankers Trust New York Corporation, New York, New York	Mohawk Valley State Bank, Utica, New York	New York	7/11/74	39 F.R. 26947 7/24/74
Southeast Banking Corporation, Miami, Florida	Beach State Bank, Panama City Beach, Florida	Atlanta	7/24/74	39 F.R. 28675 8/9/74
Southern Bancorporation, Birmingham, Alabama	Farmers Bank, Anderson, Alabama	Atlanta	6/28/74	39 F.R. 25368 7/10/74
Peoples Banking Corporation, Bay City, Michigan	The Oscoda State Savings Bank, Oscoda, Michigan	Chicago	7/24/74	39 F.R. 28674 8/19/74
Commerce Bancshares, Inc., Kansas City, Missouri	Exchange Bank of Kahoka, Kahoka, Missouri	Kansas City	7/23/74	39 F.R. 28673 8/9/74
Independent Bankshares Corporation, San Rafael, California	Bank of Lake County, Lakeport, California	San Francisco	7/20/74	39 F.R. 28674 8/9/74

Announcements

CHANGES IN BOARD STAFF

The Board of Governors has announced the appointment, effective September 1, 1974, of Theodore E. Allison as Secretary of the Board to succeed Chester B. Feldberg, who has returned to the Federal Reserve Bank of New York.

The Board has also announced the retirement of Samuel I. Katz, Adviser in the Division of International Finance, effective June 30.

REVISED RATES FOR THE FEDERAL RESERVE CHART BOOK ON FINANCIAL AND BUSINESS STATISTICS

Due to increased costs of publishing and distributing the Federal Reserve *Monthly Chart Book* on financial and business statistics and the annual *Historical Chart Book*, the subscription and per-copy rates have been revised. Effective September 1, 1974, the rates shown below will apply.

Annual subscriptions:	
Domestic	$12.00
Foreign	15.00
Single copies (rates apply to both the monthly *Chart Book* and the annual *Historical Chart Book*):	
Domestic	1.25
Foreign	1.50
10 or more copies of one issue sent to a single address	1.00

INCREASE IN FEDERAL RESERVE HOLDINGS OF BANKERS ACCEPTANCES; CHANGE IN SYSTEM OPERATIONS IN FEDERAL AGENCY SECURITIES

The Federal Reserve has announced that, effective July 18, 1974, the limit on outright holdings of bankers acceptances that may be held by the Federal Reserve has been increased from $125 million to $500 million.

This action was taken by the Federal Open Market Committee at its meeting of July 16 in light of the sharp growth of outstanding acceptances over the past 10 years. The $125 million limit was established by the FOMC in 1964 when outstanding acceptances totaled $3.25 billion. At present almost $12 billion in bankers acceptances are outstanding.

The new limit on outright holdings by the System is less than 5 per cent of outstanding acceptances, as was the old limit when it was established 10 years ago.

At the same time, the Committee removed two technical restrictions on System operations in Federal agency securities. The Trading Desk is now permitted to exchange with the issuing agency maturing securities for newly issued securities, instead of redeeming them at maturity. The second change permits the purchase of new agency issues as early as the issue date, rather than only after 2 weeks of market trading in the issue.

These changes bring System practices in operations in agency issues more closely in line with those for operations in Treasury securities.

The guidelines are as follows:

1. System open market operations in Federal agency issues are an integral part of total System open market operations designed to influence bank reserves, money market conditions, and monetary aggregates.

2. System open market operations in Federal agency issues are not designed to support individual sectors of the market or to channel funds into issues of particular agencies.

3. System holdings of agency issues shall be modest relative to holdings of U.S. Government securities, and the amount and timing of System transactions in agency issues shall be determined with due regard for the desirability of avoiding undue market effects.

4. Purchases will be limited to fully taxable issues for which there is an active secondary market. Purchases will also be limited to issues outstanding in amounts of $300 million or over in cases where the obligations have a maturity of 5 years or less at the time of issuance, and to issues outstanding in amounts of $200 million or over in cases where the securities have a maturity of more than 5 years at the time of issuance.

5. System holdings of any one issue at any one time will not exceed 20 per cent of the amount of the issue outstanding. Aggregate holdings of the issues of any one agency will not exceed 10 per cent of the amount of outstanding issues of that agency.

6. All outright purchases, sales, and holdings of agency issues will be for the System Open Market Account.

ADDED AUTHORITY FOR RESERVE BANKS

The Board of Governors announced on July 31, 1974, that it had delegated to the Federal Reserve Banks authority to approve, under Board guidelines, acquisitions by bank holding companies of existing small finance companies and industrial banks, and existing insurance agencies in small towns.

The Reserve Banks already had authority to approve, under Board guidelines, certain formations and mergers of bank holding companies, bank mergers, and acquisitions by bank holding companies of banks and of certain *de novo* companies.

The new delegation expanded this authority to permit the Reserve Banks also to approve acquisitions, meeting Board criteria, of existing concerns in the finance company, industrial bank, and insurance agency fields only. Where a case does not meet the criteria for Reserve Bank action it must be forwarded to the Board.

Industrial banks and Morris Plan banks—which are also included in the new delegation—provide consumer credit and receive special types of deposits.

Under the new rules, Reserve Banks may approve applications, filed under standard procedures, for the acquisition of finance companies with assets no greater than $5 million. An exception permits Reserve Bank approval of acquisitions of finance companies or industrial banks with assets no greater than $15 million if this will not bring the holding company's total of such holdings to more than $50 million.

The total assets of all finance companies and industrial banks approved under delegated authority may not exceed $15 million for any given holding company during any calendar year. Acquisitions approved directly by the Board do not count in this $15 million.

The new rules also permit Reserve Banks to approve the acquisition or retention by holding companies of existing insurance agencies in or adjacent to offices of the holding company or its subsidiaries in towns with a population of 5,000 or less.

Reserve Banks now have authority to approve acquisition of such *de novo* insurance agencies.

REVISED OTC STOCK LIST

The Board of Governors has published a revised list of 709 over-the-counter (OTC) stocks that are subject to its margin regulations effective at the opening of business, Monday, July 29. It is available in mimeographed form from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Industrial Production

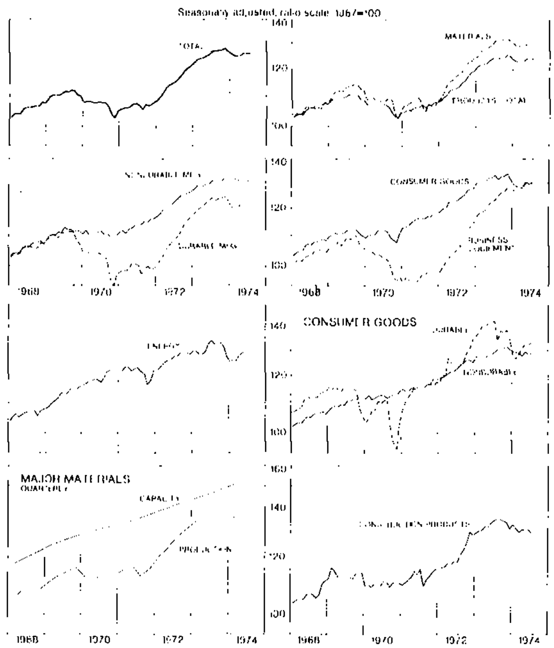
Released for publication August 15

Industrial production was virtually unchanged in July and at an estimated 125.7 per cent of the 1967 average was 0.8 per cent below a year earlier. A moderate rise in production of consumer goods was about offset by a drop in construction products. Production of both business equipment and industrial materials was maintained.

Auto assemblies rose 2 per cent in July and were at an annual rate of 7.8 million units. Output of other durable consumer goods changed little, and production of nondurable consumer goods increased moderately. Output of business equipment reached a peak in May and has been maintained at that level in June and July.

In July, production of steel and other major materials, such as textiles, paper, and chemicals, continued at near-capacity levels and output of other durable and nondurable materials was unchanged.

INDUSTRIAL PRODUCTION



F.R. indexes, seasonally adjusted. Latest figures: July.

Industrial production	Seasonally adjusted 1967=100, 1974 May[r]	June[p]	July[e]	Per cent changes from Month ago	Year ago	Per cent changes, annual rate 1973 Q4	1974 Q1	Q2
Total	**125.7**	**125.6**	**125.7**	**.1**	**.8**	**.9**	**6.6**	**1.6**
Products, total	123.6	123.4	123.6	.2	.5	1.3	5.8	1.6
Final products	122.5	121.8	122.3	.4	.2	3.3	6.5	2.3
Consumer goods	130.3	129.4	130.0	.5	2.2	1.2	11.5	2.2
Durable goods	132.8	132.4	133.1	.5	-6.5	4.0	-26.6	13.5
Nondurable goods	129.4	128.3	128.8	.4	.2	3.1	5.2	2.2
Business equipment	129.8	129.7	129.7	0	5.4	8.0	6	6.0
Intermediate products	128.0	129.1	128.2	.7	3.2	-4.8	4.6	0
Construction products	130.6	130.8	129.5	1.0	3.8	5.6	5.1	1.8
Materials	129.2	129.4	129.3	.1	1.2	.3	6.7	.3

[r]Revised. [p]Preliminary. [e]Estimated.

Financial and Business Statistics

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Continued on next page

U.S. STATISTICS—Continued

INTERNATIONAL STATISTICS:

TABLES PUBLISHED PERIODICALLY:

Guide to Tabular Presentation

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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	Issue	*Page*
Anticipated schedule of release dates for individual releases	June 1974	A-106

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									
	U.S. Govt. securities [1]									
	Total	Bought outright	Held under repurchase agreement	Loans	Float [2]	Other F.R. assets [3]	Total [4]	Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding
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
1968—Dec.	52,529	52,454	75	765	3,251	....	56,610	10,367	....	6,810
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—July	77,448	76,875	573	2,051	r3,162	1,180	83,929	10,410	400	8,538
Aug.	76,653	76,475	178	2,144	r2,563	1,018	82,443	10,410	400	8,549
Sept.	76,073	75,712	361	1,861	r2,925	889	81,810	10,410	400	8,584
Oct.	78,042	77,500	542	1,465	r2,936	1,122	83,644	10,933	400	8,613
Nov.	78,457	77,937	520	1,399	r2,764	1,078	83,756	11,567	400	8,642
Dec.	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Jan.	80,793	80,608	185	1,044	3,385	1,258	86,568	11,567	400	8,705
Feb.	80,801	80,551	250	1,186	2,300	1,117	85,493	11,567	400	8,747
Mar.	80,686	80,184	502	1,352	1,816	960	84,943	11,567	400	8,767
Apr.	81,567	80,873	694	1,714	2,295	1,160	86,907	11,567	400	8,807
May	83,434	82,037	1,397	2,580	2,025	1,093	89,405	11,567	400	8,838
June	82,812	81,859	953	3,000	2,114	1,106	89,254	11,567	400	8,877
July[p]	84,313	83,496	817	3,309	2,277	1,343	91,565	11,567	400	8,905
Week ending—										
1974—May 1	82,731	81,637	1,094	2,157	1,919	1,292	88,365	11,567	400	8,822
8	83,190	81,868	1,322	1,616	1,807	1,336	88,238	11,567	400	8,827
15	83,626	81,951	1,675	1,977	1,908	1,248	89,065	11,567	400	8,830
22	83,679	81,756	1,923	3,090	2,238	879	90,227	11,567	400	8,836
29	83,162	82,418	744	3,606	1,905	900	89,737	11,567	400	8,856
June 5	83,075	82,128	947	3,054	2,184	1,013	89,554	11,567	400	8,859
12	81,267	80,814	453	2,729	2,007	1,036	87,184	11,567	400	8,862
19	83,017	82,283	734	3,223	2,162	1,095	89,720	11,567	400	8,880
26	83,815	82,049	1,766	2,788	2,055	1,160	90,068	11,567	400	8,891
July 3	83,933	82,663	1,270	3,435	2,190	1,253	91,140	11,567	400	8,899
10	83,990	83,007	983	2,640	2,951	1,259	91,157	11,567	400	8,898
17	84,718	83,614	1,104	3,175	2,401	1,321	92,015	11,567	400	8,903
24[p]	84,429	84,153	276	3,641	2,113	1,397	91,808	11,567	400	8,907
31[p]	84,112	83,531	581	3,689	1,831	1,434	91,409	11,567	400	8,913
End of month										
May	84,658	[8] 82,777	1,881	3,298	1,925	1,015	91,269	11,567	400	8,895
June	83,612	[8] 82,646	966	3,210	2,297	1,264	90,687	11,567	400	8,924
July[p]	81,688	[9] 81,688	....	3,588	2,539	1,684	89,717	11,567	400	8,916
Wednesday										
1974—May 1	82,425	[8] 81,649	776	1,869	2,955	1,395	88,848	11,567	400	8,826
8	83,125	[8] 81,916	1,209	1,923	2,380	1,330	89,023	11,567	400	8,829
15	83,670	[8] 82,088	1,582	3,500	2,714	831	91,055	11,567	400	8,832
22	81,473	[9] 79,840	1,633	2,980	2,131	946	87,787	11,567	400	8,853
29	85,253	[8] 82,471	2,782	4,711	2,165	923	93,402	11,567	400	8,856
June 5	79,659	[9] 79,659	....	2,710	2,847	1,078	86,394	11,567	400	8,860
12	82,989	[9] 80,764	2,225	3,157	2,271	1,090	89,903	11,567	400	8,865
19	82,283	[8] 82,283	....	2,486	3,044	1,134	89,042	11,567	400	8,886
26	83,555	[8] 81,976	1,579	2,978	2,621	1,196	90,607	11,567	400	8,892
July 3	84,027	[8] 82,745	1,282	3,002	2,668	1,266	91,346	11,567	400	8,897
10	84,510	[8] 83,086	1,424	2,271	3,544	1,343	92,057	11,567	400	8,898
17	84,829	[8] 83,775	1,054	4,048	3,070	1,369	93,663	11,567	400	8,906
24[p]	85,229	[8] 84,294	935	5,638	2,144	1,419	94,895	11,567	400	8,911
31[p]	81,688	[9] 81,688	....	3,588	2,539	1,684	89,717	11,567	400	8,916

[1] Includes Federal agency issues held under repurchase agreements as of Dec. 1, 1966, and Federal agency issues bought outright as of Sept. 29, 1971.

[2] Beginning with 1960 reflects a minor change in concept; see *Feb. 1961* BULLETIN, p. 164.

[3] 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."

[4] 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 table on F.R. Banks on p. A-12. See also note 2.

[5] Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with Federal Reserve Banks in connection with voluntary participation by nonmember institutions in the Federal Reserve System's program of credit restraint.

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: Treasury	Deposits: Foreign	Deposits: Other[2,5]	Other F.R. accounts[3]	Other F.R. liabilities and capital[3]	Member bank reserves: With F.R. Banks	Member bank reserves: Currency and coin[6]	Member bank reserves: Total[7]	Period or date
										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.
50,609	756	360	225	458	−1,105	....	22,484	4,737	27,221	1968—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.
68,382	346	3,375	341	782	....	2,846	r27,205	r6,273	33,590	1973 July
68,394	344	1,674	300	838	....	2,877	r27,375	6,296	33,783	Aug.
68,592	349	792	332	781	....	2,848	r27,510	6,402	34,020	Sept.
68,909	622	1,718	266	[5] 752	....	2,866	r28,458	6,371	34,913	Oct.
69,927	340	1,772	522	[5] 689	....	2,854	r28,259	r6,382	34,725	Nov.
71,646	323	1,892	406	[5] 717	....	2,942	28,352	6,635	35,068	Dec.
70,962	349	2,488	427	[5] 713	....	2,904	29,396	7,192	36,655	1974 Jan.
70,411	342	2,972	293	[5] 682	....	2,932	28,574	6,601	35,242	Feb.
71,081	334	1,803	311	[5] 699	....	2,998	28,450	6,450	34,966	Mar.
72,176	308	1,712	328	[5] 702	....	2,985	29,469	6,402	35,929	Apr.
72,876	286	3,000	320	[5] 699	....	3,168	29,861	6,600	36,519	May
73,749	293	2,015	491	691	....	3,187	29,672	6,668	36,390	June
74,556	275	2,795	296	773	....	3,216	30,525	6,824	37,349	July p
										Week ending—
72,048	301	2,460	343	[5] 672	....	3,132	30,198	6,589	36,845	1974 May 1
72,463	299	2,959	294	[5] 662	....	2,961	29,393	6,885	36,336	8
72,997	285	2,723	277	[5] 715	....	3,122	29,743	6,845	36,646	15
72,959	278	3,028	343	[5] 728	....	3,218	30,477	6,081	36,616	22
73,062	273	3,224	287	[5] 684	....	3,310	29,719	6,572	36,349	29
73,344	302	2,804	399	[5] 694	....	3,275	29,562	6,659	36,279	June 5
73,846	283	931	309	[5] 674	....	3,041	28,929	6,802	35,789	12
73,938	292	1,511	992	674	....	3,140	30,019	6,631	36,708	19
73,689	298	2,659	343	687	....	3,265	29,985	6,493	36,536	26
74,112	287	2,781	350	777	....	3,240	30,459	6,815	37,274	July 3
74,876	275	2,957	289	753	....	3,050	29,820	7,048	36,868	10
74,849	266	2,366	303	786	....	3,193	31,122	6,702	37,824	17
74,441	270	2,721	283	757	....	3,271	30,939	6,564	37,503	24p
74,081	283	3,214	293	785	....	3,390	30,241	6,986	37,227	31p
										End of Month
73,199	296	3,133	429	[5] 667	....	3,395	31,012	6,661	37,731	May
73,833	274	2,919	384	762	....	3,319	30,086	6,815	36,901	June
74,309	283	3,822	330	1,169	....	3,403	27,283	6,986	34,269	July p
										Wednesday
72,329	300	2,948	544	[5] 705	....	3,180	29,634	6,589	36,281	1974 May 1
72,975	305	2,993	254	[5] 689	....	3,009	29,594	6,885	36,537	8
73,204	296	2,569	358	[5] 749	....	3,131	31,547	6,845	38,450	15
73,099	292	4,332	265	[5] 761	....	3,244	26,614	6,081	32,753	22
73,488	269	2,333	315	[5] 642	....	3,644	33,534	6,572	40,164	29
73,740	300	1,340	330	[5] 683	....	2,931	27,896	6,659	34,613	June 5
74,166	296	906	359	[5] 650	....	3,101	31,257	6,802	38,117	12
73,991	308	2,946	753	695	....	3,141	28,060	6,631	34,749	19
73,932	303	2,693	282	699	....	3,286	30,270	6,493	36,763	26
74,749	288	2,590	269	637	....	2,971	30,706	6,815	37,521	July 3
75,154	277	2,447	241	764	....	3,144	30,894	7,048	37,942	10
74,848	285	2,714	257	797	....	3,170	32,465	6,702	39,167	17
74,411	268	3,001	254	732	....	3,350	33,756	6,564	40,320	24p
74,309	283	3,822	330	1,169	....	3,403	27,283	6,986	34,269	31p

[6] Part allowed as reserves Dec. 1, 1959–Nov. 23, 1960; all allowed thereafter. Beginning with Jan. 1963, figures are estimated except for weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

[7] 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.

[8] Includes securities loaned—fully secured by U.S. Govt. securities pledged with F.R. Banks.

[9] Includes securities loaned—fully secured by U.S. Govt. securities pledged with F.R. Banks. Also reflects securities sold, and scheduled to be bought back, under matched sale/purchase transactions.

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—July	33,590	33,199	391	2,050	124	156	135	30	67	−2	855	95	993
Aug.	33,783	33,540	243	2,144	163	34	109	−8	53	8	755	97	1,227
Sept.	34,020	33,775	245	1,861	147	−6	115	24	62	40	712	79	972
Oct.	34,913	34,690	223	1,465	126	11	74	1	54	17	589	110	748
Nov.	34,725	34,543	182	1,399	84	27	180	−24	28	−20	593	115	598
Dec.	35,068	34,806	262	1,298	41	−23	74	43	28	28	761	133	435
1974—Jan.	36,655	36,419	236	1,044	18	65	135	−44	17	−8	549	156	343
Feb.	35,242	35,053	189	1,186	17	51	87	−19	18	−51	635	141	446
Mar.	34,966	34,790	176	1,352	32	21	113	−61	65	43	689	107	485
Apr.	35,929	35,771	158	1,714	50	19	114	69	41	−58	987	70	572
May	36,519	36,325	194	2,580	102	−20	772	29	20	−4	939	131	849
June	36,390	36,259	131	3,000	130	−26	1,303	−8	51	26	799	89	847
July p	37,349	37,167	182	3,309	149	6	1,457	16	70	42	845	92	937
Week ending—													
1973—July 4	33,327	32,695	632	2,400	111	191	454	58	195	101	916	170	835
11	32,519	32,524	−5	1,679	117	−130	115	−51	28	−42	759	106	777
18	33,721	33,264	457	1,722	117	232	....	−2	13	6	851	109	858
25	33,813	33,800	13	2,080	128	−149	50	56	24	−35	841	29	1,165
1974—Jan. 2	35,656	35,268	388	1,210	31	80	140	−6	141	24	599	223	330
9	36,296	36,210	86	776	19	2	271	−47	44	−96	174	160	287
16	37,702	37,374	328	988	20	59	45	16	....	27	681	159	262
23	36,610	36,693	−83	1,182	13	−114	183	−12	....	−110	655	86	344
30	36,139	35,880	259	1,220	17	104	20	−57	....	15	733	130	467
Feb. 6	35,475	35,351	124	998	18	−123	....	14	....	34	494	132	504
13	35,348	35,054	294	1,153	15	144	92	−23	56	−34	585	140	420
20	35,388	35,274	114	1,376	20	−37	257	−63	....	−42	711	189	408
27	34,851	34,645	206	1,251	16	70	....	−17	13	−24	780	110	458
Mar. 6	34,633	34,515	118	912	19	−81	123	13	11	1	364	118	414
13	34,748	34,632	116	983	19	41	11	−8	66	−82	507	98	399
20	35,209	35,129	80	1,483	35	−41	333	−3	15	−36	679	93	456
27	34,774	34,605	169	1,713	43	10	31	40	21	−16	1,061	68	600
Apr. 3	35,443	35,217	226	1,503	44	77	34	−9	189	−27	710	127	570
10	35,002	34,940	62	1,194	41	−73	108	4	53	6	663	67	370
17	36,256	35,927	329	1,816	46	78	107	−19	101	37	1,093	175	515
24	36,055	35,916	139	1,939	52	12	69	70	4	−12	1,233	35	633
May 1	36,845	36,668	177	2,157	74	62	176	−47	17	−34	1,140	138	824
8	36,336	36,201	135	1,616	82	−57	134	41	14	10	822	83	646
15	36,646	36,470	176	1,977	94	83	506	−39	37	−63	731	137	703
22	36,616	36,487	129	3,090	112	−55	993	57	7	−9	1,131	78	959
29	36,349	26,170	179	3,606	114	32	1,449	−17	9	−10	1,081	116	1,067
June 5	36,279	36,054	225	3,054	131	−37	1,210	2	15	61	846	141	983
12	35,789	35,658	131	2,729	136	26	1,296	21	40	−67	629	93	764
19	36,708	36,461	247	3,223	140	31	1,385	−17	139	44	984	131	715
26	36,536	36,437	99	2,788	133	−8	1,221	41	17	−76	690	84	860
July 3	37,274	36,905	369	3,435	127	9	1,412	111	137	72	878	177	1,008
10	36,868	36,590	278	2,640	136	90	1,339	1	52	84	432	103	817
17	37,824	37,840	−16	3,175	150	−75	1,536	26	15	−74	786	107	838
24 p	37,503	37,314	189	3,641	155	−29	1,538	10	79	−141	1,108	44	916
31 p	37,227	37,035	192	3,689	163	36	1,431	−15	36	86	1,080	79	1,142

[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 million. Beginning 1974 Q1, $67 million, Q2, $58 million, transition period ended after second quarter, 1974.

[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).

NOTE.—Monthly and weekly data are averages of daily figures within the month or week, respectively. Beginning with Jan. 1964 reserves are estimated except for weekly averages.

Borrowings at F.R. Banks: Based on closing figures.

Effective Apr. 19, 1963, the Board's Regulation A, which governs lending by Federal Reserve 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—		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.	Surplus or deficit	Per cent of avg. required reserves	Purchases	Sales		Purchases of net buying banks	Sales of net selling banks			
Total—46 banks													
1974—June 5	50	423	12,509	-12,882	78.3	18,938	6,428	5,482	13,455	946	2,220	798	1,422
12	31	228	15,187	-15,384	94.6	20,960	5,773	5,168	15,792	606	3,271	948	2,322
19	59	827	13,981	-14,749	87.7	20,238	6,258	5,790	14,448	468	2,088	751	1,337
26	66	343	13,465	-13,741	82.9	19,669	6,205	5,344	14,326	861	1,806	1,579	227
July 3	65	817	12,007	-12,759	75.3	19,030	7,023	6,098	12,933	925	1,806	1,051	756
10	222	267	14,249	-14,293	85.5	20,324	6,075	5,646	14,678	429	1,788	1,091	698
17	120	327	13,591	-13,798	77.5	19,453	5,862	5,373	14,080	489	1,655	1,154	501
24	63	284	7,330	-7,551	50.7	14,823	7,493	4,719	10,104	2,773	1,309	483	826
31	100	411	11,757	-12,068	70.6	17,690	5,933	4,872	12,818	1,060	2,483	985	1,498
8 in New York City													
1974—June 5	8	....	3,513	-3,521	52.9	5,231	1,718	1,296	3,935	422	1,137	402	734
12	8	43	5,017	-5,052	77.8	6,416	1,399	1,105	5,311	295	1,463	458	1,005
19	35	238	4,600	4,803	69.8	6,215	1,615	1,521	4,694	95	1,017	458	559
26	32	31	4,395	4,394	65.9	6,257	1,862	1,551	4,706	312	702	499	203
July 3	23	159	3,658	-3,794	55.0	5,335	1,677	1,347	3,988	331	810	390	420
10	114	14	4,215	-4,116	61.3	5,933	1,718	1,518	4,414	199	846	558	287
17	11	127	3,856	-3,972	53.7	5,568	1,712	1,556	4,013	157	590	515	75
24	-20	29	2,326	-2,374	39.2	4,669	2,343	1,253	3,416	1,090	636	264	373
31	47	21	3,137	3,111	44.2	4,963	1,826	1,380	3,584	446	1,200	603	597
38 outside New York City													
1974—June 5	59	423	8,997	-9,361	95.6	13,707	4,710	4,187	9,520	523	1,083	395	688
12	23	185	10,170	10,333	105.8	14,544	4,374	4,063	10,481	311	1,807	490	1,317
19	24	589	9,381	-9,946	100.1	14,023	4,642	4,269	9,754	373	1,071	294	778
26	34	311	9,070	-9,347	94.3	13,412	4,342	3,793	9,619	549	1,105	1,081	24
July 3	41	657	8,349	-8,966	89.3	13,695	5,346	4,751	8,944	595	997	661	336
10	109	252	10,034	-10,178	101.7	14,391	4,357	4,127	10,264	230	943	532	410
17	108	200	9,735	-9,826	94.3	13,885	4,150	3,818	10,067	333	1,065	639	426
24	83	255	5,004	-5,176	58.5	10,154	5,150	3,466	6,688	1,683	672	219	453
31	53	390	8,620	-8,957	89.0	12,727	4,107	3,493	9,234	614	1,283	382	901
5 in City of Chicago													
1974—June 5	3	....	3,861	3,859	212.3	4,927	1,066	1,005	3,923	61	357	....	357
12	12	29	4,267	4,284	242.3	5,131	864	864	4,267	....	465	....	465
19	14	129	3,934	-4,076	223.1	4,886	952	946	3,939	6	364	....	364
26	21	....	3,815	-3,793	206.9	4,810	996	996	3,815	....	402	....	402
July 3	11	107	3,165	3,261	172.3	3,934	769	762	3,172	7	287	....	287
10	6	21	3,552	-3,568	193.0	4,407	854	855	3,552	....	312	....	312
17	13	....	3,670	-3,657	185.0	4,510	840	840	3,670	....	318	....	318
24	51	....	1,885	-1,835	113.1	2,984	1,099	982	2,002	117	435	17	418
31	12	....	3,070	3,058	165.3	3,889	819	777	3,112	42	366	....	366
33 others													
1974—June 5	56	423	5,135	-5,502	69.0	8,779	3,644	3,182	5,597	462	727	395	331
12	11	157	5,904	-6,049	75.6	9,414	3,510	3,200	6,214	311	1,343	490	852
19	38	460	5,448	-5,869	72.3	9,138	3,690	3,323	5,815	368	707	294	413
26	13	311	5,255	5,554	68.7	8,602	3,347	2,798	5,805	549	702	1,081	-378
July 3	30	550	5,184	-5,704	70.0	9,761	4,577	3,989	5,772	588	710	661	49
10	103	231	6,482	-6,610	81.0	9,985	3,503	3,273	6,712	230	631	532	98
17	95	200	6,064	-6,169	73.1	9,375	3,310	2,978	6,397	333	747	639	108
24	32	255	3,119	3,341	46.3	7,170	4,051	2,484	4,686	1,567	231	202	35
31	41	390	5,550	5,899	71.8	8,838	3,288	2,716	6,122	572	917	382	535

[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.

[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.

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks— Under Secs. 13 and 13a [1]			Loans to member banks— Under Sec. 10(b) [2]			Loans to all others under last par. Sec. 13 [3]		
	Rate on July 31, 1974	Effective date	Previous rate	Rate on July 31, 1974	Effective date	Previous rate	Rate on July 31, 1974	Effective date	Previous rate
Boston	8	Apr. 30, 1974	7½	8½	Apr. 30, 1974	8	[4] 10	Apr. 30, 1974	9½
New York	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	9½
Philadelphia	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	9½
Cleveland	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	9½
Richmond	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	[4] 10	Apr. 25, 1974	9½
Atlanta	8	Apr. 29, 1974	7½	8½	Apr. 29, 1974	8	[4] 10	Apr. 29, 1974	9½
Chicago	8	Apr. 26, 1974	7½	8½	Apr. 26, 1974	8	[4] 10	Apr. 26, 1974	9½
St. Louis	8	Apr. 26, 1974	7½	8½	Apr. 26, 1974	8	[4] 10	Apr. 26, 1974	9½
Minneapolis	8	Apr. 26, 1974	7½	8½	Apr. 26, 1974	8	[4] 10	Apr. 26, 1974	9½
Kansas City	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	[4] 10	Apr. 25, 1974	9½
Dallas	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	[4] 10	Apr. 25, 1974	9½
San Francisco	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	9½

[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. Maximum maturity: 90 days except that discounts of certain bankers' acceptances and of agricultural paper may have maturities not over 6 months and 9 months, respectively.

[2] Advances secured to the satisfaction of the F.R. Bank. Maximum maturity: 4 months.

[3] 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. Maximum maturity: 90 days.

[4] Also effective on the same dates as the other rates shown above for the eight Reserve Banks so designated, a rate of 8 per cent was approved on advances to nonmember banks, to be applicable in special circumstances resulting from implementation of changes in Regulation J, which became effective on Nov. 9, 1972. See "Announcements" on p. 942 of the Oct. 1972 BULLETIN and p. 994 of the Nov. 1972 BULLETIN.

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, 1954	1½	1½
1955—Apr. 14	1½–1¾	1½
15	1½–1¾	1¾
May 2	1¾	1¾
Aug. 4	1¾–2¼	1¾
5	1¾–2¼	2
12	2 –2¼	2
Sept. 9	2 –2¼	2¼
13	2¼	2¼
Nov. 18	2¼–2½	2½
23	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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
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
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	5¼
16	5¾	5¾

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1970—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
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
In effect July 31, 1974	8	8

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1955, 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

Effective date	Net demand [2,4]					Time [3]		
	0–2	2–10	10–100	100–400	Over 400 [5]	Savings	Other time	
							0–5	Over 5 [6]
1972—Nov. 9	8	10	12	[7] 16½	17½	[8] 3	[8] 3	[8] 5
Nov. 16	...	...	...	13	...	...	...	...
1973—July 19	...	10½	12½	13½	18	...	...	...
In effect July 31, 1974	8	10½	12½	13½	18	3	3	5

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 8 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, and was reduced to the current 8 per cent effective June 21, 1973. 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. For other notes see 2(b) and 2(c) above.

[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] Reserve city banks.

[6] Except as noted below, effective Dec. 27, 1973, member banks are subject to an 8 per cent marginal reserve requirement against increases in the aggregate of (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 the existing reserve requirements on time deposits, and (c) funds from sales of finance bills. The 8 per cent requirement applies to balances above a specified base, but is not applicable to banks that have obligations of these types aggregating less than $10 million. For the period June 21 through Aug. 29, 1973, (a) included only single-maturity time deposits. Previous requirements have been: 8 per cent for (a) and (b) from June 21 through Oct. 3, 1973, and for (c) from July 12 through Oct. 3, 1973; and 11 per cent from Oct. 4 through Dec. 26, 1973. For details, see Regulation D and appropriate supplements and amendments.

[7] 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.

[8] See preceding columns for earliest effective date of this rate.

NOTE.—All required reserves were held on deposit with F.R. Banks June 21, 1917, until Dec. 1959. From Dec. 1959 to Nov. 1960, member banks were allowed to count part of their currency and coin as reserves; effective Nov. 24, 1960, they were allowed to count all as reserves. For further details, see Board's *Annual Reports*.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966–June 30, 1973

Type 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 year to 2 years	5	5	5	5½
2 years or more				5¾
Single-maturity:				
Less than $100,000:				
30 days to 1 year				5
1 year to 2 years	5½	5	5	5½
2 years and over				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 of deposit	Effective date: July 1, 1973	Nov. 1, 1973
Savings deposits	5	5
Other time deposits (multiple- and single-maturity):		
Less than $100,000:		
30–89 days	5	5
90 days to 1 year	5½	5½
1 year to 2½ years	6	6
2½ years or more	6½	6½
4 years or more in minimum denomination of $1,000	(4)	7¼
$100,000 or more	(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	June 24, 1970
90–179 days	6¾ per cent	May 16, 1973
180 days to 1 year	7 per cent	May 16, 1973
1 year or more	7½ per cent	May 16, 1973

Rates on multiple-maturity time deposits in denomination of $100,000 or more were suspended July 16, 1973, when the distinction between single- and multiple-maturity deposits was eliminated.

4 Between July 1 and Oct. 31, 1973, there was no ceiling for 4-year certificates with minimum denomination 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 denomination of $1,000. There is no limitation on the amount of these certificates that banks may issue.

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	Period: Ending date	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
1973—June	1,047	218	163	17	......	......	123	......	......	37	......	78	51	......	-78
July	1,640	495	60	......	......	......	27	......	......	......	......	......	......	......	......
Aug.	655	945	456	351	......	4,361	......	......	-4,812	......	......	......	......	......	100
Sept.	480	401	564	836	......	-813	......	......	-23	......	......	......	......	......	......
Oct.	2,117	153	......	......	......	......	......	......	......	......	......	......	......	......	......
Nov.	583	489	1,101	41	......	1,515	125	......	680	331	......	-2,220	35	......	25
Dec.	1,919[1]	70	10	75	......	34	116	......	-34	35	......	......	......	......	......
1974—Jan.	1,340	335	1,402	9	......	......	93	......	......	77	......	......	......	......	......
Feb.	768	391	410	......	......	687	30	......	-922	......	......	200	......	......	35
Mar.	664	566	165	......	......	......	109	......	......	56	......	......	25	......	......
Apr.	1,237	49	407	......	......	......	172	......	......	......	......	......	......	......	......
May	737	100	......	112	......	2,563	26	......	-2,663	31	......	......	38	......	100
June	614	954	204	48	......	......	34	......	......	78	......	......	16	......	......

Period	Total outright [1]			Matched sale-purchase transactions (Treasury bills)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations: Outright		Repurchase agreements, net	Bankers acceptances, net		Net change [3]
	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
1973—June	1,274	218	163	4,630	4,630	5,621	5,621	893	229	19	......	-17	......	1,085
July	1,666	495	60	3,405	3,405	7,651	6,686	2,076	174	6	106	-12	78	2,416
Aug.	1,006	945	807	9,632	9,632	2,234	2,492	-1,005	......	20	157	-7	-41	-915
Sept.	1,316	401	1,400	6,981	6,981	3,309	2,752	72	......	30	95	-9	69	7
Oct.	2,117	153	......	4,735	4,735	8,220	7,859	2,325	176	4	-20	8	-46	2,440
Nov.	1,116	489	1,101	2,089	2,089	6,637	7,525	-1,360	74	3	20	-2	34	-1,307
Dec.	2,145	70	10	3,435	3,435	9,523	10,202	1,387	212	84	-126	23	-26	1,386
1974—Jan.	1,519	335	1,402	2,590	2,590	4,442	4,500	-276	29	39	-42	......	......	-328
Feb.	798	391	410	2,393	2,393	4,265	4,265	-3	120	46	......	1	......	72
Mar.	854	566	165	702	702	6,248	5,124	1,247	170	48	185	4	223	1,780
Apr.	1,409	49	407	......	......	8,069	8,498	524	360	48	33	8	-89	789
May	944	100	......	4,586	4,586	9,192	8,648	1,388	201	15	424	16	142	2,155
June	790	954	204	4,580	4,580	6,124	6,667	911	309	72	372	......	-70	1,115

[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.

[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.

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Austrian schillings	Belgian francs	Canadian dollars	Danish kroner	French francs	German marks	Italian lire	Japanese yen	Netherlands guilders	Swiss francs
1970—Dec.	257	154	......	*	*	......	......	98	......	1	*	4
1971—Dec.	18	3	......	3	*	......	......	2	......	1	......	8
1972—Dec.	192	*	......	*	*	......	......	164	......	1	20	6
1973—Apr.	4	*	......	*	*	......	......	*	......	1	......	3
May	4	*	......	*	*	......	......	*	......	1	......	3
June	4	*	......	*	*	......	......	*	......	1	......	3
July	4	*	......	*	*	......	......	*	......	1	......	3
Aug.	5	*	......	*	*	......	......	1	......	1	......	3
Sept.	4	*	......	*	*	......	......	*	......	1	......	3
Oct.	4	*	......	......	*	......	......	*	......	1	......	3
Nov.	4	*	......	......	*	......	......	*	......	1	......	3
Dec.	4	*	......	......	*	......	......	*	......	1	......	3
1974—Jan.	1	*	......	......	*	......	......	*	......	1	......	......
Feb.	32	*	......	20	*	......	......	10	......	1	......	......
Mar.	6	*	......	5	*	......	......	*	......	1	......	......
Apr.	6	*	......	5	*	......	......	*	......	1	......	......

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1974					1974		1973
	July 31	July 24	July 17	July 10	July 3	July 31	June 30	July 31
Assets								
Gold certificate account	11,460	11,460	11,460	11,460	11,460	11,460	11,460	10,303
Special Drawing Rights certificate account	400	400	400	400	400	400	400	400
Cash	201	198	197	196	205	201	218	307
Loans:								
Member bank borrowings	3,588	5,638	4,048	2,271	3,002	3,588	3,210	2,225
Other	....	....	....	....	....	....	....	....
Acceptances:								
Bought outright	218	200	128	114	99	218	97	54
Held under repurchase agreements	....	265	219	275	284	....	207	78
Federal agency obligations:								
Bought outright	3,585	3,587	3,442	3,151	2,853	3,585	2,858	1,617
Held under repurchase agreements	....	328	432	678	633	....	270	106
U.S. Govt. securities:								
Bought outright:								
Bills	35,464	38,068	37,694	37,421	37,378	35,464	37,274	35,331
Certificates—Special	....	....	....	....	....	....	....	....
Other	....	....	....	....	....	....	....	....
Notes	39,781	39,781	39,781	39,692	39,692	39,781	39,692	37,138
Bonds	2,858	2,858	2,858	2,822	2,822	2,858	2,822	3,664
Total bought outright	[1,2] 78,103	[1] 80,707	[1] 80,333	[1] 79,935	[1] 79,892	[1,2] 78,103	[1] 79,788	[1] 76,133
Held under repurchase agreements	....	607	622	746	649	....	696	965
Total U.S. Govt. securities	78,103	81,314	80,955	80,681	80,541	78,103	80,484	77,098
Total loans and securities	85,494	91,332	89,224	87,170	87,412	85,494	87,126	81,178
Cash items in process of collection	p 7,874	p 7,623	10,333	9,197	9,296	p 7,874	7,702	8,328
Bank premises	243	242	240	241	240	243	239	207
Other assets:								
Denominated in foreign currencies	8	55	63	66	83	8	90	4
All other	1,433	1,122	1,066	1,036	943	1,433	935	1,096
Total assets	p 107,113	p 112,432	112,983	109,766	110,039	p 107,113	108,170	101,823
Liabilities								
F.R. notes	65,771	65,860	66,317	66,623	66,238	65,771	65,295	60,200
Deposits:								
Member bank reserves	p 27,283	p 33,756	32,465	30,894	30,706	p 27,283	30,086	28,495
U.S. Treasury—General account	3,822	3,001	2,714	2,447	2,590	3,822	2,919	2,866
Foreign	330	254	257	241	269	330	384	280
Other:								
All other[3]	1,169	732	797	764	637	1,169	762	820
Total deposits	p 32,604	p 37,743	36,233	34,346	34,202	p 32,604	34,151	32,461
Deferred availability cash items	5,335	5,479	7,263	5,653	6,628	5,335	5,405	6,157
Other liabilities and accrued dividends	1,155	1,205	1,137	1,222	1,156	1,155	1,101	968
Total liabilities	p 104,865	p 110,287	110,950	107,844	108,224	p 104,865	105,952	99,786
Capital accounts								
Capital paid in	880	880	879	879	879	880	878	824
Surplus	844	844	844	844	844	844	844	793
Other capital accounts	524	421	310	199	92	524	496	420
Total liabilities and capital accounts	p 107,113	p 112,432	112,983	109,766	110,039	p 107,113	108,170	101,823
Contingent liability on acceptances purchased for foreign correspondents	1,023	975	918	866	835	1,023	795	496
Marketable U.S. Govt. securities held in custody for foreign and international accounts	30,090	29,930	29,921	29,789	29,497	30,090	29,637	29,026
Federal Reserve Notes—Federal Reserve Agents' Accounts								
F.R. notes outstanding (issued to Bank)	70,346	70,372	70,281	70,060	69,737	70,346	69,490	64,257
Collateral held against notes outstanding:								
Gold certificate account	2,225	2,225	2,225	2,175	2,175	2,225	2,175	2,295
U.S. Govt. securities	69,600	69,600	69,300	69,075	68,570	69,600	68,295	63,375
Total collateral	71,825	71,825	71,525	71,250	70,745	71,825	70,470	65,670

[1] See note 8 on p. A-5.

[2] See note 9 on p. A-5.

[3] See note 5 on p. A-4.

MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1974					1974		1973
	July 31	July 24	July 17	July 10	July 3	July 31	June 30	July 31
Loans—Total	3,588	5,638	4,050	2,270	3,001	3,588	3,209	2,224
Within 15 days	3,476	5,571	3,959	2,174	2,919	3,476	3,157	2,160
16 days to 90 days	112	67	91	96	82	112	52	64
91 days to 1 year	....	....	....	....	....	....	....	....
Acceptances—Total	218	465	347	389	383	218	304	132
Within 15 days	31	288	239	300	308	31	225	94
16 days to 90 days	187	177	108	89	75	187	79	38
91 days to 1 year	....	....	....	....	....	....	....	....
U.S. Government securities—Total	78,103	81,314	80,955	80,681	80,541	78,103	80,484	77,098
Within 15 days[1]	9,127	6,482	6,100	5,801	5,602	9,127	4,802	4,874
16 days to 90 days	17,770	24,083	23,528	23,703	23,849	17,770	25,150	19,291
91 days to 1 year	21,273	20,816	21,395	21,342	21,255	21,273	20,697	14,991
Over 1 year to 5 years	19,967	19,967	19,967	19,914	19,914	19,967	19,914	26,982
Over 5 years to 10 years	7,954	7,954	7,953	7,945	7,945	7,954	7,945	9,358
Over 10 years	2,012	2,012	2,012	1,976	1,976	2,012	1,976	1,692
Federal agency obligations—Total	3,585	3,915	3,874	3,829	3,486	3,585	3,128	1,723
Within 15 days[1]	3	330	461	705	633	3	275	108
16 days to 90 days	85	85	68	36	63	85	57	52
91 days to 1 year	449	449	466	460	403	449	397	373
Over 1 year to 5 years	1,719	1,719	1,631	1,445	1,262	1,719	1,274	630
Over 5 years to 10 years	865	865	835	789	754	865	754	308
Over 10 years	464	467	413	394	371	464	371	252

[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]		
1973	June	16,638.8	7,224.6	4,050.2	9,414.3	5,364.1	99.9	245.0	107.6	68.7	54.0
	July	17,224.5	7,381.4	4,282.4	9,843.1	5,560.8	102.6	247.5	111.7	71.3	55.8
	Aug.	17,888.9	7,744.6	4,318.2	10,144.3	5,826.0	106.2	252.5	113.6	73.6	58.4
	Sept.	17,918.7	8,025.3	4,195.7	9,893.3	5,697.6	107.4	266.4	111.6	72.4	57.5
	Oct.	18,394.4	8,137.2	4,418.0	10,257.2	5,839.1	109.5	265.3	116.4	74.7	58.8
	Nov.	19,049.5	8,437.9	4,519.8	10,611.6	6,091.7	113.2	274.9	118.6	77.1	61.2
	Dec.	18,641.3	8,097.7	4,462.8	10,543.6	6,080.8	110.2	269.8	115.0	75.8	60.6
1974	Jan.	18,815.7	8,081.0	4,517.1	10,734.8	6,217.6	111.5	270.3	116.2	77.3	62.2
	Feb.	19,813.6	8,896.2	4,582.1	10,917.4	6,335.3	118.0	294.2	119.9	79.3	63.7
	Mar.	20,166.8	8,914.4	4,718.0	11,252.5	6,534.5	118.2	292.5	120.8	80.3	64.7
	Apr.	20,062.1	8,637.9	4,747.6	11,424.2	6,676.6	115.4	274.6	119.7	80.2	65.0
	May	r20,558.8	8,970.1	r4,820.8	r11,588.7	r6,767.9	r117.0	275.3	r122.3	r81.0	65.3
	June	20,439.2	9,065.7	4,754.6	11,373.5	6,618.8	116.8	279.9	119.8	79.7	64.3

[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 includes some cities and counties not designated as SMSA's.

For back data see pp. 634-35 of July 1972 BULLETIN.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Month or week	Seasonally adjusted M_1	Seasonally adjusted M_2	Seasonally adjusted M_3	Not seasonally adjusted M_1	Not seasonally adjusted M_2	Not seasonally adjusted M_3
	Composition of measures is described in the NOTE below.					
1971—Dec.	235.2	473.0	727.9	241.9	477.9	730.9
1972—Dec.	255.7	525.5	822.8	263.0	530.6	826.2
1973—July	266.4	552.1	867.1	265.7	551.1	867.6
Aug.	266.3	555.1	870.7	263.0	551.3	866.6
Sept.	265.5	556.8	873.5	264.0	554.4	870.0
Oct.	266.6	561.9	880.3	266.1	560.1	877.2
Nov.	269.2	567.3	887.7	270.9	565.7	884.0
Dec.	271.4	572.1	894.8	279.1	577.2	898.4
1974—Jan.	270.8	575.4	900.4	278.1	581.4	905.9
Feb.	273.7	581.9	909.0	270.8	579.3	906.3
Mar.	276.2	586.2	915.8	273.5	585.7	916.5
Apr.	278.1	590.2	921.5	279.6	594.6	927.7
May	279.2	592.8	924.9	274.5	590.9	923.9
June	281.0	597.6	930.6	278.9	597.1	932.0
July[p]	281.2	600.2	934.0	280.4	599.1	934.8
Week ending						
1974—July 3	282.1	599.2	....	281.7	599.8	....
10	280.6	598.9	....	282.2	600.4	....
17	282.2	600.5	....	282.7	600.5	....
24[p]	280.2	599.4	....	277.8	596.2	....
31[p]	280.5	601.4	....	277.6	597.9	....

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 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 figures for deposits of mutual savings banks and for savings capital of savings and loan associations.

For description and back data, see "Revision of the Money Stock Measures and Member Bank Deposits" on pp. 81–95 of the Feb. 1974 BULLETIN and "Announcements" on p. 470 of the June 1974 BULLETIN.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Month or week	Seasonally adjusted: Currency	Seasonally adjusted, Commercial banks: Demand deposits	Seasonally adjusted, Commercial banks, Time and savings deposits: CD's[1]	Seasonally adjusted, Commercial banks, Time and savings deposits: Other	Seasonally adjusted, Commercial banks, Time and savings deposits: Total	Seasonally adjusted: Nonbank thrift institutions[2]	Not seasonally adjusted: Currency	Not seasonally adjusted, Commercial banks, Demand deposits: Total	Not seasonally adjusted, Commercial banks, Demand deposits: Member	Not seasonally adjusted, Commercial banks, Demand deposits: Domestic nonmember	Not seasonally adjusted, Commercial banks, Time and savings deposits: CD's[1]	Not seasonally adjusted, Commercial banks, Time and savings deposits: Other	Not seasonally adjusted, Commercial banks, Time and savings deposits: Total	Not seasonally adjusted: Nonbank thrift institutions[2]	U.S. Govt. deposits[3]
1971—Dec.	52.6	182.6	33.0	237.9	270.9	254.8	53.5	188.4	142.6	44.1	33.8	236.0	269.8	253.0	6.9
1972—Dec.	56.9	198.7	43.4	269.9	313.3	297.2	57.9	205.1	152.4	51.4	44.3	267.6	311.8	295.6	7.4
1973—July	59.5	206.9	63.9	285.7	349.6	315.0	60.0	205.7	149.7	53.2	62.3	285.4	347.8	316.5	6.5
Aug.	59.8	206.4	66.3	288.8	355.1	315.6	60.0	202.9	147.8	52.7	68.4	288.3	356.7	315.3	4.1
Sept.	60.2	205.3	66.7	291.4	358.0	316.7	60.1	203.8	148.2	53.3	68.8	290.5	359.3	315.6	5.3
Oct.	60.5	206.1	63.8	295.3	359.1	318.5	60.4	205.7	149.7	53.8	66.3	294.0	360.3	317.0	6.0
Nov.	61.0	208.2	62.0	298.1	360.1	320.4	61.5	209.5	151.8	55.1	64.1	294.8	359.0	318.3	4.3
Dec.	61.7	209.7	62.8	300.6	363.5	322.7	62.7	216.4	157.0	56.6	64.1	298.1	362.2	321.2	6.3
1974—Jan.	61.9	208.9	65.5	304.6	370.1	325.0	61.6	216.5	156.4	57.1	66.1	303.4	369.4	324.5	8.0
Feb.	62.7	211.1	66.6	308.2	374.8	327.1	61.9	209.0	151.2	55.2	65.9	308.5	374.4	326.9	6.6
Mar.	63.4	212.9	67.7	310.0	377.7	329.6	62.7	210.8	152.5	55.5	67.0	312.2	379.2	330.8	6.3
Apr.	64.0	214.1	75.4	312.1	387.4	331.4	63.6	216.1	156.0	57.3	72.4	314.9	387.3	333.2	6.0
May	64.5	214.8	81.2	313.6	394.7	332.1	64.2	210.2	151.5	56.0	77.8	316.4	394.2	333.0	7.5
June	64.8	216.1	83.3	316.6	400.0	333.0	64.9	214.0	153.7	57.4	79.7	318.2	397.9	334.9	6.0
July[p]	65.0	216.3	85.3	319.0	404.3	333.9	65.5	214.9	154.4	57.8	83.3	318.6	401.9	335.8	5.4
Week ending															
1974 July 3	64.9	217.2	85.0	317.1	402.2	....	65.3	216.4	155.8	57.8	80.8	318.1	399.0	....	8.6
10	65.1	215.4	84.7	318.3	403.0	....	66.2	215.9	154.6	58.6	81.1	318.3	399.4	....	6.8
17	64.9	217.3	85.4	318.3	403.7	....	65.7	217.0	155.6	58.6	83.0	317.8	400.8	....	4.2
24[p]	64.9	215.3	85.9	319.2	405.1	....	65.2	212.6	152.8	57.0	84.8	318.4	403.2	....	4.8
31[p]	64.8	215.7	85.4	320.9	406.3	....	64.8	212.8	153.4	56.6	85.3	320.3	405.6	....	4.3

[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 and savings capital at savings and loan associations.

[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.
1970—Dec.	29.19	28.86	28.95	27.10	321.3	178.8	136.1	6.5	325.2	178.1	141.1	6.0	332.9	336.8
1971—Dec.	31.30	31.17	31.12	28.96	360.3	210.4	143.8	6.1	364.6	209.7	149.2	5.7	364.3	368.7
1972—Dec.	31.41	30.36	31.13	29.05	402.0	241.4	154.5	6.1	406.8	240.7	160.1	6.1	406.4	411.2
1973—July	33.58	31.62	33.29	31.36	431.1	270.1	157.1	3.9	429.9	268.5	156.2	5.1	437.6	436.4
Aug.	33.91	31.74	33.73	32.04	436.7	275.0	157.0	4.8	433.7	276.6	154.0	3.1	443.8	440.8
Sept.	34.17	32.32	33.95	32.39	438.6	277.5	156.2	5.0	437.7	279.0	154.7	4.1	445.9	445.0
Oct.	34.94	33.47	34.72	32.84	439.7	277.3	156.4	6.0	439.7	278.8	156.1	4.8	446.5	446.5
Nov.	34.86	33.46	34.62	32.71	440.4	277.1	157.5	5.8	438.2	276.6	158.3	3.2	447.5	445.3
Dec.	35.10	33.81	34.80	32.91	442.2	279.0	158.3	4.9	447.5	278.5	164.0	5.0	449.6	454.9
1974—Jan.	35.85	34.80	35.69	32.80	446.8	283.2	157.4	6.2	453.0	283.1	163.4	6.5	454.3	460.5
Feb.	35.11	33.92	34.92	32.79	447.1	286.1	157.9	3.0	447.1	285.7	156.3	5.1	454.8	454.8
Mar.	34.95	33.63	34.81	33.12	450.4	287.9	158.8	3.7	450.4	288.6	156.9	4.9	459.1	459.1
Apr.	35.90	34.17	35.72	33.66	461.6	297.1	160.0	4.5	462.5	296.2	161.5	4.8	471.2	472.1
May	36.52	33.93	36.35	34.27	467.0	304.2	159.1	3.8	464.7	303.0	155.6	6.1	477.8	475.4
June	36.73	33.73	36.53	34.80	472.9	308.6	160.6	3.7	470.0	306.4	158.9	4.7	483.1	480.3
July^p	37.45	34.15	37.26	35.07	475.7	312.2	160.9	2.6	474.3	310.1	160.0	4.2	486.9	485.5

1 Averages of daily figures. Member bank reserve series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Required reserves were increased by $660 million effective Apr. 16, 1969, and $400 million effective Oct. 16, 1969; were reduced by $500 million (net) effective Oct. 1, 1970. Required reserves were reduced by approximately $2.5 billion, effective Nov. 9, 1972; by $1.0 billion, effective Nov. 15; and increased by $300 million effective Nov. 22.

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, bank-related commercial paper, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE.—For description of revised series and for back data, see article "Revision of the Money Stock Measures and Member Bank Reserves and Deposits" on pp. 61–79 of the Feb. 1973 BULLETIN.

Due to changes in Regulations M and D, member bank reserves include reserves held against nondeposit funds beginning Oct. 16, 1969. Back data 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 investments[1]	Loans				Securities		Total loans and investments[1]	Loans				Securities	
		Total[1]	Plus loans sold[2]	Commercial and industrial[3]: Total	Commercial and industrial[3]: Plus loans sold[2]	U.S. Treasury	Other[4]		Total[1]	Plus loans sold[2]	Commercial and industrial[3]: Total	Commercial and industrial[3]: Plus loans sold[2]	U.S. Treasury	Other[4]
1970—Dec. 31	435.5	291.7	294.7	110.0	112.1	57.9	85.9	446.8	299.0	301.9	112.5	114.6	61.7	86.1
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—July 25	608.8	427.5	431.5	151.2	153.7	59.8	121.5	607.4	429.3	433.3	151.6	154.1	56.5	121.7
Aug. 29	617.4	435.9	440.6	153.4	156.3	57.9	123.6	613.4	435.2	439.9	152.0	154.9	54.9	123.3
Sept. 26	620.2	439.1	443.7	153.7	156.6	56.4	124.7	619.9	440.1	444.7	153.8	156.7	55.1	124.8
Oct. 31	624.2	441.1	445.7	153.6	156.5	55.1	128.0	624.0	440.9	445.6	152.9	155.8	56.0	127.0
Nov. 28	628.4	445.5	449.8	155.0	157.7	55.0	127.9	628.2	443.9	448.3	154.1	156.8	57.8	126.5
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—Jan. 30^p	638.0	452.3	456.7	157.8	160.4	54.4	131.3	637.6	448.3	452.7	156.1	158.7	58.7	130.6
Feb. 27^p	645.7	457.1	462.1	158.9	161.6	56.2	132.4	640.4	451.5	456.4	157.3	160.0	57.5	131.5
Mar. 27^p	654.9	466.3	471.2	164.4	167.2	56.2	132.4	651.4	461.1	466.0	164.2	167.0	57.3	133.0
Apr. 24^p	663.2	473.7	479.1	168.9	172.0	56.7	132.8	660.5	470.4	475.8	169.6	172.7	56.1	134.0
May 29^p	668.6	478.0	483.7	171.9	175.0	56.7	133.9	665.1	476.9	482.5	171.3	174.4	53.6	134.6
June 30^p	673.9	481.3	486.7	173.9	176.8	57.1	135.5	677.9	488.5	493.9	176.5	179.4	52.8	136.6
July 31^p	681.3	490.4	495.8	176.8	179.7	55.4	135.5	680.1	492.8	498.2	177.2	180.1	51.7	135.7

1 Adjusted to exclude domestic commercial interbank loans. See also note 3.

2 Loans sold are those sold outright by commercial banks to own subsidiaries, foreign branches, holding companies, and other affiliates.

3 Beginning June 30, 1972, commercial and industrial loans were reduced by about $400 million as a result of loan reclassifications at one large bank.

4 Beginning June 30, 1971, Farmers Home Administration insured notes totaling approximately $700 million are included in "Other securities" rather than in "Loans."

5 Beginning June 30, 1974, data revised to include one large mutual savings bank that merged with a nonmember commercial bank. Total loans and investments were increased by about $600 million of which $500 million were in loans and $100 million in "other securities."

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: Total	Loans [1]	Securities: U.S. Treasury	Securities: Other [2]	Cash assets [3]	Total assets—Total liabilities and capital accounts [4]	Deposits: Total [3]	Deposits: Interbank [3]: Demand	Deposits: Interbank [3]: Time	Deposits: Other: Demand: U.S. Govt.	Deposits: Other: Demand: Other	Deposits: Other: Time [5]	Borrowings	Total capital accounts	Number of banks
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...	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—July 25...	634,730	456,620	56,450	121,660	95,880	762,410	619,200	28,710	5,830	6,750	228,470	349,440	52,610	54,920	14,069
Aug. 29...	641,140	462,910	54,910	123,320	92,010	766,300	619,520	26,500	6,620	3,460	224,770	358,170	53,220	55,350	14,083
Sept. 26...	646,710	466,840	55,080	124,790	100,030	779,730	630,360	27,720	7,190	8,210	228,420	358,820	56,280	55,620	14,102
Oct. 31...	654,390	471,340	56,010	127,040	111,720	800,760	646,030	32,830	6,820	5,680	241,130	359,570	60,620	56,510	14,134
Nov. 28...	659,280	475,010	57,770	126,500	104,140	797,180	638,740	30,130	7,010	4,350	238,540	358,710	62,870	56,730	14,163
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—Jan. 30p..	673,520	484,240	58,730	130,550	103,070	810,500	651,410	31,510	6,620	9,500	233,310	370,470	65,770	58,270	14,180
Feb. 27p..	679,130	490,180	57,500	131,450	102,230	816,200	650,970	31,320	6,200	6,620	232,930	373,900	67,970	58,560	14,202
Mar. 27p..	687,670	497,430	57,260	132,980	104,070	827,600	658,490	31,590	6,490	6,070	235,360	378,980	69,740	59,050	14,236
Apr. 24p..	694,660	504,560	56,060	134,040	101,770	833,340	665,970	30,870	7,290	5,850	235,460	386,500	67,320	59,590	14,261
May 29p..	697,970	509,780	53,630	134,560	114,585	850,625	678,265	34,070	8,200	5,880	237,265	392,850	69,560	59,870	14,290
June 26p,r	707,670	519,290	52,340	136,040	105,280	852,600	679,100	30,480	8,860	8,070	237,350	394,340	68,730	60,140	14,338
July 31p..	713,280	525,940	51,680	135,660	106,830	863,770	689,300	32,720	9,530	4,250	242,430	400,370	67,440	60,990	14,338
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...	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—July 25...	489,240	360,813	39,331	89,096	82,091	597,607	478,417	27,121	5,121	5,423	175,351	265,401	48,761	42,539	5,707
Aug. 29...	494,200	365,951	38,233	90,016	78,475	600,202	478,273	24,972	5,911	2,701	172,082	272,607	49,283	42,807	5,713
Sept. 26...	498,322	368,842	38,372	91,108	85,802	611,359	486,975	26,182	6,480	6,740	175,016	272,557	52,485	42,972	5,718
Oct. 31...	504,120	371,866	39,375	92,879	96,251	628,710	499,110	31,142	6,112	4,601	185,324	r271,931	56,772	43,618	5,723
Nov. 28...	507,176	374,148	40,752	92,276	89,652	624,258	491,405	28,522	6,298	3,359	182,931	270,295	58,865	43,759	5,736
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—Jan. 30...	518,541	381,344	41,699	95,498	88,960	635,219	501,260	30,003	5,690	7,621	178,457	279,489	61,585	44,829	5,744
Feb. 27...	522,816	385,879	40,922	96,015	87,753	639,172	500,113	29,753	5,273	5,084	178,731	281,272	63,865	45,054	5,747
Mar. 27...	529,961	392,461	40,537	96,963	89,568	649,114	506,641	30,083	5,558	4,817	180,862	285,321	65,428	45,491	5,754
Apr. 24...	535,917	399,092	39,273	97,552	87,005	653,285	512,792	29,396	6,364	4,743	179,927	292,362	62,859	45,896	5,763
May 29...	538,801	403,619	37,282	97,900	99,155	669,357	524,837	32,452	7,274	4,746	182,060	298,305	64,820	46,090	5,763
June 26...	546,777	411,334	36,214	99,229	90,089	669,578	524,101	28,961	7,928	6,282	181,957	298,973	64,270	46,280	5,763
July 31p..	552,619	418,065	35,860	98,694	91,430	680,511	533,807	31,153	8,598	3,180	186,360	304,516	63,042	46,907	5,763
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
1971—Dec. 31...	514,097	345,386	64,691	104,020	98,281	635,805	535,703	31,824	2,792	10,150	219,102	271,835	25,629	46,731	13,602
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—June 30...	630,379	452,587	57,532	120,261	101,716	762,250	625,316	30,559	5,446	10,408	235,174	343,729	48,413	55,240	13,842
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—Apr. 24...	693,489	503,653	189,837		98,997	826,736	664,070	30,539	6,634	5,913	234,435	386,550	66,160	59,757	14,043
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
1971—Dec. 31...	302,756	206,758	36,386	59,612	59,191	376,318	314,085	17,511	1,828	6,014	128,441	160,291	18,169	27,065	4,599
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—June 30...	369,856	270,188	31,651	68,018	61,336	449,772	364,129	16,640	2,874	6,181	137,116	201,318	33,804	31,867	4,629
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—Apr. 24...	404,972	299,182	105,790		59,806	486,163	384,314	16,492	3,997	3,636	135,188	225,000	45,627	34,026	4,688

For notes see p. A-17.

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 [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
1971—Dec. 31	102,813	71,441	11,247	20,125	26,998	135,517	111,777	13,102	721	2,412	45,945	49,597	6,878	10,214	1,128
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—June 30	121,052	91,095	9,429	20,527	26,891	155,017	123,016	12,671	2,005	1,986	45,322	61,032	12,725	11,231	1,076
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—Apr. 24	132,211	100,876	31,335		27,008	166,929	127,944	12,918	2,084	1,114	44,173	67,655	18,210	12,145	1,071
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
1971—Dec. 31	108,527	67,188	17,058	24,282	12,092	123,970	109,841	1,212	242	1,723	44,717	61,946	582	9,451	7,875
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—June 30	139,471	91,304	16,452	31,716	13,490	157,461	138,171	1,248	567	2,241	52,735	81,379	1,884	12,143	8,137
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—Apr. 24	156,305	103,594	52,711		12,183	173,645	151,812	1,130	553	1,163	55,072	93,894	2,322	13,587	8,284
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—June 30	5,915	4,732	345	838	1,892	8,196	4,438	488	145	26	1,779	2,000	885	500	204
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
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—June 30	145,386	96,036	16,797	32,554	15,381	165,657	142,608	1,736	712	2,267	54,514	83,379	2,770	12,643	8,341
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

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-18.

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-26.

2 See first two 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 From 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.

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; and nondeposit trust companies.

Figures for member banks before 1970 include mutual savings banks as follows: three before Jan. 1960 and two 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, excludes one national bank in Puerto Rico.

Beginning Dec. 31, 1973, member banks exclude and noninsured nonmember banks include a noninsured trust company which is a member of the Federal Reserve System.

Comparability of figures for classes of banks is 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, APRIL 24, 1974

(Amounts in millions of dollars)

Account	Insured commercial banks	Member banks[1]					Nonmember banks[1]
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
Cash bank balances, items in process	98,997	86 814	23,527	3,984	31,456	27,847	12,183
Currency and coin	9,913	7,516	589	157	2,413	4,358	2,397
Reserves with Federal Reserve banks	29,848	29,848	6,515	1,859	10,521	10,954	....
Demand balances with banks in United States	23,711	15,647	5,741	297	3,023	6,586	8,064
Other balances with banks in United States	2,056	1,323	57	5	738	524	733
Balances with banks in foreign countries	822	704	196	54	363	91	119
Cash items in process of collection	32,646	31,776	10,429	1.613	14,400	5,334	870
Total securities held—Book value	189,837	137,126	15,221	5,322	45,992	70,592	52,711
Bank investment portfolios	184,037	131,387	13,460	4,751	42,919	70,258	52,650
U.S. Treasury	54,236	37,728	4.221	1,153	12,088	20,265	16,508
Other U.S. Government agencies	28,568	18,297	1,333	621	5,063	11,280	10,271
States and political subdivisions	95,554	71,288	7,197	2.783	24,610	36,697	24,266
All other	5,679	4,075	708	193	1,157	2,016	1,605
Trading-account securities	5.799	5,738	1,761	571	3,073	334	61
Federal funds sold and securities resale agreements	33,019	23,831	2,221	1,230	9,949	10,432	9,187
Other loans	470,634	376,227	71,145	21,841	143,675	139,566	94,406
Total loans and securities	693,489	537,183	88,586	28,392	199,615	220,590	156,305
Fixed assets—Buildings, furniture, real estate	13,715	10,549	1,051	417	4,303	4,778	3,167
Investments in subsidaries not consolidated	1.523	1,505	684	115	652	54	18
Customer acceptances outstanding	5,277	5,041	3,155	294	1,392	200	236
Other assets	13,735	11.999	3,163	596	5,360	2,879	1,736
Total assets	826,736	653,091	120,166	33,798	242,778	256,349	173,645

[1] Member banks exclude a noninsured trust company that is a member of the Federal Reserve System, and two national banks outside the continental United States.

[2] See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 26.

[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 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.

Details may not add to totals because of rounding.

LIABILITIES AND CAPITAL BY CLASS OF BANK, APRIL 24, 1974

(Amounts in millions of dollars)

Account	Insured commercial banks	Member banks[1]						Non-member banks[1]
		Total	Large banks			All other		
			New York City	City of Chicago	Other large			
Demand deposits	270,887	213,522	46,507	8,500	74,314	84,200		57,365
Mutual savings banks	1,036	963	343	1	172	447		74
Other individuals, partnerships, and corporations	207,861	158,832	25,198	6,424	57,258	69,951		49,030
U.S. Government	5,913	4,750	661	164	2,131	1,794		1,163
States and political subdivisions	15,431	10,929	436	211	3,294	6,988		4,503
Foreign governments, central banks, etc.	1,504	1,483	1,243	21	210	8		21
Commerical banks in United States	24,560	23,739	11,719	1,371	7,811	2,838		821
Banks in foreign countries	4,943	4,708	3,421	128	1,048	111		236
Certified and officers' checks, etc.	9,637	8,118	3,485	180	2,390	2,063		1,519
Time and savings deposits	393,184	298,736	40,788	14,810	108,725	134,414		94,447
Savings deposits	130,762	95,709	6,201	2,052	33,679	53,777		35,053
Accumulated for personal loan payment[2]	478	346	....	....	62	284		131
Mutual savings banks	509	498	259	49	164	25		12
Other individuals, partnerships, and corporations	197,527	151,586	24,183	9,668	55,180	62,555		45,941
U.S. Government	459	335	32	25	118	159		125
States and political subdivisions	49,011	36,515	2,168	1,623	15,484	17,241		12,496
Foreign governments, central banks, etc.	8,311	8,163	4,437	865	2,819	42		148
Commercial banks in United States	5,806	5,304	3,371	496	1,137	300		502
Banks in foreign countries	319	280	137	31	82	30		39
Total deposits	664,070	512,258	87,295	23,310	183,039	218,614		151,812
Federal funds purchased and securities sold under agreements to repurchase	57,316	55,343	12,303	6,379	28,100	8,561		1,973
Other liabilities for borrowed money	8,844	8,495	3,183	113	3,919	1,279		350
Mortgage indebtedness	868	686	80	5	439	163		181
Bank acceptances outstanding	5,401	5,165	3,259	301	1,402	203		236
Other liabilities	22,541	18,465	3,574	1,232	7,366	6,292		4,075
Total liabilities	759,040	600,412	109,694	31,340	224,266	235,113		158,628
Minority interest in consolided subsidiaries	4	2	....	....	....	2		3
Total reserves on loans/securities	7,934	6,507	1,445	426	2,412	2,223		1,427
Reserves for bad debts (IRS)	7,646	6,317	1,444	426	2,352	2,095		1,329
Other reserves on loans	122	80	1	....	9	70		42
Reserves on securities	166	110	....	....	52	58		57
Total capital accounts	59,757	46,170	9,027	2,033	16,100	19,011		13,587
Capital notes and debentures	4,200	3,441	787	57	1,680	918		758
Equity capital	55,557	42,729	8,240	1,976	14,420	18,093		12,828
Preferred stock	61	43	18	....	11	14		18
Common stock	14,257	10,821	2,160	562	3,536	4,562		3,436
Surplus	24,033	18,547	3,466	1,135	6,689	7,258		5,485
Undivided profits	16,376	12,703	2,592	236	3,932	5,944		3,674
Other capital reserves	831	615	4	42	252	316		216
Total liabilities, reserves, minority interest, capital account	826,736	653,091	120,166	33,798	242,778	256,349		173,645
Demand deposits adjusted[3]	207,767	153,256	23,697	5,353	49,972	74,234		54,511
Selected ratios:								
Percentage of total assets								
Cash and balances with other banks	12.0	13.3	19.6	11.8	13.0	10.9		7.0
Total securities held	23.0	21.0	12.7	15.7	18.9	27.5		30.3
U.S. treasury	6.6	5.8	3.5	3.4	5.0	7.9		9.5
States and political subdivisions	11.6	10.9	6.0	8.2	10.1	14.3		14.0
All other trading account securities	4.1	3.4	1.7	2.4	2.6	5.2		6.8
Trading account securities	0.7	0.9	1.5	1.7	1.3	0.1		0.0
Other loans and Federal funds sold	60.9	61.3	61.1	68.3	63.3	58.5		59.6
All other assets	4.1	4.5	6.7	4.2	4.8	3.1		3.0
Total loans and securities	83.9	82.3	73.7	84.0	82.2	86.1		90.0
Reserves for loans and securities	1.0	1.0	1.2	1.3	1.0	0.9		0.8
Equity capital—Total	6.7	6.5	6.9	5.8	5.9	7.1		7.4
Total capital accounts	7.2	7.1	7.5	6.0	6.6	7.4		7.8
Number of banks	14,043	5,759	13	9	156	5,581		8,284

For notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and invest- ments	Loans														
		Federal funds sold, etc.[1]					Other									
		Total	To com- mer- cial banks	To brokers and dealers involving—		To others	Total	Com- mer- cial and indus- trial	Agri- cul- tural	For purchasing or carrying securities				To nonbank financial institutions	
										To brokers and dealers		To others			
				U.S. Treas- ury se- curi- ties	Other se- curi- ties					U.S. Treas- ury secs.	Other secs.	U.S. Treas- ury secs.	Other secs.	Pers. and sales finan. cos., etc.	Other
Large banks— Total															
1973															
July 4	346,463	12,567	11,413	732	247	175	254,583	105,526	3,306	380	5,433	206	2,902	8,987	16,788
11	347,753	11,615	9,869	1,265	225	256	256,839	106,141	3,314	2,156	5,563	205	2,922	8,710	16,444
18	347,604	13,922	12,731	867	150	174	255,103	106,527	3,301	522	5,186	205	2,963	8,707	16,458
25	346,915	12,412	10,997	953	119	343	255,738	106,755	3,307	766	5,296	201	2,956	8,802	16,421
1974															
June 5	390,957	18,823	15,441	2,014	686	682	287,662	120,731	3,759	1,544	4,937	125	2,701	9,457	20,447
12	390,049	16,960	13,901	1,985	512	562	287,457	121,488	3,760	602	5,006	129	2,699	9,319	20,355
19	390,562	15,309	13,201	905	581	622	290,516	122,960	3,871	672	5,108	129	2,680	9,913	20,849
26	391,777	16,174	14,090	932	552	600	291,492	123,575	3,843	507	4.706	127	2,686	9,876	20,975
July 3p	394,698	16,313	14,335	1,039	495	444	294,760	125,609	3,807	412	4.447	122	2,698	9,997	21,423
10p	394,012	16,025	14,201	918	482	424	294,992	125,827	3,810	456	4,001	120	2,685	10,100	21,648
17p	393,421	14,924	13,040	1,071	402	411	295,943	126,553	3,845	487	3,889	108	2,682	10,232	21,636
24p	389,989	12,800	10,971	935	406	488	294,573	126,132	3,821	415	4,011	111	2,674	9,845	21,460
31p	397,276	16,020	13,537	1,437	437	609	297,955	126,267	3,857	1,720	4,694	113	2,687	10,107	21,616
New York City															
1973															
July 4	73,669	2,255	2,227	26	....	2	58,923	30,010	71	296	3,113	47	654	2,763	5,490
11	74,775	1,217	1,201	16	....	....	60,930	30.322	73	2,062	3,242	46	648	2,536	5,259
18	74,305	2,921	2,831	89	....	1	58,926	30,462	73	441	2,937	44	679	2,504	5,293
25	73,544	1,688	1,667	16	....	5	59,206	30.583	73	585	3,059	43	674	2,635	5,374
1974															
June 5	85,219	1,798	1,720	8	32	38	69,326	34,735	138	1,445	2,989	28	558	3,241	7,303
12	85,784	1,707	1,677	9	....	21	68,931	35,156	146	538	2,970	28	565	3,185	7,316
19	86,289	1,257	1,144	9	....	104	70,145	35,875	145	535	3,064	28	562	3,538	7,605
26	87,299	2,233	2,163	6	....	64	70,641	36.426	138	423	2,768	26	562	3,487	7,624
July 3p	89,065	2,269	2,232	8	....	29	72,342	37,587	136	326	2,586	23	560	3,507	7,933
10p	88,265	1,862	1,793	5	31	33	72,191	37,614	128	393	2,192	23	557	3,523	8,068
17p	89,006	2,545	2,504	9	....	32	72,499	37,845	140	410	2,207	23	558	3,586	8,066
24p	88,023	1,869	1,776	56	....	37	72,006	37,606	133	354	2,259	28	557	3,348	8,066
31p	92,098	2,807	2,716	55	....	36	74,683	37,525	135	1,611	2,949	30	557	3,507	8.140
Outside New York City															
1973															
July 4	272,794	10,312	9,186	706	247	173	195,660	75,516	3,235	84	2,320	159	2,248	6,224	11,298
11	272,978	10,398	8,668	1,249	225	256	195,909	75,819	3,241	94	2,321	159	2,274	6,174	11,185
18	273,299	11,001	9,900	778	150	173	196,177	76,065	3,228	81	2,249	161	2,284	6,203	11,165
25	273,371	10,724	9,330	937	119	338	196,532	76,172	3,234	181	2,237	158	2,282	6,167	11,047
1974															
June 5	305,738	17,025	13,721	2,006	654	644	218,336	85,996	3,621	99	1.948	97	2,143	6,216	13,144
12	304,265	15,253	12,224	1,976	512	541	218,526	86,332	3,614	64	2,036	101	2,134	6,134	13,039
19	304,273	14,052	12,057	896	581	518	220,371	87,085	3,726	137	2,044	101	2,118	6,375	13,244
26	304,478	13,941	11,927	926	552	536	220,851	87,149	3,705	84	1.938	101	2,124	6,389	13,351
July 3p	305,633	14,044	12,103	1,031	495	415	222,418	88,022	3,671	86	1,861	99	2,138	6,490	13,490
10p	305,747	14,163	12,408	913	451	391	222,801	88,213	3,682	63	1.809	97	2,128	6,577	13,580
17p	304,415	12,379	10,536	1,062	402	379	223,444	88,708	3,705	77	1,682	85	2,124	6,646	13,570
24p	301,966	10,931	9,195	879	406	451	222,567	88,526	3,688	61	1,752	83	2,117	6,497	13,394
31p	305,178	13,213	10,821	1,382	437	573	223.272	88,742	3,722	109	1,745	83	2,130	6,600	13,476

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Loans (cont.)						Investments						
Other (cont.)						U.S. Treasury securities						
	To commercial banks								Notes and bonds maturing—			
Real estate	Domestic	Foreign	Consumer instalment	Foreign govts.[2]	All other	Total	Bills	Certificates	Within 1 yr.	1 to 5 yrs.	After 5 yrs.	Wednesday
												Large banks—Total
												1973
50,298	3,594	5,194	30,484	1,260	20,225	23,823	4,152	....	4,151	12,753	2,767	July 4
50,547	3,384	5,306	30,575	1,267	20,305	23,611	4,059	....	4,146	12,663	2,743	11
50,731	3,296	5,220	30,686	1,220	20,081	23,134	3,585	....	4,074	12,725	2,750	18
50,995	3,394	5,055	30,847	1,243	19,700	22,730	3,133	....	4,144	12,716	2,737	25
												1974
57,585	4,081	6,448	33,562	1,859	20,426	22,316	2,727	....	3,654	11,960	3,975	June 5
57,809	4,047	6,212	33,663	1,832	20,536	22,123	2,485	....	3,753	11,893	3,992	12
58,082	3,931	6,263	33,796	1,881	20,381	21,800	2,218	....	3,716	11,896	3,970	19
58,183	4,034	6,365	33,915	1,966	20,734	20,982	1,736	....	3,551	11,753	3,942	26
58,317	4,043	6,645	34,069	2,040	21,131	20,872	1,749	....	3,578	11,734	3,811	July 3p
58,420	4,089	6,983	34,091	2,117	20,645	20,353	1,485	....	3,440	11,615	3,813	10p
58,605	4,174	6,858	34,143	2,022	20,709	20,186	1,469	....	3,411	11,551	3,755	17p
58,728	4,097	6,859	34,218	1,837	20,365	19,944	1,306	....	3,436	11,437	3,765	24p
58,892	3,967	6,974	34,320	1,854	20,887	20,853	1,982	....	3,566	11,555	3,750	31p
												New York City
												1973
5,511	1,370	2,350	2,269	662	4,317	3,953	1,153	....	569	1,597	634	July 4
5,564	1,261	2,465	2,283	676	4,493	3,859	1,125	....	579	1,572	583	11
5,601	1,229	2,448	2,293	621	4,301	3,774	1,088	....	548	1,560	578	18
5,629	1,322	2,302	2,328	625	3,974	3,742	1,003	....	584	1,576	579	25
												1974
6,713	1,509	3,002	2,400	746	4,519	3,644	88	....	395	1,911	1,250	June 5
6,767	1,620	2,810	2,420	771	4,639	3,907	263	....	451	1,932	1,261	12
6,832	1,528	2,929	2,436	792	4,276	3,809	141	....	432	1,958	1,278	19
6,832	1,595	2,907	2,444	789	4,620	3,355	81	....	216	1,786	1,272	26
6,879	1,663	3,100	2,452	793	4,797	3,506	13	....	378	1,857	1,258	July 3p
6,913	1,659	3,279	2,449	788	4,605	3,288	75	....	227	1,726	1,260	10p
6,965	1,700	3,156	2,456	823	4,564	3,204	58	....	250	1,690	1,206	17p
7,003	1,647	3,100	2,468	810	4,627	3,096	84	....	205	1,591	1,216	24p
7,053	1,626	3,257	2,486	811	4,996	3,770	369	....	426	1,767	1,208	31p
												Outside New York City
												1973
44,787	2,224	2,844	28,215	598	15,908	19,870	2,999	....	3,582	11,156	2,133	July 4
44,983	2,123	2,841	28,292	591	15,812	19,752	2,934	....	3,567	11,091	2,160	11
45,130	2,067	2,772	28,393	599	15,780	19,360	2,497	....	3,526	11,165	2,172	18
45,366	2,072	2,753	28,519	618	15,726	18,988	2,130	....	3,560	11,140	2,158	25
												1974
50,872	2,572	3,446	31,162	1,113	15,907	18,672	2,639	....	3,259	10,049	2,725	June 5
51,042	2,427	3,402	31,243	1,061	15,897	18,216	2,222	....	3,302	9,961	2,731	12
51,250	2,403	3,334	31,360	1,089	16,105	17,991	2,077	....	3,284	9,938	2,692	19
51,351	2,439	3,458	31,471	1,177	16,114	17,627	1,655	....	3,335	9,967	2,670	26
51,438	2,380	3,545	31,617	1,247	16,334	17,366	1,736	....	3,200	9,877	2,553	July 3p
51,507	2,430	3,704	31,642	1,329	16,040	17,065	1,410	....	3,213	9,889	2,553	10p
51,640	2,474	3,702	31,687	1,199	16,145	16,982	1,411	....	3,161	9,861	2,549	17p
51,725	2,450	3,759	31,750	1,027	15,738	16,848	1,222	....	3,231	9,846	2,549	24p
51,839	2,341	3,717	31,834	1,043	15,891	17,083	1,613	....	3,140	9,788	2,542	31p

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Investments (cont.) — Other securities — Total	Obligations of States and political subdivisions — Tax warrants[3]	Obligations of States and political subdivisions — All other	Other bonds, corp. stocks, and securities — Certif. of participation[4]	Other bonds, corp. stocks, and securities — All other[5]	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
Large banks—Total												
1973												
July 4	55,490	7,926	37,979	1,633	7,952	36,655	22,910	3,751	10,065	1,289	20,282	441,415
11	55,688	7,925	37,938	1,743	8,082	29,899	18,306	4,211	9,221	1,303	19,656	430,349
18	55,445	7,743	37,800	1,769	8,133	30,131	21,789	4,169	9,913	1,303	19,757	434,666
25	56,035	7,954	37,954	1,831	8,296	28,842	20,903	4,249	10,058	1,296	19,824	432,087
1974												
June 5	62,156	7,505	40,931	2,397	11,323	32,299	21,271	4,052	12,134	1,588	24,898	487,199
12	63,509	8,007	41,406	2,508	11,588	32,446	24,666	4,494	10,526	1,571	25,022	488,774
19	62,937	7,511	41,333	2,519	11,574	32,243	21,214	4,566	11,076	1,583	24,362	485,606
26	63,129	7,384	41,312	2,525	11,908	31,909	22,880	4,684	10,994	1,675	25,105	489,024
July 3p	62,753	7,255	41,206	2,512	11,780	36,811	23,874	3,911	10,045	1,609	26,452	497,400
10p	62,642	7,048	41,436	2,386	11,772	31,247	23,899	4,558	10,050	1,607	26,504	491,877
17p	62,368	6,968	41,355	2,378	11,667	33,181	25,660	4,516	11,157	1,602	26,104	495,641
24p	62,672	7,060	41,421	2,420	11,771	31,874	26,683	4,592	10,257	1,573	26,875	491,843
31p	62,448	6,960	41,202	2,496	11,790	35,101	20,911	4,502	11,425	1,575	28,415	499,205
New York City												
1973												
July 4	8,538	2,013	4,673	368	1,484	11,702	6,652	468	4,206	621	6,325	103,643
11	8,769	2,090	4,722	434	1,523	9,698	5,098	491	4,025	623	5,941	100,651
18	8,684	2,108	4,607	443	1,526	9,364	7,171	478	4,554	623	6,429	102,924
25	8,908	2,304	4,627	464	1,513	10,788	6,389	478	4,817	616	6,321	102,953
1974												
June 5	10,451	2,240	5,582	554	2,075	10,812	6,423	494	6,207	744	7,754	117,653
12	11,239	2,692	5,770	607	2,170	11,424	8,486	508	4,985	725	7,953	119,865
19	11,078	2,472	5,796	603	2,207	10,753	5,914	513	5,170	736	7,341	116,716
26	11,070	2,371	5,787	635	2,277	11,673	8,037	514	5,127	740	7,597	120,987
July 3p	10,948	2,246	5,844	631	2,227	12,100	6,816	457	4,178	726	8,202	121,544
10p	10,924	2,155	5,911	546	2,312	10,166	7,846	523	3,881	710	8,473	119,864
17p	10,758	2,128	5,844	543	2,243	10,879	7,366	508	5,064	711	8,373	121,907
24p	11,052	2,354	5,892	545	2,261	12,787	8,322	504	4,715	710	8,876	123,937
31p	10,838	2,272	5,743	551	2,272	13,547	6,433	506	5,522	710	9,506	128,322
Outside New York City												
1973												
July 4	46,952	5,913	33,306	1,265	6,468	24,953	16,258	3,283	5,859	668	13,957	337,772
11	46,919	5,835	33,216	1,309	6,559	20,201	13,208	3,720	5,196	680	13,715	329,698
18	46,761	5,635	33,193	1,326	6,607	20,767	14,618	3,691	5,359	680	13,328	331,742
25	47,127	5,650	33,327	1,367	6,783	18,054	14,514	3,771	5,241	680	13,503	329,134
1974												
June 5	51,705	5,265	35,349	1,843	9,248	21,487	14,848	3,558	5,927	844	17,144	369,546
12	52,270	5,315	35,636	1,901	9,418	21,022	16,180	3,986	5,541	846	17,069	368,909
19	51,859	5,039	35,537	1,916	9,367	21,490	15,300	4,053	5,906	847	17,021	368,890
26	52,059	5,013	35,525	1,890	9,631	20,236	14,843	4,170	5,867	935	17,508	368,037
July 3p	51,805	5,009	35,362	1,881	9,553	24,711	17,058	3,454	5,867	883	18,250	375,856
10p	51,718	4,893	35,525	1,840	9,460	21,081	16,053	4,035	6,169	897	18,031	372,013
17p	51,610	4,840	35,511	1,835	9,424	22,302	18,294	4,008	6,093	891	17,731	373,734
24p	51,620	4,706	35,529	1,875	9,510	19,087	18,361	4,088	5,542	863	17,999	367,906
31p	51,610	4,688	35,459	1,945	9,518	21,554	14,478	3,996	5,903	865	18,909	370,883

For notes see page A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits: Demand: Total	Demand: IPC	Demand: States and political subdivisions	Demand: U.S. Govt.	Demand: Domestic interbank: Commercial	Demand: Domestic interbank: Mutual savings	Demand: Foreign: Govts., etc.[2]	Demand: Foreign: Commercial banks	Demand: Certified and officers' checks	Time and savings: Total[6]	Time and savings: IPC: Savings	Time and savings: IPC: Other	Time and savings: States and political subdivisions	Time and savings: Domestic interbank	Time and savings: Foreign govts.[2]	Wednesday
															Large banks—Total
															1973
161,502	113,985	7,645	5,079	22,448	1,023	997	3,360	6,965	180,133	58,381	87,550	21,173	4,302	8,043	July 4
153,096	110,699	6,316	2,790	20,633	854	1,103	3,698	7,003	180,521	58,227	88,005	21,266	4,425	8,013	11
153,341	111,523	6,089	3,215	21,083	783	902	3,458	6,288	181,811	57,999	89,445	21,325	4,487	7,967	18
150,988	106,801	6,013	3,945	21,008	738	996	3,685	7,802	183,778	57,646	91,284	21,731	4,597	7,959	25
															1974
157,882	111,477	6,024	2,558	22,237	687	1,899	5,056	7,944	209,454	57,927	111,168	24,995	6,514	8,065	June 5
156,244	113,717	5,790	1,711	21,529	671	1,431	4,729	6,666	209,896	57,853	111,597	24,635	6,630	8,345	12
159,297	112,050	5,909	5,903	22,127	629	1,360	4,682	6,637	209,425	57,780	111,111	24,410	6,783	8,460	19
158,474	112,201	6,733	4,289	21,748	651	1,220	4,759	6,873	210,561	57,885	111,865	24,364	6,974	8,542	26
164,141	114,623	6,409	5,501	23,426	935	1,246	4,970	7,031	211,533	58,115	112,245	24,232	7,076	8,933	July 3p
157,407	112,969	5,972	2,546	22,380	859	1,193	5,469	6,019	211,532	58,064	112,010	24,404	7,047	9,016	10p
158,189	114,378	5,893	1,686	22,355	745	1,269	5,143	6,720	213,583	57,989	113,649	24,415	7,389	9,001	17p
153,933	111,755	5,667	1,740	20,734	637	1,104	5,088	7,208	215,440	57,855	114,836	24,592	7,530	9,402	24p
161,459	114,753	6,225	1,818	23,131	733	1,864	5,448	7,487	216,240	57,651	115,684	24,567	7,290	9,785	31p
															New York City
															1973
43,479	24,611	1,022	936	10,481	594	834	2,293	2,708	32,830	5,315	18,838	1,925	2,591	4,058	July 4
40,650	23,070	297	415	9,606	430	934	2,682	3,216	32,924	5,279	18,867	1,932	2,697	4,056	11
41,477	24,211	324	651	10,132	414	725	2,426	2,594	33,169	5,247	19,161	1,891	2,774	4,016	18
42,337	22,615	303	737	10,510	391	726	2,709	4,346	33,629	5,196	19,452	2,046	2,912	3,957	25
															1974
45,392	23,668	368	613	10,639	359	1,652	3,800	4,293	40,521	5,073	24,561	1,808	4,216	4,553	June 5
44,360	24,525	266	373	10,807	342	1,226	3,440	3,381	40,489	5,056	24,544	1,601	4,265	4,667	12
44,980	23,997	330	1,354	11,004	319	1,145	3,435	3,396	40,468	5,037	24,310	1,620	4,339	4,757	19
45,908	25,306	459	656	10,936	332	1,019	3,497	3,703	41,264	5,056	24,734	1,712	4,453	4,882	26
45,638	24,872	410	923	11,098	558	1,042	3,695	3,040	42,581	5,067	25,314	1,906	4,663	5,151	July 3p
43,744	24,223	349	470	10,773	492	971	4,081	2,385	42,687	5,062	25,078	1,970	4,705	5,345	10p
44,487	24,449	297	176	11,318	399	1,048	3,864	2,936	43,413	5,056	25,420	2,106	4,926	5,317	17p
45,433	25,370	347	229	10,563	343	908	3,802	3,871	44,401	5,039	25,945	2,087	4,947	5,715	24p
48,889	26,215	461	369	11,816	399	1,645	4,149	3,835	44,686	5,006	26,091	2,069	4,667	6,155	31p
															Outside New York City
															1973
118,023	89,374	6,623	4,143	11,967	429	163	1,067	4,257	147,303	53,066	68,712	19,248	1,711	3,985	July 4
112,446	87,629	6,019	2,375	11,027	424	169	1,016	3,787	147,597	52,948	69,138	19,334	1,728	3,957	11
111,864	87,312	5,765	2,564	10,951	369	177	1,032	3,694	148,642	52,752	70,284	19,434	1,713	3,951	18
108,651	84,186	5,710	3,208	10,498	347	270	976	3,456	150,149	52,450	71,832	19,685	1,685	4,002	25
															1974
112,490	87,809	5,656	1,945	11,598	328	247	1,256	3,651	168,933	52,854	86,607	23,187	2,298	3,512	June 5
111,884	89,192	5,524	1,338	10,722	329	205	1,289	3,285	169,407	52,797	87,053	23,034	2,365	3,678	12
114,317	88,053	5,579	4,549	11,123	310	215	1,247	3,241	168,957	52,743	86,801	22,790	2,444	3,703	19
112,566	86,895	6,274	3,633	10,812	319	201	1,262	3,170	169,297	52,829	87,131	22,652	2,521	3,660	26
118,503	89,751	5,999	4,578	12,328	377	204	1,275	3,991	168,952	53,048	86,931	22,326	2,413	3,782	July 3p
113,663	88,746	5,623	2,076	11,607	367	222	1,388	3,634	168,845	53,002	86,932	22,434	2,342	3,671	10p
113,702	89,929	5,596	1,510	11,037	346	221	1,279	3,784	170,170	52,933	88,229	22,309	2,463	3,684	17p
108,500	86,385	5,320	1,511	10,171	294	196	1,286	3,337	171,039	52,816	88,891	22,505	2,583	3,687	24p
112,570	88,538	5,764	1,449	11,315	334	219	1,299	3,652	171,554	52,645	89,593	22,498	2,623	3,630	31p

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Federal funds purchased, etc.[7]	Borrowings from—		Other liabilities, etc.[8]	Reserves for—		Total capital accounts	Memoranda						
		F.R. Banks	Others		Loans	Securities		Total loans (gross) adjusted[9]	Total loans and investments (gross) adjusted[9]	Demand deposits adjusted[10]	Large negotiable time CD's included in time and savings deposits[11] — Total	Issued to IPC's	Issued to others	Gross liabilities of banks to their foreign branches
Large banks— Total														
1973														
July 4	41,216	2,423	3,723	17,094	4,469	96	30,759	252,143	331,456	97,320	59,513	39,596	19,917	1,766
11	38,656	1,836	4,013	16,932	4,492	64	30,739	255,201	334,500	99,774	60,414	40,237	20,177	1,664
18	41,746	1,100	4,264	17,219	4,492	64	30,629	252,998	331,577	98,912	61,618	41,505	20,113	2,146
25	38,743	1,299	4,512	17,558	4,495	64	30,650	253,759	332,524	97,193	63,507	43,005	20,502	2,092
1974														
June 5	51,998	2,092	6,319	21,264	5,052	66	33,072	286,963	371,435	100,788	79,160	55,658	23,502	2,813
12	54,929	2,658	5,970	20,865	5,061	61	33,090	286,469	372,101	100,558	79,647	55,991	23,656	2,410
19	49,474	1,988	6,267	21,028	5,060	61	33,006	288,693	373,430	99,024	79,154	55,375	23,779	2,503
26	51,325	2,341	6,358	21,861	5,065	61	32,978	289,542	373,653	100,528	80,176	56,015	24,161	3,388
July 3p	53,465	2,361	6,100	21,447	5,040	62	33,251	292,695	376,320	98,403	80,848	56,267	24,581	3,177
10p	55,108	1,745	6,086	21,669	5,033	62	33,235	292,727	375,722	101,234	81,129	56,229	24,900	2,804
17p	52,608	3,417	6,119	23,522	5,035	62	33,106	293,653	376,207	100,967	82,973	57,613	25,360	4,583
24p	49,449	4,780	6,137	23,909	5,030	62	33,103	292,305	374,921	99,585	84,791	58,664	26,127	4,681
31p	50,266	2,796	5,941	24,018	5,066	62	33,357	296,471	379,772	101,409	85,347	59,221	26,126	3,268
New York City														
1973														
July 4	9,628	539	1,793	6,312	1,284	......	7,778	57,581	70,072	20,360	19,367	12,748	6,619	1,512
11	9,001	807	1,876	6,346	1,275	......	7,772	59,685	72,313	20,931	19,475	12,744	6,731	1,354
18	10,517	......	2,131	6,610	1,279	......	7,741	57,787	70,245	21,330	19,725	13,072	6,653	1,669
25	9,318	257	2,125	6,282	1,282	......	7,723	57,905	70,555	20,302	20,209	13,362	6,847	1,470
1974														
June 5	11,678	......	2,571	7,424	1,419	......	8,648	67,895	81,990	23,328	25,528	17,379	8,149	1,405
12	14,966	300	2,424	7,270	1,423	......	8,633	67,341	82,487	21,756	25,437	17,352	8,085	1,192
19	11,533	......	2,615	7,086	1,421	......	8,613	68,730	83,617	21,869	25,393	17,058	8,335	1,236
26	13,253	220	2,579	7,739	1,424	......	8,600	69,116	83,541	22,643	25,980	17,372	8,608	1,893
July 3p	12,862	100	2,413	7,894	1,377	......	8,679	70,716	85,170	21,517	26,980	17,927	9,053	1,919
10p	13,206	......	2,355	7,824	1,375	......	8,673	70,601	84,813	22,335	27,116	17,774	9,342	1,574
17p	11,664	890	2,402	9,024	1,375	......	8,652	70,840	84,802	22,114	27,827	18,078	9,749	2,730
24p	11,300	861	2,374	9,540	1,374	......	8,654	70,452	84,600	21,854	28,672	18,557	10,115	3,656
31p	12,780	150	2,130	9,560	1,391	......	8,736	73,148	87,756	23,157	28,723	18,520	10,203	2,422
Outside New York City														
1973														
July 4	31,588	1,884	1,930	10,782	3,185	96	22,981	194,562	261,384	76,960	40,146	26,848	13,298	254
11	29,655	1,029	2,137	10,586	3,217	64	22,967	195,516	262,187	78,843	40,939	27,493	13,446	310
18	31,229	1,100	2,133	10,609	3,213	64	22,888	195,211	261,332	77,582	41,893	28,433	13,460	477
25	29,425	1,042	2,387	11,276	3,213	64	22,927	195,854	261,969	76,891	43,298	29,643	13,655	622
1974														
June 5	40,320	2,092	3,748	13,840	3,633	66	24,424	219,068	289,445	77,460	53,632	38,279	15,353	1,408
12	39,963	2,358	3,546	13,595	3,638	61	24,457	219,128	289,614	78,802	54,210	38,639	15,571	1,218
19	37,941	1,988	3,652	13,942	3,639	61	24,393	219,963	289,813	77,155	53,761	38,317	15,444	1,267
26	38,072	2,121	3,779	14,122	3,641	61	24,378	220,426	290,112	77,885	54,196	38,643	15,553	1,495
July 3p	40,603	2,261	3,687	13,553	3,663	62	24,572	221,979	291,150	76,886	53,868	38,340	15,528	1,258
10p	41,902	1,745	3,731	13,845	3,658	62	24,562	222,126	290,909	78,899	54,013	38,455	15,558	1,230
17p	40,944	2,527	3,717	14,498	3,660	62	24,454	222,813	291,405	78,853	55,146	39,535	15,611	1,853
24p	38,149	3,919	3,763	14,369	3,656	62	24,449	221,853	290,321	77,731	56,119	40,107	16,012	1,025
31p	37,486	2,646	3,811	14,458	3,675	62	24,621	223,323	292,016	78,252	56,624	40,701	15,923	846

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.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—							
	1974					1974			1974	1973		1973	
	July 31	July 24	July 17	July 10	July 3	July	June	May	II	I	IV	1st half	2nd half
Durable goods manufacturing:													
Primary metals	1,867	1,874	1,882	1,853	1,829	2	-29	-15	-23	79	-247	56	-229
Machinery	8,492	8,668	8,656	8,581	8,489	-27	363	7	779	1,069	136	1,848	615
Transportation equipment	3,199	3,189	3,159	3,213	3,183	92	110	-56	229	358	90	587	362
Other fabricated metal products	2,943	2,975	2,991	2,923	2,896	108	59	71	235	267	15	502	71
Other durable goods	4,792	4,759	4,785	4,812	4,732	180	160	126	560	349	-363	909	-73
Nondurable goods manufacturing:													
Food, liquor, and tobacco	4,061	4,041	4,048	4,023	3,965	124	-122	267	-344	124	340	-220	733
Textiles, apparel, and leather	4,084	4,188	4,185	4,196	4,209	-43	215	1	338	570	-440	908	-205
Petroleum refining	1,832	1,692	1,669	1,484	1,443	549	-212	287	68	-176	184	-108	203
Chemicals and rubber	3,185	3,204	3,277	3,252	3,211	59	120	8	355	255	198	610	-150
Other nondurable goods	2,507	2,535	2,532	2,519	2,510	24	120	6	222	116	-65	338	91
Mining, including crude petroleum and natural gas	4,370	4,370	4,330	4,222	4,203	180	23	-94	74	312	-233	386	-156
Trade: Commodity dealers	1,491	1,445	1,434	1,457	1,514	78	-88	-305	-630	357	630	273	588
Other wholesale	6,394	6,320	6,354	6,360	6,398	144	133	-7	364	471	151	835	194
Retail	7,212	7,199	7,242	7,071	7,151	43	123	118	556	540	-184	1,096	-19
Transportation	6,026	6,043	6,008	6,122	6,131	-77	31	69	34	105	14	139	80
Communication	2,408	2,397	2,563	2,584	2,637	-93	-29	102	326	149	78	475	-91
Other public utilities	7,640	7,577	7,635	7,379	7,395	719	548	397	1,335	-291	596	1,044	1,330
Construction	6,324	6,297	6,281	6,258	6,266	114	169	316	623	34	-200	657	11
Services	11,734	11,759	11,726	11,651	11,682	86	107	1	404	188	565	592	927
All other domestic loans	9,676	9,584	9,555	9,517	9,516	284	398	138	580	541	302	1,121	682
Bankers' acceptances	1,460	1,560	1,870	2,081	2,012	257	301	124	381	62	199	443	-123
Foreign commercial and industrial loans	4,953	4,949	4,887	4,804	4,839	273	202	132	502	105	23	607	-361
Total classified loans	106,650	106,625	107,069	106,362	106,211	2,406	2,640	1,159	6,968	5,584	1,237	12,552	4,480
Total commercial and industrial loans of large commercial banks	p126,267	126,132	126,553	125,827	125,609	2,682	2,704	1,061	7,600	5,864	1,938	13,464	5,309

See NOTE to table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding									Net change during—				
	1974							1973		1974		1973		1974
	July 31	June 26	May 29	Apr. 24	Mar. 27	Feb. 27	Jan. 30	Dec. 26	Nov. 28	II	I	IV	III	1st half
Durable goods manufacturing:														
Primary metals	1,116	1,105	1,111	1,083	1,064	1,046	1,092	1,104	1,240	41	-40	203	-21	1
Machinery	3,574	r3,286	3,213	3,145	3,114	3,037	2,950	2,866	2,726	171	248	186	39	419
Transportation equipment	1,371	1,410	1,424	1,423	1,365	1,367	1,324	1,284	1,257	45	81	18	77	126
Other fabricated metal *products*	993	954	960	934	911	911	938	894	912	43	17	23	2	60
Other durable goods	2,171	2,107	2,012	1,972	1,915	1,837	1,737	1,772	1,754	192	143	-16	98	335
Nondurable *goods manufacturing:*														
Food, liquor, and tobacco	1,613	1,571	1,584	1,533	1,529	1,527	1,514	1,491	1,469	42	38	14	84	80
Textiles, apparel, and leather	1,169	1,128	1,120	1,147	1,089	1,043	1,032	1,003	1,036	39	86	-25	59	125
Petroleum refining	995	963	954	934	945	901	920	933	839	18	12	13	44	30
Chemicals and rubber	1,759	1,737	1,686	1,690	1,603	1,569	1,570	1,561	1,509	134	42	9	71	176
Other nondurable goods	1,149	1,171	1,157	1,145	1,139	1,080	1,069	1,082	1,077	32	57	-18	37	89
Mining, including crude petroleum and natural gas	3,198	3,130	3,172	3,284	3,245	3,203	3,153	2,958	2,950	-115	287	32	144	172
Trade: Commodity dealers	159	141	r144	144	140	129	137	127	135	1	13	11	-7	14
Other wholesale	1,454	r1,406	1,404	1,335	1,323	1,315	1,265	1,190	1,172	85	133	12	112	218
Retail	2,515	r2,428	2,514	2,543	2,480	2,376	2,249	2,206	2,227	60	274	59	141	214
Transportation	4,349	r4,425	4,474	4,414	4,417	4,311	4,327	4,320	4,208	7	97	41	-26	104
Communication	1,041	r1,030	1,033	978	966	940	947	860	828	66	106	2	73	172
Other public utilities	3,538	r3,443	3,356	3,196	3,154	3,245	3,298	3,252	3,121	289	98	416	427	191
Construction	2,194	r2,130	1,984	1,908	1,898	1,940	1,943	1,905	1,936	233	-7	87	96	226
Services	5,246	r5,273	5,263	5,223	5,076	5,004	4,937	5,049	4,916	198	27	330	157	225
All other domestic loans	3,121	r3,021	2,945	2,935	2,808	2,384	2,692	2,602	2,617	214	206	17	384	420
Foreign commercial and in*dustrial loans*	2,593	r2,544	2,396	2,369	2,350	2,321	2,469	2,334	2,306	197	16	148	-399	213
Total loans	p45,318	44,403	43,906	43,335	42,531	41,486	41,563	40,793	40,235	1,872	1,738	918	1,592	3,610

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.

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 commercial banks:						
1970—Sept.	17.0	88.0	51.4	1.4	10.0	167.9
Dec.	17.3	92.7	53.6	1.3	10.3	175.1
1971—Mar.	18.3	86.3	54.4	1.4	10.5	170.9
June	18.1	89.6	56.2	1.3	10.5	175.8
Sept.	17.9	91.5	57.5	1.2	9.7	177.9
Dec.	18.5	98.4	58.6	1.3	10.7	187.5
1972—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^p	18.2	112.4	71.5	2.2	11.1	215.5
Weekly reporting banks:						
1971—Dec.	14.4	58.6	24.6	1.2	5.9	104.8
1972—Dec.	14.7	64.4	27.1	1.4	6.6	114.3
1973—June	14.2	60.8	27.1	1.9	6.3	110.2
July	14.8	61.1	27.3	1.9	6.6	111.7
Aug.	14.3	59.5	27.3	1.9	6.1	109.1
Sept.	14.5	60.6	27.2	1.9	6.5	110.8
Oct.	15.0	61.7	27.3	2.0	6.6	112.5
Nov.	14.8	62.9	27.5	2.1	6.7	113.9
Dec.	14.9	66.2	28.0	2.2	6.8	118.1
1974—Jan.	15.2	63.8	28.4	2.3	6.7	116.5
Feb.	14.1	62.1	26.9	2.3	6.2	111.5
Mar.	14.7	61.5	27.6	2.1	6.3	112.1
Apr.	14.7	62.2	29.6	2.1	6.2	114.7
May	14.2	62.3	28.0	2.1	6.1	112.7
June^p	14.1	63.4	28.1	2.0	6.3	113.9

[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, 1972	June 30, 1973	Dec. 31, 1973	Apr. 24, 1974
All commercial	559	538	507	....
Insured	554	533	503	478
National member	311	304	288	282
State member	71	71	64	64
All member	381	375	352	346

Class of bank	Dec. 31, 1972	June 30, 1973	Dec. 31, 1973	Apr. 24, 1974
All member—Cont.				
Other large banks [1]	69	63	58	62
All other member [1]	313	312	294	284
All nonmember	177	163	155	....
Insured	172	158	152	131
Noninsured	5	5	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 pp. A-16; from the figures for weekly reporting banks as shown on pp. A-20-A-24 (consumer instalment loans); and from the figures in the table at the bottom of p. A-15. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-16–A-19.

LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To own subsidiaries, foreign branches, holding companies, and other affiliates			To all others except banks		
	Total	By type of loan		Total	By type of loan	
		Commercial and industrial	All other		Commercial and industrial	All other
1974—Apr. 3	5,114	2,893	2,221	1,440	358	1,082
10	5,063	2,911	2,152	1,443	356	1,087
17	5,043	2,874	2,169	1,448	360	1,088
24	5,386	3,080	2,306	1,482	393	1,089
May 1	5,399	3,020	2,379	1,471	379	1,092
8	5,536	3,069	2,467	1,475	375	1,100
15	5,442	3,039	2,403	1,457	358	1,099
22	5,567	3,084	2,483	1,455	357	1,098
29	5,653	3,112	2,541	1,442	359	1,083
June 5	5,648	2,986	2,662	1,469	384	1,085
12	5,493	2,999	2,494	1,446	374	1,072
19	5,380	2,888	2,492	1,450	391	1,059
26r	5,372	2,943	2,429	1,429	382	1,047
July 3	5,460	2,947	2,513	1,479	439	1,040
10	5,491	2,949	2,542	1,436	396	1,040
17	5,501	2,973	2,528	1,420	381	1,039
24	5,572	3,050	2,522	1,428	389	1,039
31	5,411	2,905	2,506	1,450	413	1,037

NOTE.—Amounts sold under repurchase agreement are excluded. Figures include small amounts sold by banks other than large weekly reporting banks.

COMMERCIAL AND FINANCE COMPANY PAPER AND BANKERS ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial and finance company paper					Dollar acceptances									
	Total	Placed through dealers		Placed directly		Total	Held by—						Based on—		
							Accepting banks			F.R. Banks		Others			
		Bank related	Other[1]	Bank related	Other[2]		Total	Own bills	Bills bought	Own acct.	Foreign corr.		Imports into United States	Exports from United States	All other
1965	9,300	....	1,903	....	7,397	3,392	1,223	1,094	129	187	144	1,837	792	974	1,626
1966	13,645	....	3,089	....	10,556	3,603	1,198	983	215	193	191	2,022	997	829	1,778
1967	17,085	....	4,901	....	12,184	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241
1968	21,173	....	7,201	....	13,972	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053
1969	32,600	1,216	10,601	3,078	17,705	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408
1970	33,071	409	12,262	1,940	18,460	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895
1971	32,126	495	10,923	1,478	19,230	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509
1972	34,721	930	11,242	1,707	20,842	6,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458
1973—June	35,786	1,173	8,316	3,110	23,187	7,237	2,185	1,746	439	66	395	4,591	2,053	2,755	2,428
July	35,463	1,207	7,954	3,307	22,995	7,693	2,254	1,803	452	132	496	4,810	2,222	2,954	2,517
Aug.	37,149	1,350	7,676	3,758	24,365	7,734	1,968	1,598	370	84	522	5,159	2,268	2,945	2,520
Sept.	37,641	1,353	8,845	3,878	23,565	8,170	2,099	1,629	470	145	548	5,379	2,296	3,289	2,585
Oct.	41,602	1,319	11,727	3,549	25,007	8,237	2,042	1,731	311	107	589	5,499	2,345	3,222	2,670
Nov.	42,945	1,317	12,824	3,655	25,149	8,493	2,566	2,129	437	71	604	5,252	2,320	3,340	2,833
Dec.	41,073	1,311	11,751	3,570	24,441	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120
1974—Jan.	45,491	1,429	13,990	4,072	26,000	9,101	2,706	2,251	454	68	589	5,738	2,334	3,492	3,275
Feb.	47,164	1,449	15,897	4,080	25,738	9,364	2,854	2,328	525	69	592	5,850	2,434	3,182	3,748
Mar.	44,690	1,508	13,520	4,537	25,125	10,166	2,986	2,413	573	296	684	6,200	2,827	2,979	4,361
Apr.	44,677	1,664	13,327	5,170	24,516	10,692	3,232	2,744	488	216	700	6,544	2,900	2,833	4,959
May	46,171	1,807	13,631	5,277	25,456	11,727	3,089	2,642	447	373	732	7,532	2,952	2,899	5,876
June	44,846	1,635	13,249	5,317	24,645	13,174	3,535	3,066	469	304	795	8,540	3,287	3,219	6,668

[1] As reported by dealers; includes finance company paper as well as other commercial paper sold in the open market.
[2] As reported by finance companies that place their paper directly with investors.

NOTE.—Back data available from Financial Statistics Division, Federal Reserve Bank of New York.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate
1973—June 8	7½■
19	7½■–7¾
25	7¾■
July 2	7¾■–8
3	7¾–8■
9	8–8¼■
17	8¼■–8½
18	8¼–8½■
23	8½■
30	8½–8¾■
Aug. 6	8¾–9■
7	9■
13	9–9¼■
21	9¼■–9½
22	9½■
28	9½–9¾■
29	9¾■
Sept. 14	9¾■–10
18	10■
27	9¾–10■
Oct. 22	9½–9¾–10■
24	9½–9¾■–10

Effective date	Rate
1974—Jan. 7	9½–9¾■–9 9/10
14	9½–9¾■–9 8/10
29	9¼–9½■–9 7/10
Feb. 11	9–9¼■9 3/10
19	9■–9¼
25	8 7/10–8¾■–9
26	8 7/10–8¾■
Mar. 4	8½–8 7/10–8¾■
5	8½–8 6/10–8¾■
19	8¾■–8 8/10
21	8¾■–8 8/10–9
22	8 8/10–9■
26	9■
28	9■–9¼
29	9–9¼■–9½
Apr. 2	9¼■–9 4/10–9½
3	9¼–9 4/10–9½■
4	9 4/10–9½■–9¾
5	9 4/10–9½–9¾■
8	9¾■–9 8/10–10

Effective date	Rate
1974—Apr. 11	9¾–9 8/10–10■
15	10■–10 1/10–10¼
19	10–10 1/10–10¼■
23	10¼■–10 4/10
24	10¼■–10 4/10–10½
25	10¼–10 4/10–10½■
26	10 4/10–10½■–10¾–11
30	10½■–10 6/10–10¾–11
May 2	10½–10 5/10–10¾■–11
3	10 6/10–10¾■–11
6	10 6/10–10¾–11■
7	11■
10	11–11¼■
13	11¼■–11 4/10
17	11¼–11 4/10–11½■
20	11½■–11¾

Effective date	Rate
1974—June 3	11½■–11 6/10–11¾
7	11¼–11½■–11 6/10
10	11½■
21	11¼–11½■
24	11½■–11¾
25	11½■–11¾–11 8/10
26	11½–11¾■–11 8/10
28	11¾■–11 8/10
July 3	11¾■–11 8/10–12
5	11 8/10–12■
9	12■–12¼
23	10¾–12■–12¼

NOTE.—Beginning Nov. 1971, several banks adopted a floating prime rate keyed to money market variables. ■ denotes the predominate prime rate quoted by commercial banks to large businesses.

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	
	May 1974	Feb. 1974	May 1974	Feb. 1974	May 1974	Feb. 1974	May 1974	Feb. 1974	May 1974	Feb. 1974	May 1974	Feb. 1974
	Short-term											
35 centers	11.15	9.91	10.50	9.86	11.06	10.09	11.41	10.28	11.32	10.06	11.06	9.75
New York City	11.08	9.68	10.70	9.93	11.25	10.12	11.54	9.95	11.24	9.78	11.00	9.62
7 Other Northeast	11.65	10.28	11.31	10.42	11.69	10.46	12.01	10.71	11.94	10.48	11.40	9.99
8 North Central	11.09	9.98	9.59	9.18	10.80	9.98	11.36	10.42	11.37	10.14	11.00	9.82
7 Southeast	10.88	9.80	10.43	9.69	10.69	9.81	10.92	10.02	10.93	9.90	10.94	9.60
8 Southwest	10.82	9.93	10.32	9.90	10.67	9.98	10.97	10.04	10.84	9.99	10.78	9.82
4 West Coast	11.19	9.78	11.01	10.16	11.27	10.08	11.34	10.05	11.30	9.83	11.13	9.68
	Revolving credit											
35 centers	11.21	9.82	11.00	10.22	11.27	10.09	11.36	10.10	11.32	9.78	11.19	9.79
New York City	11.47	9.91	10.76	9.32	11.16	9.60	11.27	9.99	11.31	9.72	11.49	9.92
7 Other Northeast	11.35	10.20	11.36	9.82	11.52	10.27	11.36	10.32	11.02	9.65	11.38	10.25
8 North Central	11.06	10.00	11.63	11.14	11.37	10.27	11.35	10.17	11.19	10.03	11.00	9.97
7 Southeast	10.58	9.96	10.00	9.75	10.17	9.88	10.51	10.09	11.00	9.35	10.52	10.14
8 Southwest	11.84	10.34	11.73	10.58	11.28	9.97	11.79	10.32	12.12	10.43	11.79	10.35
4 West Coast	11.01	9.58	10.71	10.24	11.37	10.11	11.39	10.04	11.31	9.65	10.93	9.51
	Long-term											
35 centers	11.41	10.16	10.61	10.74	10.82	10.42	10.92	10.47	11.58	10.24	11.48	10.09
New York City	12.64	10.03	10.67	....	11.50	10.93	11.90	10.06	12.06	9.95	12.74	10.02
7 Other Northeast	11.27	10.48	10.81	10.93	11.03	10.07	11.01	10.19	11.76	10.58	11.26	10.58
8 North Central	11.14	10.48	9.49	10.51	10.13	9.69	11.10	10.45	11.66	10.10	11.13	10.57
7 Southeast	11.03	10.93	10.19	10.49	9.96	13.59	11.49	12.48	9.96	14.20	11.50	8.90
8 Southwest	10.83	9.90	11.51	10.88	11.32	10.23	10.64	10.56	11.36	9.63	10.65	9.79
4 West Coast	9.97	9.75	11.31	10.75	11.06	10.21	9.40	10.64	11.34	10.22	9.81	9.55

NOTE.—Beginning Feb. 1971 the Quarterly Survey of Interest Rates on Business Loans was revised. For description of revised series see pp. 468–77 of the June 1971 BULLETIN.

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[1]	Federal funds rate[3]	U.S. Government securities[4]: 3-month bills[5]: Rate on new issue	3-month bills[5]: Market yield	6-month bills[5]: Rate on new issue	6-month bills[5]: Market yield	9- to 12-month issues: 1-year bill (market yield)[5]	9- to 12-month issues: Other[6]	3- to 5-year issues[6]
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
1973—July	9.26	9.18	8.09	9.19	10.40	8.015	8.01	8.081	8.12	7.97	8.37	7.49
Aug.	10.26	10.21	8.90	10.18	10.50	8.672	8.67	8.700	8.65	8.32	8.82	7.75
Sept.	10.31	10.23	8.90	10.19	10.78	8.478	8.29	8.537	8.45	8.07	8.44	7.16
Oct.	9.14	8.92	7.84	9.07	10.01	7.155	7.22	7.259	7.32	7.17	7.42	6.81
Nov.	9.11	8.94	7.94	8.73	10.03	7.866	7.83	7.823	7.96	7.40	7.66	6.96
Dec.	9.28	9.08	8.16	8.94	9.95	7.364	7.45	7.444	7.56	7.01	7.38	6.80
1974—Jan.	8.86	8.66	7.92	8.72	9.65	7.755	7.77	7.627	7.65	7.01	7.46	6.94
Feb.	8.00	7.82	7.40	7.83	8.97	7.060	7.12	6.874	6.96	6.51	6.93	6.77
Mar.	8.64	8.42	7.76	8.43	9.35	7.986	7.96	7.829	7.83	7.34	7.86	7.33
Apr.	9.92	9.79	8.43	9.61	10.51	8.229	8.33	8.171	8.32	8.08	8.66	7.99
May	10.82	10.62	8.94	10.68	11.31	8.430	8.23	8.496	8.40	8.21	8.78	8.24
June	11.18	10.96	9.00	10.79	11.93	8.145	7.90	8.232	8.12	8.16	8.71	8.14
July	11.93	11.72	9.00	11.88	12.92	7.752	7.55	8.028	7.94	8.04	8.89	8.39
Week ending—												
1974—Apr. 6	9.53	9.38	8.25	9.30	9.93	8.358	8.51	8.211	8.31	7.95	8.48	7.91
13	9.70	9.60	8.40	9.50	10.02	8.648	8.49	8.393	8.34	8.05	8.55	7.98
20	9.88	9.73	8.50	9.50	10.36	8.051	8.05	8.084	8.18	8.05	8.61	7.94
27	10.23	10.13	8.50	9.85	10.78	7.857	8.10	7.995	8.27	8.14	8.82	8.04
May 4	10.85	10.73	8.70	10.35	11.17	8.909	8.81	8.796	8.73	8.45	9.10	8.29
11	11.00	10.83	8.90	10.70	11.29	9.036	8.60	9.006	8.71	8.46	9.21	8.51
18	11.00	10.80	9.00	10.75	11.46	8.023	8.00	8.031	8.12	8.11	8.79	8.20
25	10.63	10.38	9.00	10.75	10.95	8.197	7.90	8.440	8.28	7.99	8.39	8.09
June 1	10.56	10.31	9.00	10.75	11.54	7.983	8.04	8.205	8.26	8.06	8.46	8.07
8	10.78	10.53	9.00	10.75	11.45	8.300	8.05	8.426	8.16	8.15	8.61	8.06
15	10.98	10.75	9.00	10.75	11.60	8.260	8.23	8.324	8.32	8.14	8.68	8.06
22	11.33	11.10	9.00	10.75	11.85	8.177	7.88	8.175	8.04	8.10	8.66	8.09
29	11.65	11.48	9.00	10.90	11.97	7.841	7.45	8.003	7.96	8.24	8.88	8.33
July 6	12.00	11.81	9.00	11.31	13.55	7.808	7.53	8.055	8.15	8.38	9.09	8.47
13	12.18	11.95	9.00	12.00	13.34	7.892	7.45	8.480	8.05	8.13	9.09	8.60
20	12.15	11.95	9.00	12.00	13.04	7.702	7.72	7.876	7.83	7.80	8.67	8.35
27	11.73	11.50	9.00	12.00	12.60	7.604	7.43	7.700	7.64	7.81	8.62	8.08
Aug. 3	11.43	11.23	9.00	12.00	12.29	7.698	7.84	8.055	8.38	8.38	9.19	8.55

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 Seven-day averages for week ending Wednesday. Beginning with statement week ending July 25, 1973, weekly averages are based on the daily average of the range of rates on a given day weighted by the volume of transactions at these rates. For earlier statement weeks, the averages were based on the daily effective rate—the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

4 Except for new bill issues, yields are averages computed from daily closing bid prices.

5 Bills quoted on bank-discount-rate basis.

6 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: United States (long-term)	Government bonds: State and local: Total[1]	Government bonds: State and local: Aaa	Government bonds: State and local: Baa	Corporate bonds: Aaa utility: New issue	Corporate bonds: Aaa utility: Recently offered	Corporate bonds: Total[1] (Seasoned issues)	Corporate bonds: By selected rating: Aaa (Seasoned issues)	Corporate bonds: By selected rating: Baa (Seasoned issues)	Corporate bonds: By group: Industrial (Seasoned issues)	Corporate bonds: By group: Railroad (Seasoned issues)	Corporate bonds: By group: Public utility (Seasoned issues)	Stocks: Dividend/price ratio: Preferred	Stocks: Dividend/price ratio: Common	Stocks: Earnings/price ratio: 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
1973—July	6.53	5.44	5.21	5.71	8.01	7.97	7.80	7.45	8.24	7.59	8.17	7.81	7.35	3.04	....
Aug	6.81	5.51	5.26	5.80	8.36	8.22	8.04	7.68	8.53	7.91	8.32	8.06	7.43	3.16	....
Sept	6.42	5.13	4.90	5.41	7.88	7.99	8.06	7.63	8.63	7.89	8.37	8.09	7.38	3.13	7.09
Oct	6.26	5.03	4.76	5.31	7.90	7.94	7.96	7.60	8.41	7.76	8.24	8.04	7.18	3.05	....
Nov	6.31	5.21	5.03	5.46	7.90	7.94	8.02	7.67	8.42	7.81	8.28	8.11	7.40	3.36	....
Dec	6.35	5.14	4.90	5.43	8.00	8.04	8.05	7.68	8.48	7.84	8.28	8.17	7.76	3.70	8.37
1974—Jan	6.56	5.23	5.03	5.49	8.21	r8.21	8.15	7.83	8.58	7.97	8.34	8.27	7.60	3.64	....
Feb	6.54	5.25	5.05	5.49	8.12	8.23	8.17	7.85	8.59	8.01	8.27	8.33	7.47	3.81	....
Mar	6.81	5.44	5.20	5.71	8.46	8.44	8.27	8.01	8.65	8.12	8.35	8.44	7.56	3.65	8.95
Apr	7.04	5.76	5.45	6.06	r8.99	r8.95	8.50	8.25	8.88	8.39	8.51	8.68	7.83	3.86	....
May	7.07	6.09	5.89	6.30	9.24	9.13	8.68	8.37	9.10	8.55	8.73	8.86	8.11	4.00	....
June	7.03	6.17	5.95	6.41	9.38	9.40	8.85	8.47	9.34	8.69	8.89	9.08	8.25	4.02	....
July	7.18	6.70	6.34	7.10	10.20	10.04	9.10	8.72	9.55	8.95	9.08	9.35	8.40	4.42	....
Week ending—															
June 1	7.06	6.09	5.95	6.30	9.09	9.15	8.75	8.39	9.23	8.60	8.81	8.95	8.20	4.13	....
8	7.04	6.03	5.90	6.25	9.23	9.14	8.78	8.40	9.26	8.61	8.85	9.00	8.25	3.98	....
15	6.99	6.11	5.95	6.30	9.28	9.18	8.81	8.40	9.29	8.64	8.88	9.02	8.19	3.91	....
22	7.01	6.18	5.96	6.39	9.49	9.45	8.87	8.49	9.36	8.72	8.90	9.10	8.24	4.06	....
29	7.07	6.35	6.00	6.70	9.50	r9.82	8.94	8.57	9.44	8.80	8.93	9.19	8.32	4.14	....
July 6	7.12	6.61	6.20	7.00	....	9.79	8.99	8.62	9.47	8.85	8.95	9.25	8.22	4.30	....
13	7.23	6.90	6.50	7.25	10.25	10.16	9.04	8.66	9.49	8.90	9.01	9.30	8.29	4.54	....
20	7.24	6.80	6.50	7.15	10.10	10.02	9.10	8.71	9.55	8.95	9.09	9.36	8.43	4.35	....
27	7.12	6.48	6.15	7.00	....	10.09	9.16	8.77	9.61	9.02	9.16	9.40	8.52	4.29	....
Aug. 3	7.24	6.69	6.40	7.05	10.30	10.28	9.23	8.86	9.67	9.07	9.23	9.48	8.55	4.61	....
Number of issues[2]	13	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 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 Investor Service. (3) *Corporate*: Rates for "New issue" and "Recently offered" Aaa utility bonds are weekly averages compiled by the Board of Governors of the Federal Reserve System. Rates for seasoned issues are 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 are as of end of period. Preferred stock ratio is based on eight median yields for a sample of noncallable 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 monthly 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-30 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*, normally conducted 5 days per week for 5½ hours per day, or 27½ hours per week. In recent years shorter days and/or weeks have cut total weekly trading to the following number of hours:

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 (see Dec. 1970 BULLETIN). 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	17,429	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
1973—July	60.87	83.2	63.8	105.83	118.65	35.22	53.31	56.12	61.53	34.22	37.68	68.95	97.67	14,655	2,522
Aug.	58.71	82.2	61.0	103.80	116.75	33.76	50.14	55.33	61.09	33.48	35.40	68.26	99.23	14,761	1,796
Sept.	61.81	86.2	61.3	105.61	118.52	35.49	52.31	56.71	62.25	35.82	36.79	72.23	101.88	17,320	2,055
Oct.	63.13	86.9	62.1	109.84	123.42	38.24	53.22	59.26	65.29	39.03	37.47	74.98	107.97	18,387	3,388
Nov.	62.71	85.6	62.1	102.03	114.64	39.74	48.30	54.59	60.15	36.31	34.73	67.85	99.91	19,044	3,693
Dec.	62.37	86.1	62.9	94.78	106.16	41.48	45.73	50.39	55.12	34.69	33.47	62.49	88.39	19,227	3,553
1974—Jan.	60.66	85.2	62.3	96.11	107.18	44.37	48.60	51.39	55.77	36.85	35.89	64.80	95.32	16,506	2,757
Feb.	60.83	85.3	62.0	93.45	104.13	41.85	48.13	50.01	54.02	36.26	35.27	62.81	95.11	13,517	2,079
Mar.	58.70	83.5	61.3	97.44	108.98	42.57	47.90	52.15	56.80	38.39	35.22	64.47	99.10	14,745	2,123
Apr.	57.01	80.2	60.3	92.46	103.66	40.26	44.03	49.21	53.95	35.87	32.59	58.72	93.57	12,109	1,752
May	56.81	77.3	59.7	89.67	101.17	37.04	39.35	47.35	52.53	33.62	30.25	52.85	84.71	12,512	1,725
June	57.11	73.2	59.5	89.79	101.62	37.31	37.46	47.14	52.63	33.76	29.20	51.20	82.88	12,268	1,561
July	55.97	71.9	58.5	82.82	93.54	35.63	35.37	43.27	48.35	31.01	27.50	44.23	77.92	12,459	1,610
Week ending															
1974—July 6	56.42	73.3	59.1	84.56	95.62	35.49	35.68	44.06	49.36	31.24	27.90	44.24	77.65	11,141	1,262
13	55.66	69.7	58.6	81.12	90.93	34.29	34.65	42.26	47.29	29.87	26.94	42.28	75.36	15,398	2,259
20	55.57	71.0	58.2	83.52	94.43	35.65	35.19	43.65	48.81	31.29	27.48	45.16	78.16	11,971	1,449
27	56.43	74.4	58.4	83.97	94.77	36.79	36.12	43.99	49.08	31.91	27.92	45.93	80.19	11,760	1,352
Aug. 3	55.59	71.3	58.1	79.62	89.68	36.05	35.10	41.71	46.41	30.56	27.13	42.79	77.79	11,092	1,291

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		Nonmargin stock credit at banks		
	Total	Brokers	Banks	Brokers	Banks	Brokers	Banks	Brokers	Banks		Margin accts.	Cash accts.
1973—June	7,369	6,416	953	6,180	885	215	53	21	15	1,973	396	1,472
July	7,299	6,243	1,056	6,010	976	216	64	17	16	1,957	379	1,542
Aug.	7,081	6,056	1,025	5,830	949	210	61	16	15	1,952	348	1,462
Sept.	6,954	5,949	1,005	5,730	929	204	60	15	16	1,909	379	1,632
Oct.	7,093	5,912	1,181	5,690	1,105	203	59	19	17	1,878	419	1,713
Nov.	6,774	5,671	1,003	5,460	1,027	197	60	14	16	1,917	464	1,685
Dec.	6,382	5,251	1,131	5,050	1,070	189	46	12	15	1,866	454	1,700
1974—Jan.	6,343	5,323	1,020	5,130	961	182	45	11	14	1,845	445	1,666
Feb.	6,462	5,423	1,039	5,230	977	183	46	10	16	1,843	420	1,604
Mar.	6,566	r5,558	1,008	5,330	944	180	48	9	16	1,869	424	1,583
Apr.	6,377	r5,368	1,009	5,370	952	179	44	9	13	1,868	415	1,440
May	6,381	r5,361	1,020	5,180	963	172	44	9	13	1,858	395	1,420
June	......	5,260	......	5,080	......	172	......	8	......	....	395	1,360

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
1973—June.	6,180	4.9	7.1	13.2	17.5	22.1	35.3
July..	6,010	5.8	8.8	17.7	22.7	25.3	19.7
Aug..	5,830	5.0	8.4	16.4	19.6	24.2	26.4
Sept..	5,730	5.0	13.9	18.9	23.9	23.5	16.8
Oct. .	5,690	7.2	10.0	19.9	22.6	22.1	18.2
Nov..	5,460	5.4	6.1	12.0	16.9	19.5	40.1
Dec..	5,050	5.8	7.7	14.4	17.4	20.3	34.2
1974—Jan...	5,130	5.5	8.0	14.2	22.6	25.8	24.0
Feb...	5,230	5.4	7.4	13.3	22.6	28.0	23.3
Mar..	5,330	5.0	7.0	11.4	19.4	30.2	27.1
Apr..	5,370	4.4	6.0	9.9	16.5	26.5	37.0
May.	5,180	4.2	5.1	8.5	13.7	23.3	45.3
June.	5,080	4.0	5.0	7.7	12.6	21.8	49.1

[1] Note 1 appears at the bottom of p. A-30.

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)
1973—June	35.8	43.5	20.7	5,750
July	35.9	46.7	17.4	5,740
Aug.	35.9	45.6	18.5	5,650
Sept.	37.4	53.1	9.4	5,740
Oct.	38.5	46.7	14.8	5,860
Nov.	37.5	42.2	20.3	5,882
Dec.	39.4	40.0	20.6	5,935
1974—Jan.	38.3	42.7	18.0	6,596
Feb.	39.4	43.3	24.9	6,740
Mar.	40.0	41.2	18.9	6,784
Apr.	39.6	42.3	19.4	6,526
May	37.8	40.0	22.2	6,544
June	40.3	37.4	22.4	6,538

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 classified by maturity (in months): 3 or less	3–6	6–9	Over 9	Total
1970	57,775	2,255	3,151	197	12,876	1,270	1,471	78,995	71,580	1,690	5,726	619	322	302	688	1,931
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—May...	69,988	4,099	3,376	1,076	22,615	1,629	2,116	104,899	94,744	2,904	7,251	1,792	913	712	1,406	4,824
June...	70,637	3,959	3,346	1,125	22,562	1,775	2,273	105,677	95,706	2,650	7,321	1,711	1,020	573	1,378	4,683
July...	71,219	3,819	3,190	1,093	22,683	1,555	2,202	105,761	95,355	3,044	7,362	1,626	906	636	1,367	4,535
Aug....	71,713	3,986	3,037	999	22,277	1,551	2,227	105,789	94,882	3,496	7,411	1,302	840	718	1,315	4,174
Sept...	72,034	4,200	2,945	957	21,799	1,491	2,345	105,771	95,183	3,134	7,453	1,411	762	589	1,197	3,959
Oct....	72,367	4,181	3,007	939	21,276	1,501	2,285	105,557	94,944	3,139	7,474	1,318	771	510	1,096	3,695
Nov....	72,760	4,424	2,948	925	21,150	1,519	2,264	105,991	95,259	3,201	7,530	1,272	685	479	1,079	3,515
Dec....	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—Jan....	73,440	4,161	2,925	936	21,623	1,686	2,312	107,083	96,792	2,665	7,626	1,171	587	439	998	3,196
Feb....	73,647	4,584	2,846	942	21,923	1,618	2,316	107,877	97,276	2,919	7,681	1,232	562	407	952	3,153
Mar...	73,957	4,825	2,851	934	22,302	1,634	2,373	108,876	98,557	2,595	7,724	1,302	525	413	929	3,168
Apr....	74,181	4,425	2,852	951	22,366	1,601	2,347	108,722	98,035	2,943	7,744	1,214	584	401	994	3,193
May...	74,011	4,388	2,750	893	22,241	1,656	2,355	108,295	97,391	3,173	7,731	1,129	608	400	1,014	3,151

[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 beginning with Aug. 1967.

[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 Banks 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: Total	Government securities: United States	Government securities: State and local	Government securities: Foreign [1]	Business securities: Total	Business securities: Bonds	Business securities: Stocks	Mort-gages	Real estate	Policy loans	Other assets
1970	207,254	11,068	4,574	3,306	3,188	88,518	73,098	15,420	74,375	6,320	16,064	10,909
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—May[r]	243,411	11,340	4,462	3,344	3,534	115,842	90,333	25,509	77,446	7,532	18,556	12,695
June	244,531	11,359	4,468	3,373	3,518	116,153	90,484	25,669	77,914	7,548	18,673	12,884
July	247,082	11,427	4,480	3,427	3,520	118,061	91,144	26,917	78,243	7,577	18,841	12,933
Aug.	247,655	11,416	4,462	3,433	3,521	117,842	91,342	26,500	78,657	7,632	19,181	12,927
Sept.	250,203	11,404	4,424	3,439	3,541	119,200	91,480	27,720	79,040	7,677	19,511	13,371
Oct.	251,590	11,402	4,423	3,438	3,541	119,714	91,707	28,007	79,516	7,765	19,768	13,425
Nov.	251,055	11,462	4,471	3,444	3,547	118,016	91,847	26,169	80,191	7,838	19,926	13,622
Dec.	252,071	11,376	4,382	3,449	3,545	117,733	91,452	26,281	81,180	7,769	20,076	13,937
1974—Jan.	253,531	11,465	4,410	3,463	3,592	119,079	93,082	25,997	81,490	7,816	20,242	13,439
Feb.	254,739	11,535	4,429	3,518	3,588	119,715	93,672	26,043	81,745	7,825	20,382	13,537
Mar.	255,847	11,766	4,595	3,511	3,660	119,936	94,037	25,899	81,971	7,831	20,538	13,805
Apr.	256,583	11,594	4,317	3,526	3,751	120,466	95,010	25,456	82,469	7,795	20,830	13,429
May	257,518	11,606	4,318	3,538	3,750	120,642	95,721	24,921	82,750	7,840	21,067	13,613

[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: Mort-gages	Assets: Invest-ment secur-ities [1]	Assets: Cash	Assets: Other	Total assets—Total liabilities	Liabilities: Savings capital	Liabilities: Net worth [2]	Liabilities: Bor-rowed money [3]	Liabilities: Loans in process	Liabilities: Other	Mortgage loan com-mitments outstanding at end of period [4]
1970	150,331	13,020	3,506	9,326	176,183	146,404	12,401	10,911	3,078	3,389	4,452
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]	232,104	21,027		19,227	272,358	227,254	17,108	17,100	4,676	6,220	9,532
1973—June	222,580	23,220		17,920	263,720	221,624	16,225	12,698	6,754	6,419	14,705
July	225,265	22,628		18,296	266,189	221,399	16,550	14,226	6,686	7,328	13,710
Aug.	227,778	21,001		18,704	267,483	220,243	16,896	15,634	6,449	8,261	12,249
Sept.	229,182	20,025		19,008	268,215	222,086	16,782	16,255	6,064	7,028	10,799
Oct.	230,195	20,618		19,295	270,108	223,033	17,041	16,435	5,535	8,064	9,909
Nov.	231,089	21,220		19,449	271,758	224,304	17,330	16,312	5,011	8,801	9,717
Dec.	232,104	21,027		19,227	272,358	227,254	17,108	17,100	4,676	6,220	9,532
1974—Jan.	232,980	22,378		19,502	274,860	229,435	17,333	16,663	4,380	7,049	9,788
Feb.	234,426	23,327		19,901	277,654	231,264	17,623	16,431	4,304	8,032	10,740
Mar.	236,514	23,970		20,429	280,913	235,436	17,488	16,652	4,492	6,845	12,018
Apr.	239,027	23,520		20,902	283,449	235,218	17,763	18,087	4,807	7,574	12,933
May	241,650	23,680		21,538	286,868	235,731	18,074	19,282	5,050	8,731	12,493
June[p]	243,825	22,963		21,740	288,528	238,452	17,892	20,285	5,046	6,853	11,708

[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 preceding 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 Government-insured morgtage-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: Receipts	U.S. budget: Outlays	U.S. budget: Surplus or deficit (−)	Means of financing — Borrowings from the public[1]: Public debt securities	Agency securities	Less: Investments by Govt. accounts: Special issues	Less: Investments by Govt. accounts: Other	Less: Special notes[2]	Equals: Total	Less: Cash and monetary assets: Treasury operating balance	Less: Cash and monetary assets: Other	Other means of financing, net[3]
Fiscal year:												
1971	188,392	211,425	23,033	27,211	−347	r6,461	r956	......	19,448	710	r−710	r3,587
1972	208,649	231,876	−23,227	29,131	−1,269	6,813	1,607	......	19,442	1,362	1,108	r6,003
1973	232,225	246,526	−14,301	30,881	216	r12,141	r319	......	19,275	2,459	−1,613	r4,129
1974p	264,847	268,343	−3,495	16,918	912	13,703	1,110	......	3,017	3,417	534	−2,405
Half year:												
1972—July–Dec.	106,062	118,579	12,517	22,038	876	6,351	823	......	17,386	956	−1,520	−5,434
1973—Jan.–June	r126,163	r127,947	r1,784	r8,843	660	5,790	r504	......	1,889	1,503	r93	r1,305
July–Dec.	124,253	130,360	−6,107	11,756	477	5,396	824	......	6,013	−2,202	−191	−2,299
1974—Jan.–Junep	140,594	137,983	2,612	5,162	435	8,307	286	......	2,996	1,215	725	106
Month:												
1973—Juner	r28,535	r21,069	r7,467	803	68	3,411	−171	......	2,369	4,344	r4,741	r5,195
July	18,121	22,607	−4,486	862	9	1,258	325	......	713	5,398	544	743
Aug.	21,291	22,139	−847	2,842	301	3,137	568	......	563	−4,105	151	−2,544
Sept.	25,007	20,736	4,271	−406	40	−756	−173	......	564	5,207	346	718
Oct.	17,637	23,092	−5,455	1,037	29	−306	−22	......	1,395	−2,588	−43	1,431
Nov.	20,208	22,099	−1,891	1,561	273	−3,510	3,141	......	2,202	−1,010	−48	−1,368
Dec.	21,987	19,686	2,302	5,861	−174	5,574	−3,016	......	3,128	5,693	−54	209
1974—Jan.	23,476	23,671	−195	−1,714	12	−984	55	......	−773	168	544	1,681
Feb.	20,226	21,030	804	2,503	17	2,478	169	......	162	2,877	−84	−1,995
Mar.	16,818	22,905	−6,086	3,813	394	−164	61	......	4,309	690	191	2,657
Apr.	29,657	22,273	7,384	−2,597	37	115	57	......	−2,502	3,125	1,319	438
May	19,243	23,981	−4,739	2,773	28	2,936	200	......	8	−5,032	1,120	1,423
Junep	31,174	24,123	7,052	385	37	4,156	143	......	3,877	2,711	125	−588

End of period	Selected balances — Treasury operating balance: F.R. Banks	Tax and loan accounts	Other depositaries[4]	Total	Borrowing from the public: Public debt securities	Agency securities	Less: Investments of Govt. accounts: Special issues	Less: Investments of Govt. accounts: Other	Less: Special notes[2]	Equals: Total	Memo: Debt of Govt.-sponsored corps.—Now private[5]
Fiscal year:											
1971	1,274	7,372	109	8,755	398,130	12,163	r82,784	r22,356	825	304,328	r37,086
1972	2,344	7,934	139	10,117	427,260	10,894	r89,598	r23,961	825	323,770	r41,814
1973	4,038	8,433	106	12,576	458,142	11,109	101,738	24,093	825	343,045	51,325
1974p	2,919	6,152	88	9,159	475,060	12,021	115,442	24,752	825	346,062	....
Calendar year:											
1972	1,856	8,907	310	11,073	449,298	11,770	r95,948	r23,140	825	341,155	43,459
1973	2,543	7,760	70	10,374	469,898	11,586	107,135	24,467	825	349,058	59,857
Month:											
1973—June	4,038	8,433	106	12,576	458,142	11,109	101,738	24,093	825	343,045	51,325
July	2,867	4,203	108	7,178	459,003	11,118	102,996	23,968	825	342,332	52,780
Aug.	847	2,217	8	3,072	461,845	11,419	106,133	24,536	825	341,769	54,409
Sept.	1,626	6,582	71	8,279	461,439	11,459	105,378	24,362	825	342,333	56,691
Oct.	1,839	3,781	71	5,691	462,476	11,488	105,071	24,241	825	343,727	59,330
Nov.	1,945	2,666	70	4,681	464,037	11,760	101,561	27,482	825	345,930	59,317
Dec.	2,543	7,760	70	10,374	469,898	11,586	107,135	24,467	825	349,058	59,857
1974—Jan.	2,844	7,628	69	10,542	468,184	11,598	106,151	24,521	825	348,285	59,566
Feb.	2,017	5,579	69	7,665	470,687	11,581	108,629	24,691	825	348,123	59,282
Mar.	1,372	6,915	69	8,356	474,500	11,975	108,465	24,752	825	352,433	59,897
Apr.	2,814	8,576	89	11,480	471,903	12,012	108,350	24,809	825	349,931	61,151
May	3,134	3,226	88	6,448	474,675	11,984	111,286	24,609	825	349,939	62,650
Junep	2,919	6,152	88	9,159	475,060	12,021	115,442	24,752	825	346,062	....

1 The decrease in Federal securities resulting from conversion to private ownership of Govt.-sponsored corporations (totaling $9,853 million) is not included here. In the bottom panel, however, these conversions decrease the outstanding amounts of Federal securities held by the public mainly by reductions in agency securities. The Federal National Mortgage Association (FNMA) was converted to private owership in Sept. 1968 and the Federal intermediate credit banks (FICB) and banks for cooperatives in Dec. 1968.

2 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.

3 Includes accrued interest payable on public debt securities, deposit funds, miscellaneous liability and asset accounts, and seigniorage.

4 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).

5 Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), and FICB and banks for cooperatives (both beginning Dec. 1968).

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	Budget receipts: Total	Individual income taxes: Withheld	Individual income taxes: Pres. Election Campaign Fund[1]	Individual income taxes: Nonwithheld	Individual income taxes: Refunds	Individual income taxes: Net total	Corporation income taxes: Gross receipts	Corporation income taxes: Refunds	Social insurance taxes and contributions: Employment taxes and contributions[2]: Payroll taxes	Social insurance taxes and contributions: Employment taxes and contributions[2]: Self-empl.	Social insurance taxes and contributions: Unempl. insur.	Social insurance taxes and contributions: Other net receipts[3]	Social insurance taxes and contributions: Net total	Excise taxes	Customs	Estate and gift	Misc. receipts[4]
Fiscal year:																	
1971	188,392	76,490	......	24,262	14,522	86,230	30,320	3,535	39,751	1,948	3,673	3,206	48,578	16,614	2,591	3,735	3,858
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 r	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 p	264,847	111,857	27	30,819	23,957	118,750	41,789	3,125	62,886	3,008	6,907	4,049	76,849	16,885	3,334	5,009	5,355
Half year:																	
1972—July–Dec.	106,062	46,056	......	5,784	688	51,152	15,315	1,459	22,493	165	2,437	1,773	26,867	8,244	1,551	2,333	2,059
1973—Jan.–June r	126,164	52,037	2	21,233	21,179	52,094	23,730	1,434	30,013	2,206	3,616	1,841	37,657	8,016	1,637	2,584	1,861
July–Dec.	124,253	52,961	......	6,207	999	58,170	16,589	1,494	29,965	201	2,974	1,967	35,109	8,966	1,633	2,514	2,768
1974—Jan.–June p	140,495	58,896	27	24,611	22,954	60,580	25,200	1,630	32,919	2,808	2,932	2,082	41,741	7,920	1,701	2,495	2,587
Month:																	
1973—June r	r28,536	9,168	......	3,735	597	12,306	8,983	188	4,548	145	95	293	5,081	1,386	273	335	r359
July	18,121	8,487	......	681	354	8,814	1,552	202	4,608	......	382	346	5,336	1,538	276	398	409
Aug.	21,291	9,085	......	451	257	9,279	904	209	7,087	......	1,357	333	8,778	1,434	303	494	308
Sept.	25,007	7,940	......	3,903	135	11,707	5,477	230	4,812	177	103	317	5,409	1,436	238	373	597
Oct.	17,637	8,752	......	550	71	9,230	1,515	462	4,119	24	217	351	4,712	1,459	291	454	437
Nov.	20,209	9,811	......	261	66	10,006	939	287	5,578	......	825	321	6,724	1,563	301	462	501
Dec.	21,987	8,887	......	362	115	9,134	6,201	105	3,760	......	89	299	4,149	1,536	224	333	515
1974—Jan.	23,476	9,296	......	5,076	45	14,327	1,722	160	4,439	170	244	378	5,232	1,263	304	455	334
Feb.	20,226	9,505	3	945	1,851	8,601	1,066	248	7,080	214	761	346	8,400	1,315	239	423	429
Mar.	16,818	9,662	2	2,186	8,631	3,219	5,887	338	5,059	228	96	338	5,721	1,211	277	465	377
Apr.	29,657	9,946	13	11,118	6,313	14,764	5,893	430	4,390	1,603	552	351	6,896	1,275	286	371	602
May	19,243	10,083	5	1,204	5,651	5,641	1,318	218	7,196	311	2,190	339	10,036	1,391	295	437	343
June p	31,174	10,404	4	4,084	462	14,029	9,313	236	4,757	281	88	329	5,455	1,464	301	344	503

Period	Budget outlays: Total	National defense	Intl. affairs	Space research	Agriculture	Natural resources	Commerce and transp.	Commun. develop. and housing	Education and manpower	Health and welfare	Veterans	Interest	General govt.	General revenue sharing	Intragovt. transactions[5]
Fiscal year:															
1972	231,876	78,336	3,786	3,422	7,061	3,759	11,197	4,216	10,198	r81,538	10,747	20,584	4,889	......	−7,858
1973	246,526	r76,023	3,132	3,311	6,051	r559	r12,505	4,162	r10,822	r91,343	12,004	r22,836	r5,519	76,636	r−8,379
1974 p	268,343	78,793	4,175	3,228	5,183	990	12,549	5,129	10,575	105,577	13,370	28,101	6,485	6,106	−9,938
1975[6]	304,445	87,729	4,103	3,272	2,729	3,128	13,400	5,667	11,537	126,353	13,612	29,122	6,774	6,174	−10,717
Half year:															
1972—July–Dec.	118,578	r35,329	1,639	1,676	4,616	330	6,199	2,637	5,133	r43,213	5,740	10,619	2,869	2,617	−4,039
1973—Jan.–June	r127,117	r40,694	r1,493	1,635	1,435	r229	r6,306	1,525	r5,749	r48,130	6,264	12,217	2,650	4,019	4,340
July–Dec.	130,360	37,331	1,617	1,501	3,472	763	7,387	3,215	4,772	48,978	6,518	13,440	3,088	3,032	−4,753
1974—Jan.–June p	137,983	41,462	2,558	1,727	1,711	−1,753	5,162	1,914	5,803	56,599	6,852	14,661	3,397	3,074	−5,185
Month:															
1973—June r	r21,069	r8,012	r485	301	−126	118	r1,670	309	1,336	r8,255	866	r2,003	r451	r1	r2,614
July	22,607	4,878	308	278	2,011	942	2,104	911	777	7,792	1,099	2,184	563	1,495	850
Aug.	22,139	6,772	327	262	440	573	1,090	779	954	7,935	1,054	2,159	466	−3	670
Sept.	20,736	6,095	205	246	35	422	957	712	661	8,302	970	2,392	643	16	−849
Oct.	23,092	6,607	282	248	503	416	1,260	561	955	8,040	1,058	2,135	479	1,494	−850
Nov.	22,099	6,900	276	246	782	424	912	36	805	8,373	1,194	2,401	438	29	−717
Dec.	19,686	6,079	219	221	−228	130	1,064	316	619	8,534	1,143	2,169	498	......	−816
1974—Jan.	23,671	6,793	351	251	756	−544	886	331	983	9,067	1,204	2,353	636	1,532	−929
Feb.	21,030	6,509	224	231	138	58	363	198	932	8,979	1,088	2,466	520	1	−677
Mar.	22,904	6,686	345	252	205	759	746	263	1,036	9,310	1,194	2,508	499	......	−898
Apr.	22,273	6,751	336	293	89	−1,618	740	373	925	9,505	1,165	2,455	586	1,540	−867
May	23,981	7,243	312	278	313	428	875	352	662	10,087	1,180	2,516	498	1	−763
June p	24,123	7,468	1,050	423	210	836	1,562	397	1,263	9,655	1,020	2,314	648	......	1,052

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 Federal Reserve Banks and other miscellaneous receipts.

5 Consists of Government contributions for employee retirement and of interest received by trust funds.

6 Estimate presented in *Budget of the U.S. Government, Fiscal Year 1975*. Breakdown does not add to total because special allowances for contingencies, Federal pay increase (excluding Department of Defense), and acceleration of energy research and development, totaling $1,561 million, are not included.

7 Contains retroactive payments of $2,617 million for fiscal 1972.

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: Total	Marketable: Total	Marketable: Bills	Marketable: Certificates	Marketable: Notes	Marketable: Bonds [2]	Convertible bonds	Nonmarketable: Total [3]	Nonmarketable: Foreign issues [4]	Nonmarketable: Savings bonds & notes	Special issues [5]
1967—Dec.	344.7	284.0	226.5	69.9	....	61.4	95.2	2.6	54.9	3.1	51.7	57.2
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—July	459.0	354.2	262.7	99.9	....	117.8	45.0	2.3	89.2	28.2	60.2	103.0
Aug.	461.8	353.8	262.4	101.8	....	118.7	42.0	2.3	89.1	27.9	60.3	106.1
Sept.	461.4	354.1	262.4	99.8	....	120.7	41.9	2.3	89.5	28.2	60.3	105.4
Oct.	462.5	355.5	264.0	101.6	....	120.7	41.8	2.3	89.2	27.8	60.5	105.1
Nov.	464.0	360.5	270.2	107.7	....	124.6	37.8	2.3	88.0	26.1	60.8	101.6
Dec.	469.9	360.7	270.2	107.8	....	124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974—Jan.	468.2	360.1	270.1	107.8	....	124.6	37.7	2.3	87.7	25.3	61.0	106.2
Feb.	470.7	360.0	269.7	107.9	....	126.1	35.7	2.3	88.1	25.4	61.3	108.6
Mar.	474.5	364.2	273.6	111.9	....	126.1	35.6	2.3	88.3	25.2	61.6	108.5
Apr.	471.9	361.7	270.5	107.3	....	127.6	35.5	2.3	89.0	25.7	61.9	108.4
May	474.7	361.5	269.6	107.9	....	128.4	33.2	2.3	89.6	26.0	62.1	111.3
June	475.1	357.8	266.6	105.0	....	128.4	33.1	2.3	89.0	r25.0	62.4	115.4
July	475.3	358.8	268.8	107.3	....	128.4	33.0	2.3	86.8	24.4	62.7	115.5

1 Includes non-interest-bearing debt (of which $617 million on July 31, 1974, 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, and Rural Electrification Administration bonds.
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 Daily Statement of 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—: U.S. Govt. agencies and trust funds	Held by—: F.R. Banks	Held by private investors: Total	Commercial banks	Mutual savings banks	Insurance companies	Other corporations	State and local govts.	Individuals: Savings bonds	Individuals: Other securities	Foreign and international [1]	Other misc. investors [2]
1967—Dec.	344.7	73.1	49.1	222.4	63.8	4.2	9.0	12.2	24.1	51.2	22.3	15.8	19.9
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—June	458.1	123.4	75.0	259.7	58.8	3.3	6.3	9.8	28.8	59.5	16.4	60.2	16.6
July	459.0	125.0	77.1	256.9	56.5	3.1	6.4	10.3	28.4	59.7	17.0	59.7	15.8
Aug.	461.8	128.7	76.1	257.1	55.1	2.9	6.3	11.5	27.7	59.8	17.2	59.2	17.3
Sept.	461.4	127.8	76.2	257.4	55.4	2.9	6.3	9.2	29.0	59.8	17.3	58.5	18.9
Oct.	462.5	127.4	78.5	256.5	56.3	2.9	6.3	10.2	28.5	60.0	17.0	57.5	17.9
Nov.	464.0	127.1	77.1	259.8	58.5	2.9	6.2	11.1	28.9	60.3	16.9	56.2	18.9
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—Jan.	468.2	128.7	78.2	261.2	60.2	2.8	6.3	10.7	29.9	60.5	16.9	52.8	21.1
Feb.	470.7	131.3	78.2	261.1	58.2	2.8	6.0	10.9	30.7	60.8	17.0	53.6	21.2
Mar.	474.5	131.2	79.5	263.8	59.5	2.8	6.1	11.7	30.4	61.1	17.3	54.9	20.0
Apr.	471.9	131.1	80.0	260.7	56.8	2.7	5.9	10.5	30.1	61.4	17.8	55.9	19.7
May	474.7	113.9	81.4	259.4	54.8	2.6	5.8	11.2	29.2	61.7	18.3	57.3	18.5
June	475.1	138.2	80.5	256.4	53.2	2.6	5.9	10.8	28.3	61.9	18.8	57.7	17.3

1 Consists of investments of foreign and international accounts in the United States.
2 Consists of savings and loan assns., nonprofit institutions, corporate pension 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.

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:								
1971—Dec. 31	262,038	119,141	97,505	21,636	93,648	29,321	9,530	10,397
1972—Dec. 31	269,509	130,422	103,870	26,552	88,564	29,143	15,301	6,079
1973—Dec. 31	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—May 31	269,550	142,864	107,941	34,923	77,165	26,960	17,458	5,103
June 30	266,575	139,942	105,019	34,923	77,199	26,957	17,403	5,074
U.S. Govt. agencies and trust funds:								
1971—Dec. 31	18,444	1,380	605	775	7,614	4,676	2,319	2,456
1972—Dec. 31	19,360	1,609	674	935	6,418	5,487	4,317	1,530
1973—Dec. 31	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—May 31	21,079	2,749	502	2,247	6,735	4,561	5,708	1,327
June 30	21,229	2,660	462	2,198	6,865	4,633	5,719	1,351
Federal Reserve Banks:								
1971—Dec. 31	70,218	36,032	31,033	4,999	25,299	7,702	584	601
1972—Dec. 31	69,906	37,750	29,745	8,005	24,497	6,109	1,414	136
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—May 31	81,395	50,865	37,988	12,877	20,502	8,032	1,747	248
June 30	80,485	50,132	37,321	12,811	20,231	8,127	1,753	241
Held by private investors:								
1971—Dec. 31	173,376	81,729	65,867	15,862	60,735	16,943	6,627	7,340
1972—Dec. 31	180,243	91,063	73,451	17,612	57,649	17,547	9,570	4,413
1973—Dec. 31	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—May 31	167,076	89,250	69,451	19,799	49,928	14,367	10,003	3,528
June 30	164,861	87,150	67,236	19,914	50,103	14,197	9,931	3,482
Commercial banks:								
1971—Dec. 31	51,363	14,920	8,287	6,633	28,823	6,847	555	217
1972—Dec. 31	52,440	18,077	10,289	7,788	27,765	5,654	864	80
1973—Dec. 31	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—May 31	41,349	12,206	4,093	8,113	22,779	5,077	1,025	262
June 30	40,181	11,334	3,309	8,025	22,741	4,845	1,010	250
Mutual savings banks:								
1971—Dec. 31	2,742	416	235	181	1,221	499	281	326
1972—Dec. 31	2,609	590	309	281	1,152	469	274	124
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—May 31	1,690	406	163	243	719	217	246	102
June 30	1,673	377	135	242	717	218	259	102
Insurance companies:								
1971—Dec. 31	5,679	720	325	395	1,499	993	1,366	1,102
1972—Dec. 31	5,220	799	448	351	1,190	976	1,593	661
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—May 31	4,686	636	241	395	992	1,319	1,341	399
June 30	4,571	569	194	375	1,009	1,276	1,329	389
Nonfinancial corporations:								
1971—Dec. 31	6,021	4,191	3,280	911	1,492	301	16	20
1972—Dec. 31	4,948	3,604	1,198	2,406	1,198	121	25	1
1973—Dec. 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—May 31	4,777	2,810	1,610	1,200	1,582	320	53	12
June 30	4,400	2,327	1,219	1,108	1,476	528	56	13
Savings and loan associations:								
1971—Dec. 31	3,002	629	343	286	1,449	587	162	175
1972—Dec. 31	2,873	820	498	322	1,140	605	226	81
1973—Dec. 31	2,103	576	121	455	1,011	320	151	45
1974—May 31	2,041	436	82	354	913	366	298	29
June 30	1,907	385	53	332	923	360	214	25
State and local governments:								
1971—Dec. 31	9,823	4,592	3,832	760	2,268	783	918	1,263
1972—Dec. 31	10,904	6,159	5,203	956	2,033	816	1,298	598
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—May 31	9,280	5,559	4,082	1,477	1,704	755	1,014	248
June 30	8,238	4,508	3,245	1,263	1,715	738	1,031	246
All others:								
1971—Dec. 31	94,746	56,261	49,565	6,696	23,983	6,933	3,329	4,237
1972—Dec. 31	101,249	61,014	55,506	5,508	23,171	8,906	5,290	2,868
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—May 31	103,253	67,197	59,180	8,017	21,239	6,313	6,026	2,476
June 30	103,891	67,650	59,081	8,569	21,522	6,232	6,032	2,457

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) 5,589 commercial banks, 478 mutual savings banks, and 734 insurance companies combined, each about 90 per cent; (2) 467 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 504 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]	
1973—June	2,969	2,335	289	228	118	593	622	975	778	732
July	2,993	2,330	367	226	72	581	632	982	798	700
Aug.	3,366	2,403	706	172	85	566	874	1,044	881	771
Sept.	3,884	3,021	644	158	61	583	1,182	1,142	977	1,048
Oct.	3,384	2,798	374	163	48	568	954	1,073	789	810
Nov.	4,022	3,001	485	447	89	655	1,188	1,173	1,007	810
Dec.	3,889	3,167	348	317	58	675	1,051	1,123	1,040	869
1974—Jan.	3,659	3,074	325	215	45	706	889	1,103	962	695
Feb.	4,229	3,192	402	561	74	795	1,058	1,299	1,077	1,019
Mar.	3,697	2,814	450	369	64	744	892	1,071	991	733
Apr.	3,338	2,682	438	173	45	614	836	951	937	709
May	3,542	2,645	693	133	72	711	905	991	936	861
June	3,084	2,549	385	110	41	693	759	877	755	978
Week ending—										
1974—June 5	3,747	3,036	515	151	46	820	993	1,038	896	1,022
12	3,566	2,917	482	124	43	805	941	1,003	818	1,158
19	2,669	2,199	351	78	41	630	645	706	689	746
26	2,706	2,322	252	93	39	624	610	803	669	1,097
July 3	3,013	2,570	339	72	32	581	707	897	828	941
10	2,568	2,139	344	58	27	545	617	646	760	1,054
17	2,567	2,095	341	73	57	526	693	728	620	1,099
24	2,194	1,759	328	66	41	388	635	555	616	1,252
31	2,704	2,224	383	73	24	456	749	706	793	890

[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	
1973—June	2,976	2,818	-165	91	232	744
July	1,901	2,062	-250	-43	131	511
Aug.	1,788	1,977	-94	-107	12	273
Sept.	3,201	2,958	316	-111	38	799
Oct.	3,073	2,858	93	56	67	904
Nov.	3,618	3,034	95	350	139	1,185
Dec.	4,441	3,697	223	396	124	1,400
1974—Jan.	3,653	3,210	51	262	130	1,324
Feb.	4,081	2,707	537	647	190	1,435
Mar.	2,587	2,149	50	287	102	1,045
Apr.	1,536	1,577	121	62	17	719
May	495	421	-33	66	41	786
June	594	447	52	78	16	1,185
Week ending—						
1974—May 1	794	921	-194	44	24	638
8	602	743	226	66	19	647
15	687	402	153	65	66	728
22	101	14	36	73	50	687
29	354	241	5	78	42	977
June 5	1,049	925	47	63	14	1,232
12	1,193	1,043	59	70	21	1,304
19	807	657	57	84	9	1,219
26	328	-485	51	89	17	1,214

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		
1973—June	3,769	1,242	690	431	1,406
July	2,826	725	544	510	1,047
Aug.	2,318	829	327	386	777
Sept.	4,244	1,620	877	441	1,306
Oct.	3,721	1,253	918	328	1,223
Nov.	4,469	1,809	900	570	1,190
Dec.	5,468	2,322	1,147	671	1,329
1974—Jan.	4,802	1,747	1,253	658	1,143
Feb.	4,837	1,545	1,501	533	1,257
Mar.	3,817	1,196	952	485	1,185
Apr.	2,449	600	728	287	833
May	1,637	26	486	213	913
June	2,477	241	884	268	1,083
Week ending—					
1974—May 1	1,763	201	579	248	736
8	1,572	-6	561	225	793
15	1,790	-3	556	252	984
22	1,515	88	379	221	1,003
29	1,552	129	391	169	864
June 5	2,152	148	722	191	1,092
12	3,527	587	1,244	334	1,363
19	2,879	648	977	279	975
26	1,860	-82	651	299	993

[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.

OUTSTANDING ISSUES OF FEDERALLY SPONSORED CREDIT AGENCIES, JUNE 30, 1974

Agency, and date of issue and maturity	Coupon rate	Amount (millions of dollars)
Federal home loan banks		
Bonds:		
8/25/69 – 8/25/74	7.65	173
8/25/72 – 8/26/74	5¾	400
8/27/73 – 8/26/74	9⅝	800
11/25/69 – 11/25/74	8.00	217
5/25/73 – 11/25/74	7.05	1,000
1/26/71 – 2/25/75	6.10	250
11/27/72 – 2/25/75	5⅞	400
9/21/73 – 2/25/75	8.20	500
4/12/73 – 5/25/75	7.15	700
8/25/70 – 5/26/75	8.05	265
2/25/74 – 5/27/75	6.80	300
7/27/70 – 8/25/75	7.95	300
7/25/73 – 8/25/75	7⅞	500
10/25/73 – 8/25/75	7.15	400
12/18/70 – 11/25/75	6.50	350
5/25/73 – 11/25/75	7.05	600
5/28/74 – 11/25/75	9.10	700
6/21/74 – 2/25/76	8.70	400
8/27/71 – 2/25/76	7⅜	300
8/27/73 – 2/25/76	8¼	300
6/22/73 – 5/25/76	7.20	600
11/27/73 – 5/25/76	7.45	300
7/25/73 – 8/25/76	7.80	500
10/25/73 – 2/25/77	7.20	500
6/21/74 – 5/25/77	8.70	500
6/25/71 – 5/25/77	6.95	200
4/12/73 – 8/25/77	7.15	300
5/28/74 – 8/25/77	8.80	600
2/26/73 – 11/25/77	6¾	300
11/27/73 – 11/25/77	7.45	300
9/21/73 – 5/25/78	7.60	500
6/21/74 – 2/26/79	8.65	600
5/28/74 – 5/25/79	8¼	400
3/25/70 – 2/25/80	7.75	350
2/25/74 – 2/25/80	7.05	300
10/15/70 – 10/15/80	7.80	200
10/27/71 – 11/27/81	6.60	200
4/12/73 – 5/25/83	7.30	188
5/28/74 – 5/25/84	8¼	300
10/25/73 – 11/26/93	7⅞	400
Federal Home Loan Mortgage Corporation		
Bonds:		
2/10/72 – 8/26/74	5.30	200
5/29/73 – 8/25/76	7.05	400
5/11/72 – 2/25/77	6.15	350
11/19/70 – 11/27/95	8.60	140
7/15/71 – 8/26/96	7.75	150
5/11/72 – 5/26/97	7.15	150
Federal National Mortgage Association— Secondary market operations		
Discount notes		3,183
Capital debentures:		
4/1/70 – 4/1/75	8.00	200
9/30/71 – 10/1/96	4.38	248
10/2/72 – 10/1/97	7.40	250
Mortgage-backed bonds:		
6/1/70 – 6/2/75	8.38	250
3/14/73 – 1/15/81	3.58	53
3/14/73 – 1/15/81	5.48	5
6/21/73 – 7/1/82	5.85	71
6/21/73 – 7/1/82	5.92	35
3/1/73–8/31/84	5.50	10
3/1/73 – 10/31/85	5.49	21
3/1/73 – 3/1/86	5.74	81
9/29/70 – 10/1/90	8.63	200
Federal National Mortgage Association—Cont.		
Debentures:		
9/10/69 – 9/10/74	7.85	250
2/10/71 – 9/10/74	5.65	300
5/10/71 – 12/10/74	6.10	250
9/10/71 – 12/10/74	6.45	450
11/10/70 – 3/10/75	7.55	300
10/12/71 – 3/10/75	6.35	600
4/12/71 – 6/10/75	5.25	500
10/13/70 – 9/10/75	7.50	350
3/12/73 – 9/10/75	6.80	650
3/10/72 – 12/10/75	5.70	500
9/10/73 – 12/10/75	8.25	300
3/11/71 – 3/10/76	5.65	500
6/12/73 – 3/10/76	7.13	400
6/10/71 – 6/10/76	6.70	250
2/10/72 – 6/10/76	5.85	450
11/10/71 – 9/10/76	6.13	300
6/12/72 – 9/10/76	5.85	500
7/12/71 – 12/10/76	7.45	300
12/11/72 – 12/10/76	6.25	500
6/10/74 – 12/10/76	8.45	500
2/13/62 – 2/10/77	4½	198
9/11/72 – 3/10/77	6.30	500
3/11/74 – 3/10/77	7.05	400
12/10/70 – 6/10/77	6.38	250
5/10/71 – 6/10/77	6.50	150
12/10/73 – 6/10/77	7.20	500
9/10/71 – 9/12/77	6.88	300
9/10/73 – 9/12/77	7.85	400
7/10/73 – 12/12/77	7.25	500
10/1/73 – 12/12/77	7.55	500
6/10/74 – 3/10/78	8.45	650
6/12/73 – 6/12/78	7.15	600
3/11/74 – 9/11/78	7.15	550
10/12/71 – 12/11/78	6.75	300
12/10/73 – 3/12/79	7.25	500
9/10/73 – 6/11/79	7.85	300
6/12/72 – 9/10/79	6.40	300
12/10/71 – 12/10/79	6.55	350
2/10/72 – 3/10/80	6.88	250
6/10/74 – 6/10/80	8.50	350
2/16/73 – 7/31/80	5.19	1
2/16/73 – 7/31/80	3.18	9
10/1/73 – 9/10/80	7.50	400
1/16/73 – 10/30/80	4.46	5
12/11/72 – 12/10/80	6.60	300
6/29/72 – 1/29/81	6.15	156
3/12/73 – 3/10/81	7.05	350
4/18/73 – 4/10/81	6.59	26
3/21/73 – 5/1/81	4.50	18
3/21/73 – 5/1/81	5.77	2
1/21/71 – 6/10/81	7.25	250
9/10/71 – 9/10/81	7.25	250
3/11/74 – 12/10/81	7.30	250
6/28/72 – 5/1/82	5.84	58
2/10/71 – 6/10/82	6.65	250
9/11/72 – 9/10/82	6.80	200
12/10/73 – 12/10/82	7.35	300
3/11/71 – 6/10/83	6.75	200
6/12/73 – 6/10/83	7.30	300
11/10/71 – 9/12/83	6.75	250
4/12/71 – 6/11/84	6.25	200
12/10/71 – 12/10/84	6.90	250
3/10/72 – 3/10/92	7.00	200
6/12/72 – 6/10/92	7.05	200
12/11/72 – 12/10/97	7.10	200
Banks for cooperatives		
Bonds:		
1/2/74 – 7/1/74	7.95	469
2/4/74 – 8/1/74	8.15	565
3/4/74 – 9/3/74	7.15	355
4/1/74 – 10/1/74	8.20	277
5/1/74 – 11/4/74	8.65	232
6/3/74 – 12/2/74	8.90	351
10/1/73 – 4/4/77	7.70	200
Federal intermediate credit banks		
Bonds:		
10/1/73 – 7/1/74	9¾	699
1/4/71 – 7/1/74	5.95	224
11/1/73 – 8/1/74	7.95	623
12/3/73 – 9/3/74	8.60	593
1/2/74 – 10/1/74	7.95	661
2/4/74 – 11/4/74	8.00	754
3/4/74 – 12/2/74	7.15	785
5/1/72 – 1/2/75	6.05	240
4/1/74 – 1/2/75	8.15	608
5/1/74 – 2/3/75	8.80	672
6/3/74 – 3/3/75	9.00	796
1/3/72 – 7/1/75	5.70	302
3/1/73 – 1/5/76	6.65	261
7/2/73 – 1/3/77	7.10	236
1/2/74 – 1/3/78	7.10	406
Federal land banks		
Bonds:		
10/20/71 – 7/22/74	5.85	326
4/20/71 – 10/21/74	5.30	300
2/20/70 – 1/20/75	8½	220
4/23/73 – 1/20/75	7.15	300
4/20/65 – 4/21/75	4¾	200
7/20/73 – 4/21/75	7.65	300
2/15/72 – 7/21/75	5.70	425
4/22/74 – 7/21/75	8.30	300
7/20/71 – 10/20/75	7.20	300
10/23/73 – 10/20/75	7.40	362
4/20/72 – 1/20/76	6¼	300
2/21/66 – 2/24/76	5.00	123
1/22/73 – 4/20/76	6¼	373
4/22/74 – 4/20/76	8¼	400
7/20/66 – 7/20/76	5⅛	150
1/21/74 – 7/20/76	7.05	360
4/23/73 – 10/20/76	7.15	450
4/22/74 – 4/20/77	8¼	565
7/20/73 – 7/20/77	7½	550
10/20/71 – 10/20/77	6.35	300
2/20/63 – 2/20/73-78	4⅛	148
5/2/66 – 4/20/78	5¼	150
7/20/72 – 7/20/78	6.40	269
10/23/73 – 10/19/78	7.35	550
2/20/67 – 1/22/79	5.00	285
1/21/74 – 1/22/79	7.10	300
9/15/72 – 4/23/79	6.85	235
2/20/74 – 7/23/79	7.15	389
10/23/72 – 10/23/79	6.80	400
1/22/73 – 1/21/80	6.70	300
7/20/73 – 7/21/80	7½	250
2/23/71 – 4/20/81	6.70	224
4/20/72 – 4/20/82	6.90	200
4/23/73 – 10/20/82	7.30	239
10/23/73 – 10/20/83	7.30	300

NOTE.—These securities are not guaranteed by the U.S. Govt.; see also note to table at top of p. A-40.

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: Debentures (L)	Federal intermediate credit banks: Loans and discounts (A)	Federal intermediate credit banks: Debentures (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—June	11,145	2,516	108	10,215	1,453	2,008	21,413	20,364	2,725	2,316	6,958	6,645	10,117	8,836
July	12,365	2,126	103	11,213	1,183	2,035	21,772	20,843	2,811	2,365	6,981	6,745	10,256	9,388
Aug.	13,511	2,016	111	12,562	1,091	2,064	22,319	21,186	2,865	2,310	7,065	6,727	10,441	9,390
Sept.	14,298	2,908	102	14,062	1,178	2,089	22,826	21,537	2,738	2,560	7,170	6,833	10,592	9,388
Oct.	14,799	3,498	106	15,362	1,270	2,107	23,348	22,243	2,711	2,728	7,130	6,901	10,781	9,838
Nov.	14,866	3,649	77	15,362	1,545	2,112	23,912	22,404	2,662	2,704	7,029	6,890	10,926	9,838
Dec.	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—Jan.	15,188	2,843	121	14,556	1,692	2,246	24,424	23,131	3,123	2,741	7,163	6,956	11,245	10,048
Feb.	14,904	2,680	116	13,906	1,936	2,294	24,541	23,092	3,211	2,828	7,277	7,029	11,402	10,282
Mar.	14,995	2,779	124	13,906	2,027	2,306	24,888	23,515	3,143	2,878	7,545	7,162	11,467	10,282
Apr.	16,020	1,615	82	13,902	2,067	2,337	25,264	23,668	[r]2,891	2,810	[r]7,850	7,403	[r]11,878	10,843
May	17,103	1,956	96	14,893	[r]2,215	2,376	25,917	25,089	[r]2,694	2,674	[r]8,195	7,585	[r]12,142	10,843
June	17,642	2,564	115	16,393	2,158	2,413	26,559	25,878	2,733	2,449	8,479	7,858	12,400	10,843

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) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table on preceding page. 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
1970	18,164	11,850	6,082	131	103	4,174	5,595	8,399	....	18,110	5,062	1,532	3,525	466	.....	7,526
1971	24,962	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	23,652	13,305	9,332	959	57	4,991	9,496	9,165	....	22,073	4,981	1,689	4,638	1,910	.....	6,741
1973	23,970	12,257	10,632	1,022	58	4,212	9,507	10,249	....	22,408	4,311	1,458	5,654	2,639	.....	8,335
1973—Apr.	1,826	870	947	....	9	159	731	934	....	1,757	306	12	452	88	.....	898
May	1,939	825	1,106	....	8	291	945	703	....	1,775	299	233	430	224	.....	588
June	2,152	1,025	861	261	5	189	1,082	881	....	2,144	542	102	643	334	.....	523
July	2,028	1,458	564	....	6	516	363	1,149	....	2,001	391	231	366	3	.....	1,009
Aug.	1,657	1,067	588	....	2	529	498	630	....	1,602	311	30	352	290	.....	618
Sept.	1,750	721	741	285	2	236	838	675	....	1,653	327	66	579	384	.....	298
Oct.	2,313	1,344	964	....	6	337	842	1,135	....	2,163	299	142	412	251	.....	1,060
Nov.	2,257	866	1,383	....	9	243	1,247	766	....	1,929	356	42	596	247	.....	687
Dec.	2,089	919	995	173	1	450	1,022	616	....	1,954	372	165	487	344	.....	582
1974—Jan.	2,198	1,402	794	....	2	208	823	1,163	....	2,130	595	36	373	56	.....	1,070
Feb.	1,934	1,155	778	....	1	473	523	938	....	1,869	449	53	612	39	.....	717
Mar.	1,979	1,160	590	227	3	346	776	856	....	1,868	359	258	349	241	.....	660
Apr.	2,362	1,694	660	....	8	360	849	1,155	....	2,325	505	9	595	178	.....	1,038

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
1970	88,666	14,831	16,181	17,762	949	38,945	30,315	25,384	4,931	1,390	7,240
1971	105,233	17,325	16,283	24,370	2,165	45,090	32,123	24,775	7,354	3,670	9,291
1972	96,522	17,080	12,825	23,070	1,589	41,957	28,896	19,434	9,462	3,367	9,694
1973	100,417	19,057	23,883	22,700	1,385	33,391	22,268	13,649	8,620	3,372	7,750
1973—Apr.	6,567	564	1,640	1,688	178	2,497	1,739	938	801	200	558
May	11,225	3,353	3,442	1,870	17	2,543	1,721	1,049	672	187	635
June	7,943	559	1,706	2,046	53	3,578	2,757	1,358	1,398	216	606
July	7,643	490	2,471	1,992	60	2,631	1,870	857	1,013	226	536
Aug.	8,019	3,097	1,600	1,474	42	1,806	1,382	792	590	94	330
Sept.	8,091	2,432	2,100	1,630	15	1,915	1,366	684	682	119	430
Oct.	8,924	485	2,612	2,232	196	3,398	2,358	1,805	553	355	685
Nov.	12,553	4,521	2,200	2,224	45	3,563	2,257	1,669	589	637	668
Dec.	6,635	148	1,032	1,966	251	3,238	2,469	1,552	917	196	573
1974—Jan. [6]	....	....	....	....	....	3,392	2,956	2,115	842	152	284
Feb.	....	....	....	....	....	2,687	2,101	1,684	418	268	318
Mar.	....	....	....	....	....	3,141	2,384	2,020	364	395	361
Apr.	....	....	....	....	....	2,947	2,134	1,594	541	356	456

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
1970	9,192	1,320	1,963	2,540	2,213	47	8,016	3,001	5,053	83	3,878	1,638
1971	9,426	2,152	2,272	2,390	1,998	420	7,605	4,195	4,227	1,592	6,601	2,212
1972	4,821	1,809	2,645	2,882	2,862	185	6,392	4,965	3,692	1,125	8,485	2,095
1973	4,329	643	1,283	1,559	1,881	43	5,585	4,661	3,535	1,369	5,661	2,860
1973—Apr.	260	22	237	139	91	1	150	369	258	....	743	228
May	387	12	30	143	236	8	361	410	355	19	351	231
June	703	25	133	89	183	....	1,099	497	303	29	337	181
July	364	169	139	112	250	1	651	269	244	60	223	151
Aug.	230	49	149	129	83	15	419	90	320	5	182	136
Sept.	270	78	149	96	140	2	334	252	228	16	244	106
Oct.	472	52	63	147	114	....	342	608	633	46	734	193
Nov.	383	93	61	92	241	4	584	496	296	499	692	122
Dec.	485	18	145	285	226	6	569	319	350	27	693	115
1974—Jan. [6]	866	29	135	125	127	....	1,192	249	142	4	493	30
Feb.	353	36	51	143	5	1	536	293	372	25	784	87
Mar.	419	161	40	71	76	....	850	446	310	21	690	58
Apr.	1,109	9	209	56	6	....	446	685	279	5	85	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 opposite page.

5 Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

6 Beginning Jan. 1974 noncorporate figures are no longer published by the SEC.

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[1]								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1970	38,707	9,079	29,628	29,495	6,667	22,825	9,213	2,411	6,801
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
1973p	35,058	11,804	23,252	21,501	8,810	12,691	13,554	2,993	10,561
1972—IV	10,944	2,932	8,012	6,998	2,207	4,790	3,946	725	3,220
1973—I	8,219	2,806	5,412	4,198	1,781	2,417	4,020	1,025	2,995
II	9,418	2,470	6,947	5,769	1,664	4,106	3,648	806	2,842
III	6,638	2,150	4,488	4,521	1,579	2,941	2,118	571	1,547
IV	10,783	4,378	6,405	7,013	3,786	3,227	3,768	591	3,177

Period	Type of issues											
	Manu-facturing		Commercial and other[2]		Transpor-tation[3]		Public utility		Communi-cation		Real estate and financial[1]	
	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & 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	1,389	3,522	3,141
1972—IV	116	290	575	479	179	47	1,056	1,735	944	89	1,920	580
1973—I	135	63	−174	377	127	−43	844	1,170	520	185	965	1,244
II	632	−2	119	327	327	7	1,136	1,276	842	562	1,049	673
III	165	450	108	247	414	−44	1,217	557	752	77	284	260
IV	−131	147	−162	460	176	−13	1,068	1,506	1,051	575	1,224	964

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 opposite 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			Assets (market value at end of period)			Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales[1]	Redemp-tions	Net sales	Total[2]	Cash position[3]	Other		Sales[1]	Redemp-tions	Net sales	Total[2]	Cash position[3]	Other
1962	2,699	1,123	1,576	21,271	1,315	19,956	1973—June	303	349	−46	48,127	4,164	43,963
1963	2,460	1,504	952	25,214	1,341	23,873	July	364	357	−7	50,933	4,594	46,339
1964	3,404	1,875	1,528	29,116	1,329	27,787	Aug.	239	432	−193	49,553	4,567	44,986
							Sept.	330	395	−65	52,322	4,641	47,681
1965	4,359	1,962	2,395	35,220	1,803	33,417	Oct.	305	559	−254	51,952	4,168	47,784
1966	4,671	2,005	2,665	34,829	2,971	31,858	Nov.	502	542	−40	45,814	4,126	41,688
1967	4,670	2,745	1,927	44,701	2,566	42,135	Dec.	349	392	43	46,518	4,002	42,516
1968	6,820	3,841	2,979	52,677	3,187	49,490	1974—Jan.	334	325	9	47,094	4,226	42,863
1969	6,717	3,661	3,056	48,291	3,846	44,445	Feb.	215	303	88	45,958	4,447	41,511
1970	4,624	2,987	1,637	47,618	3,649	43,969	Mar.	297	346	−49	44,423	4,406	40,017
							Apr.	262	327	65	42,679	4,426	38,253
1971	5,145	4,751	774	56,694	3,163	53,531	May	323	320	3	41,015	4,389	36,626
1972	4,892	6,563	−1,671	59,831	3,035	56,796	June	332	276	56	40,040	4,461	35,579
1973	4,358	5,651	1,261	46,518	4,002	42,516							

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.

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.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances[1]	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances[1]
1968	87.6	39.9	47.8	23.6	24.2	46.8	1972—II r	96.0	40.3	55.7	27.1	28.6	66.4
1969	84.9	40.1	44.8	24.3	20.5	51.9	III r	100.2	41.8	58.4	27.8	30.6	66.7
1970	74.0	34.8	39.3	24.7	14.6	56.0	IV r	108.2	45.2	63.1	28.2	34.9	68.2
1971 r	83.6	37.5	46.1	25.0	21.1	60.4							
1972 r	99.2	41.5	57.7	27.3	30.3	66.3	1973—I r	120.4	48.9	71.5	28.7	42.8	69.2
1973 r	122.7	49.8	72.9	29.6	43.3	71.2	II r	124.9	50.9	74.0	29.1	44.9	70.8
							III r	122.7	49.9	72.9	29.8	43.1	71.6
							IV r	122.7	49.5	73.2	30.7	42.5	73.1
							1974—I r	138.7	53.6	85.1	31.6	53.5	75.6

[1] Includes depreciation, capital outlays charged to current accounts, and accidental damages.

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	204.9	518.8	55.7	10.7	3.5	208.8	200.3	39.7	313.9	4.9	207.3	12.2	89.5
1972—I	209.8	528.1	55.6	10.2	3.4	212.8	204.3	41.8	318.3	4.9	207.0	13.3	93.2
II	215.0	536.5	56.0	8.9	2.8	217.8	207.7	43.1	321.5	4.9	208.5	11.4	96.7
III	219.2	547.5	57.7	7.8	2.9	224.1	212.2	42.8	328.3	4.7	212.1	12.7	98.8
IV	224.3	563.1	60.5	9.9	3.4	230.5	215.1	43.6	338.8	4.0	221.6	14.1	99.1
1973—I	231.8	579.2	61.2	10.8	3.2	235.7	222.8	45.5	347.4	4.1	222.8	15.7	104.7
II	237.7	596.8	62.3	9.6	2.9	245.6	230.3	46.0	359.1	4.5	232.5	13.9	108.1
III	241.9	613.6	62.2	9.5	3.0	254.2	238.2	46.6	371.7	4.4	240.8	15.3	111.2
IV	245.3	631.4	65.2	10.7	3.5	255.8	247.0	49.3	386.1	4.3	252.0	16.6	113.3
1974—I	253.2	653.9	62.8	11.7	3.2	265.6	258.9	51.6	400.7	4.5	256.7	18.7	120.7

[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	12.86	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	15.91	2.76	12.85	21.40	....
1972—I	19.38	3.29	3.32	.58	.48	.50	.32	3.19	.44	2.72	4.55	86.79
II	22.01	3.71	3.92	.61	.48	.73	.39	3.61	.62	2.95	4.98	87.12
III	21.86	3.86	3.87	.59	.38	.61	.35	3.67	.72	2.84	4.97	87.67
IV	25.20	4.77	4.61	.63	.47	.63	.40	4.01	.73	3.39	5.57	91.94
1973—I	21.50	3.92	3.88	.63	.46	.52	.32	3.45	.50	2.87	4.94	96.19
II	24.73	4.65	4.51	.71	.46	.72	.43	3.91	.68	3.27	5.40	97.76
III	25.04	4.84	4.78	.69	.48	.57	.44	4.04	.77	3.19	5.24	100.90
IV	28.48	5.84	5.59	.71	.56	.60	.47	4.54	.82	3.53	5.83	103.74
1974—I	24.10	4.74	4.75	.68	.50	.47	.34	3.85	.52	3.19	5.05	107.27
II[2]	27.96	5.62	5.64	.76	.65	.63	.52	4.44	.81	8.90		110.53
III[2]	28.05	5.69	5.67	.75	.64	.50	.57	4.60	.97	8.65		113.16

[1] Includes trade, service, construction, finance, and insurance.
[2] Anticipated by business.

NOTE.—Dept. of Commerce and Securities and Exchange Commission 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				
	1970	1971	1972	1973			1974	
				II	III	IV	I	II[p]
ALL HOLDERS	**451,726**	**499,758**	**565,196**	**600,197**	**619,996**	**635,137**	**646,280**	**663,167**
1- to 4-family	280,175	307,200	345,500	366,202	378,382	386,489	392,053	402,064
Multifamily[1]	58,023	67,367	76,585	81,130	83,521	85,394	86,760	88,382
Commercial	82,292	92,333	107,673	115,150	119,504	123,855	127,228	131,191
Farm	31,236	32,858	35,438	37,715	38,589	39,399	40,239	41,530
PRIVATE FINANCIAL INSTITUTIONS	**355,929**	**394,239**	**450,371**	**480,242**	**495,044**	**505,583**	**514,110**	**527,094**
1- to 4-family	231,317	253,540	288,169	307,423	316,754	322,296	327,146	335,343
Multifamily[1]	45,796	52,498	59,293	62,429	63,566	64,723	65,555	66,707
Commercial	68,697	78,345	92,387	99,364	103,429	107,018	109,891	113,254
Farm	10,119	9,856	10,522	11,026	11,295	11,546	11,518	11,790
Commercial banks[2]	*73,275*	*82,515*	*99,314*	*109,114*	*114,788*	*119,068*	*121,668*	*125,968*
1- to 4-family	42,329	48,020	57,004	62,181	65,484	67,998	69,351	71,802
Multifamily[1]	3,311	3,984	5,778	6,469	6,745	6,932	7,178	7,432
Commercial	23,284	26,306	31,751	35,224	37,181	38,696	39,664	41,066
Farm	4,351	4,205	4,781	5,240	5,378	5,442	5,475	5,668
Mutual savings banks	*57,948*	*61,978*	*67,556*	*70,634*	*72,034*	*73,231*	*73,957*	*74,264*
1- to 4-family	37,342	38,641	41,650	43,003	43,738	44,247	44,462	44,426
Multifamily[1]	12,594	14,386	15,490	16,394	16,567	16,843	17,011	17,081
Commercial	7,893	8,901	10,354	11,178	11,670	12,084	12,425	12,698
Farm	119	50	62	59	59	57	59	59
Savings and loan associations	*150,331*	*174,250*	*206,182*	*222,580*	*229,182*	*232,104*	*236,514*	*243,791*
1- to 4-family	124,970	142,275	167,049	180,423	185,706	188,051	191,529	197,349
Multifamily[1]	13,830	17,355	20,783	21,880	22,391	22,561	22,800	23,379
Commercial	11,531	14,620	18,350	20,277	21,085	21,492	22,185	23,063
Life insurance companies	*74,375*	*75,496*	*77,319*	*77,914*	*79,040*	*81,180*	*81,971*	*83,071*
1- to 4-family	26,676	24,604	22,466	21,816	21,826	22,000	21,804	21,766
Multifamily[1]	16,061	16,773	17,242	17,686	17,863	18,387	18,566	18,815
Commercial	25,989	28,518	31,932	32,685	33,493	34,746	35,617	36,427
Farm	5,649	5,601	5,679	5,727	5,858	6,047	5,984	6,063
FEDERAL AND RELATED AGENCIES	**32,992**	**39,357**	**45,790**	**48,991**	**53,008**	**55,664**	**58,430**	**62,533**
1- to 4-family	21,993	26,453	30,147	31,276	33,725	35,454	37,168	39,782
Multifamily[1]	3,359	4,555	6,086	7,128	8,171	8,489	8,923	9,643
Commercial	16	11	....	....	....	....	....	....
Farm	7,624	8,338	9,557	10,587	11,112	11,721	12,339	13,108
Government National Mortgage Association	*5,222*	*5,323*	*5,113*	*3,908*	*4,429*	*4,029*	*3,604*	*3,618*
1- to 4-family	2,902	2,770	2,490	1,300	1,462	1,330	1,189	1,194
Multifamily[1]	2,304	2,542	2,623	2,608	2,967	2,699	2,415	2,424
Commercial	16	11	....	....	....	....	....	....
Farmers Home Administration	*767*	*819*	*837*	*900*	*1,000*	*1,200*	*1,300*	*1,400*
1- to 4-family	330	398	387	430	480	550	596	642
Farm	437	421	450	470	520	650	704	758
Federal Housing and Veterans Administrations	*3,505*	*3,389*	*3,338*	*3,293*	*3,446*	*3,476*	3,514	*3,617*
1- to 4-family	2,771	2,517	2,199	1,998	2,046	2,013	1,964	1,978
Multifamily[1]	734	872	1,139	1,295	1,400	1,463	1,550	1,639
Federal National Mortgage Association	*15,502*	*17,791*	*19,791*	*21,413*	*22,831*	*24,175*	*24,875*	*26,559*
1- to 4-family	15,181	16,681	17,697	18,521	19,479	20,370	20,516	21,691
Multifamily[1]	321	1,110	2,094	2,892	3,352	3,805	4,359	4,868
Federal land banks (farm only)	7,187	7,917	9,107	10,117	10,592	11,071	11,635	12,350
Federal Home Loan Mortgage Corporation	*357*	*964*	*1,789*	*2,029*	*2,423*	*2,604*	*2,637*	*3,191*
1- to 4-family	357	934	1,754	1,973	2,294	2,446	2,472	2,951
Multifamily[1]	....	30	35	56	129	158	165	240
GNMA Pools	*452*	*3,154*	*5,815*	*7,331*	*8,287*	*9,109*	*10,865*	*11,798*
1- to 4-family	452	3,153	5,620	7,054	7,964	8,745	10,431	11,326
Multifamily[1]	....	1	195	277	323	364	434	472
INDIVIDUALS AND OTHERS[3]	**62,805**	**66,162**	**69,035**	**70,964**	**71,944**	**73,890**	**73,740**	**73,540**
1- to 4-family	26,865	27,207	27,184	27,503	27,903	28,739	27,739	26,939
Multifamily[1]	8,868	10,314	11,206	11,573	11,784	12,182	12,282	12,032
Commercial	13,579	13,977	15,286	15,786	16,075	16,837	17,337	17,937
Farm	13,493	14,664	15,359	16,102	16,182	16,132	16,382	16,632

[1] Structure of five or more units.

[2] Includes loans held by nondeposit trust companies but not bank trust departments.

[3] 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 Government 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.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION— SECONDARY MORTGAGE MARKET ACTIVITY

(In millions of dollars)

End of period	FNMA Mortgage holdings: Total[1]	FNMA Mortgage holdings: FHA-insured	FNMA Mortgage holdings: VA-guaranteed	FNMA Mortgage transactions (during period): Purchases	FNMA Mortgage transactions (during period): Sales	FNMA Mortgage commitments: Made during period	FNMA Mortgage commitments: Outstanding	FHLMC Mortgage holdings: Total	FHLMC Mortgage holdings: FHA VA	FHLMC Mortgage holdings: Conventional	FHLMC Mortgage transactions (during period): Purchases	FHLMC Mortgage transactions (during period): Sales	FHLMC Mortgage commitments: Made during period	FHLMC Mortgage commitments: Outstanding
1970	15,492	11,063	4,429	5,079	20	8,047	5,203	325	325	....	325	....	....	....
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	1,298	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
1973—June	21,413	15,768	5,411	516	1	1,191	9,778	2,029	1,716	313	154	21	159	316
July	21,772	15,877	5,574	516	....	1,102	9,859	2,158	1,714	444	140	....	139	278
Aug.	22,319	16,085	5,761	699	....	1,019	9,809	2,307	1,728	579	161	....	208	291
Sept.	22,831	16,293	5,937	633	....	724	9,602	2,423	1,729	694	126	....	143	288
Oct.	23,348	16,510	6,101	659	....	264	8,918	2,527	1,742	785	113	....	63	218
Nov.	23,912	16,734	6,294	656	....	200	8,690	2,565	1,746	819	46	....	45	207
Dec.	24,175	16,852	6,352	410	40	158	7,889	2,604	1,743	861	50	2	43	186
1974—Jan.	24,424	17,008	6,348	350	....	110	6,715	2,621	1,736	885	34	8	26	161
Feb.	24,529	17,050	6,336	242	....	489	6,768	2,625	1,730	895	21	6	49	185
Mar.	24,875	17,315	6,340	462	1	1,646	7,913	2,638	1,724	914	29	2	595	748
Apr.	25,263	17,450	6,503	526	1	2,154	9,292	2,722	1,756	967	101	....	400	1,037
May	25,917	17,725	6,794	821	....	1,145	9,475	2,986	1,827	1,159	281	....	1,486	2,221
June	26,559	17,966	7,079	770	....	537	9,019	3,191	1,877	1,314	222	....	628	2,598

[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 Plan (Program 18).

For FHLMC: Data for 1970 begin with Nov. 26, when the FHLMC became operational. Holdings and transactions cover participations as well as whole loans. Holdings include loans used to back bond issues guaranteed by GNMA. Commitments cover the conventional and Govt.-underwritten loan programs.

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]
1970	8.27	1.03	25.1	71.7	35.5	25.2	8.44	8.52	9.03
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	7.52
1973	7.78	1.11	26.3	77.3	37.1	28.1	7.95	....	....
1973—June	7.62	1.08	26.3	78.0	35.8	27.5	7.79	8.05	7.89
July	7.69	1.11	26.3	78.1	37.0	28.3	7.87	8.40	8.19
Aug.	7.77	1.08	26.7	76.7	38.6	28.9	7.94	8.85	....
Sept.	7.98	1.19	26.6	77.3	37.2	28.2	8.17	8.95	9.18
Oct.	8.12	1.20	26.1	76.9	38.5	29.0	8.31	8.80	8.97
Nov.	8.22	1.08	26.0	75.5	38.9	28.8	8.39	8.75	8.86
Dec.	8.31	1.12	25.6	75.5	37.7	28.0	8.49	8.75	8.78
1974—Jan.	8.33	1.16	26.4	76.3	38.8	28.9	8.52	8.65	....
Feb.	8.40	1.33	25.9	76.5	37.8	28.5	8.62	8.55	8.54
Mar.	8.43	1.35	26.4	77.3	39.1	29.5	8.64	8.60	8.66
Apr.	8.47	1.21	26.1	77.3	38.5	29.2	8.67	8.90	9.17
May	8.55	1.20	25.8	76.8	37.9	28.8	8.74	9.15	9.46
June p	8.63	1.28	26.7	76.8	40.1	30.4	8.84	9.25	9.46

[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.

NOTE TO TABLE AT BOTTOM OF PAGE A-46:

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.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES

Item	Date of auction											
	1974											
	Feb. 25	Mar. 11	Mar. 25	Apr. 8	Apr. 22	May 6	May 20	June 3	June 17	July 1	July 15	July 29
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered[1]	58.0	351.1	1,154.7	1,061.4	333.6	256.0	217.7	85.1	38.5	271.7	379.5	151.6
Accepted	42.3	285.3	332.5	267.0	168.5	111.1	82.8	71.5	31.5	103.0	193.5	73.4
Conventional loans												
Offered[1]	48.6	74.2	126.3	163.9	80.3	74.3	41.4	26.1	21.6	39.7	60.4	36.8
Accepted	39.4	50.1	34.2	63.3	40.9	29.8	23.6	20.5	11.2	23.6	29.9	18.1
Average yield (per cent) on short-term commitments[2]												
Govt.-underwritten loans	8.43	8.44	8.62	8.95	9.18	9.34	9.48	9.54	9.54	9.65	9.90	9.98
Conventional loans	8.50	8.47	8.64	9.00	9.21	9.44	9.63	9.70	9.69	9.76	9.90	10.02

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	Dec. 31, 1970	Dec. 31, 1971	Dec. 31, 1972	Mar. 31, 1973	June 30, 1973	Sept. 30, 1973	Dec. 31, 1973
All holders	109.2	120.8	131.1	132.4	133.6	133.8	135.0
FHA	91.7	81.3	86.4	86.6	86.4	85.6	85.0
VA	37.3	39.5	44.7	45.8	47.2	48.2	50.0
Commercial banks	10.5	11.3	11.7	11.7	11.7	r11.7	r11.5
FHA	7.9	8.3	8.5	8.5	8.5	r8.4	r8.2
VA	2.6	3.0	3.2	3.2	3.2	r3.3	3.3
Mutual savings banks	28.1	28.2	28.6	28.7	28.7	28.6	28.4
FHA	16.1	16.1	16.0	15.9	15.8	15.7	15.5
VA	12.0	12.1	12.6	12.8	12.9	12.9	12.9
Savings and loan assns.	18.7	24.3	28.9	....	....	....	....
FHA	10.2	13.7	15.4	29.5	29.8	30.1	29.7
VA	8.5	10.6	13.5				
Life insurance cos.	16.8	15.8	14.7	14.3	14.0	13.7	13.6
FHA	11.4	10.8	10.0	9.7	9.5	9.3	9.2
VA	5.4	5.0	4.7	4.6	4.5	4.4	4.4
Others	35.1	41.2	47.2	48.2	49.4	50.0	52.1
FHA	26.3	32.4	36.5	....	....	....	....
VA	8.8	8.8	10.7	....	....	....	....

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
1970	912	2,341.1	2,567	9.93	22/8	74.7	10.8	1.32	11.1
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
1971—Nov.	136	288.2	2,119	9.01	23/5	75.6	9.9	1.27	10.2
Dec.	133	290.0	2,181	8.96	23/0	74.4	9.9	1.30	10.2
1972—Jan.	107	198.6	1,856	8.78	22/1	73.3	10.0	1.31	10.2
Feb.	122	423.5	3,471	8.62	22/6	73.3	9.7	1.31	10.0
Mar.	220	530.4	2,411	8.50	24/2	76.3	9.5	1.29	9.7
Apr.	200	381.1	1,906	8.44	24/6	76.3	9.5	1.29	9.6
May	246	399.6	1,624	8.48	23/4	76.0	9.5	1.26	9.8
June	268	683.2	2,549	8.55	23/0	75.4	9.5	1.29	9.8
July	170	421.2	2,478	8.56	23/0	74.5	9.5	1.31	9.8
Aug.	178	515.7	2,897	8.54	23/0	74.9	9.5	1.27	9.9
Sept.	152	354.1	2,329	8.58	23/4	75.7	9.5	1.28	9.8
Oct.	159	343.5	2,161	8.65	23/0	75.8	9.6	1.29	9.9
Nov.	180	371.7	2,065	8.63	23/2	74.7	9.6	1.28	9.9
Dec.	130	363.9	2,799	8.64	22/8	74.4	9.8	1.37	9.9

See NOTE on p. A-45.

TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment: Total	Instalment: Automobile paper	Instalment: Other consumer goods paper	Instalment: Home improvement loans[1]	Instalment: Personal loans	Noninstalment: Total	Noninstalment: Single-payment loans	Noninstalment: Charge accounts: Retail outlets	Noninstalment: Charge accounts: Credit cards[2]	Noninstalment: Service credit
1965	89,883	70,893	28,437	18,483	3,736	20,237	18,990	7,671	5,724	706	4,889
1966	96,239	76,245	30,010	20,732	3,841	21,662	19,994	7,972	5,812	874	5,336
1967	100,783	79,428	29,796	22,389	4,008	23,235	21,355	8,558	6,041	1,029	5,727
1968	110,770	87,745	32,948	24,626	4,239	25,932	23,025	9,532	5,966	1,227	6,300
1969	121,146	97,105	35,527	28,313	4,613	28,652	24,041	9,747	5,936	1,437	6,921
1970	127,163	102,064	35,184	31,465	5,070	30,345	25,099	9,675	6,163	1,805	7,456
1971	138,394	111,295	38,664	34,353	5,413	32,865	27,099	10,585	6,397	1,953	8,164
1972	157,564	127,332	44,129	40,080	6,201	36,922	30,232	12,256	7,055	1,947	8,974
1973	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1973—June	167,083	136,018	48,549	41,853	6,688	38,928	31,065	12,990	6,544	2,011	9,520
July	169,148	138,212	49,352	42,575	6,845	39,440	30,936	12,968	6,424	2,055	9,489
Aug.	171,978	140,810	50,232	43,505	7,009	40,064	31,168	13,111	6,475	2,130	9,452
Sept.	173,035	142,093	50,557	44,019	7,120	40,397	30,942	13,088	6,229	2,106	9,519
Oct.	174,840	143,610	51,092	44,632	7,235	40,651	31,230	13,145	6,554	2,036	9,495
Nov.	176,969	145,400	51,371	45,592	7,321	41,116	31,569	13,161	6,761	2,024	9,623
Dec.	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1974—Jan.	178,686	146,575	50,617	47,303	7,303	41,352	32,111	13,117	6,894	1,981	10,119
Feb.	177,522	145,927	50,386	46,781	7,343	41,417	31,595	13,159	6,136	1,882	10,418
Mar.	177,572	145,768	50,310	46,536	7,430	41,492	31,804	13,188	6,097	1,842	10,677
Apr.	179,495	147,047	50,606	47,017	7,573	41,851	32,448	13,315	6,556	1,878	10,699
May	181,680	148,852	51,076	47,588	7,786	42,402	32,828	13,331	6,948	1,999	10,550
June	183,425	150,615	51,641	48,099	7,930	42,945	32,810	13,311	7,002	2,104	10,393

[1] Holdings of financial institutions; holdings of retail outlets are included in "Other consumer goods paper."

[2] Service station and miscellaneous credit-card accounts and home-heating-oil accounts.

NOTE. Consumer credit estimates cover loans to individuals for household, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965 and BULLETINS for Dec. 1968 and Oct. 1972.

CONSUMER CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total	Instalment: Total	Instalment: Automobile paper: Purchased	Instalment: Automobile paper: Direct	Instalment: Other consumer goods paper: Mobile homes	Instalment: Other consumer goods paper: Credit cards	Instalment: Other consumer goods paper: Other	Instalment: Home improvement loans	Instalment: Personal loans: Check credit	Instalment: Personal loans: Other	Noninstalment: Single-payment loans
1965	35,652	28,962	10,209	5,659		4,166		2,571	6,357		6,690
1966	38,265	31,319	11,024	5,956		4,681		2,647	7,011		6,946
1967	40,630	33,152	10,972	6,232		5,469		2,731	7,748		7,478
1968	46,310	37,936	12,324	7,102	....	1,307	5,387	2,858	798	8,160	8,374
1969	50,974	42,421	13,133	7,791	....	2,639	6,082	2,996	1,081	8,699	8,553
1970	53,867	45,398	12,918	7,888	....	3,792	7,113	3,071	1,336	9,280	8,469
1971	60,556	51,240	13,837	9,277	4,423	4,419	4,501	3,236	1,497	10,050	9,316
1972	70,640	59,783	16,320	10,776	5,786	5,288	5,122	3,544	1,789	11,158	10,857
1973	81,248	69,495	19,038	12,218	7,223	6,649	6,054	3,982	2,144	12,187	11,753
1973—June	76,519	64,999	18,138	11,866	6,473	5,502	5,688	3,700	1,909	11,723	11,520
July	77,556	66,065	18,439	12,023	6,629	5,603	5,815	3,774	1,934	11,848	11,491
Aug.	79,036	67,381	18,771	12,190	6,825	5,792	5,923	3,863	1,982	12,035	11,655
Sept.	79,526	67,918	18,886	12,160	6,956	5,909	5,978	3,903	2,027	12,099	11,608
Oct.	80,281	68,627	19,123	12,262	7,106	5,991	6,012	3,950	2,060	12,123	11,654
Nov.	80,830	69,161	19,198	12,306	7,208	6,171	6,035	3,979	2,085	12,179	11,669
Dec.	81,248	69,495	19,038	12,218	7,223	6,649	6,054	3,982	2,144	12,187	11,753
1974—Jan.	81,081	69,429	18,885	12,113	7,237	6,826	6,041	3,944	2,167	12,216	11,652
Feb.	80,909	69,246	18,770	12,028	7,285	6,770	6,063	3,937	2,173	12,220	11,663
Mar.	80,918	69,232	18,775	11,985	7,333	6,667	6,082	3,958	2,169	12,263	11,686
Apr.	81,750	69,944	18,896	12,039	7,399	6,761	6,208	4,028	2,180	12,433	11,806
May	82,527	70,721	19,037	12,100	7,491	6,887	6,323	4,135	2,199	12,549	11,806
June	83,417	71,615	19,220	12,169	7,564	7,076	6,420	4,224	2,230	12,712	11,802

See also NOTE to table at top of page.

INSTALMENT CREDIT HELD BY NONBANK LENDERS

(In millions of dollars)

End of period	Finance companies: Total	Finance companies: Auto-mobile paper	Other consumer goods paper: Mobile homes	Other consumer goods paper: Other	Home improve-ment loans	Per-sonal loans	Other financial lenders: Total	Credit unions	Mis-cellaneous lenders[1]	Retail outlets: Total	Auto-mobile dealers	Other retail outlets
1965	23,851	9,218	4,343		232	10,058	8,289	7,324	965	9,791	315	9,476
1966	24,796	9,342	4,925		214	10,315	9,315	8,255	1,060	10,815	277	10,538
1967	24,576	8,627	5,069		192	10,688	10,216	9,003	1,213	11,484	287	11,197
1968	26,074	9,003	5,424		166	11,481	11,717	10,300	1,417	12,018	281	11,737
1969	27,846	9,412	5,775		174	12,485	13,722	12,028	1,694	13,116	250	12,866
1970	27,678	9,044	2,464	3,237	199	12,734	15,088	12,986	2,102	13,900	218	13,682
1971	28,883	9,577	2,561	3,052	247	13,446	17,021	14,770	2,251	14,151	226	13,925
1972	32,088	10,174	2,916	3,589	497	14,912	19,511	16,913	2,598	15,950	261	15,689
1973	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1973—June	34,367	11,121	3,081	4,002	694	15,469	21,084	18,269	2,815	15,568	289	15,279
July	35,020	11,365	3,132	4,103	733	15,687	21,394	18,517	2,877	15,733	293	15,440
Aug.	35,634	11,583	3,187	4,194	771	15,899	21,808	18,961	2,847	15,987	296	15,691
Sept.	35,993	11,721	3,235	4,265	809	15,963	22,129	19,207	2,922	16,053	297	15,756
Oct.	36,365	11,859	3,269	4,316	847	16,074	22,315	19,339	2,976	16,303	300	16,003
Nov.	36,887	11,949	3,310	4,371	886	16,371	22,505	19,517	2,988	16,847	302	16,545
Dec.	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1974—Jan.	37,140	11,754	3,392	4,460	940	16,594	22,301	19,429	2,872	17,705	296	17,409
Feb.	37,148	11,710	3,406	4,486	968	16,578	22,413	19,430	2,983	17,120	293	16,827
Mar.	37,005	11,624	3,324	4,497	1,018	16,542	22,562	19,550	3,012	16,969	292	16,677
Apr.	37,291	11,684	3,364	4,547	1,057	16,639	22,753	19,704	3,049	17,059	293	16,766
May	37,751	11,810	3,413	4,583	1,097	16,848	23,203	20,053	3,150	17,177	294	16,883
June	38,159	11,957	3,449	4,626	1,114	17,013	23,630	20,501	3,129	17,211	296	16,915

[1] Savings and loan associations and mutual savings banks.

See also NOTE to table at top of preceding page.

FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT

(Per cent per annum)

Month	Commercial banks: New automo-biles (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
1972—June	9.98	10.49	12.38	12.65	17.25	11.85	16.52	....	....	....
July	9.97	10.77	12.39	12.73	17.25	11.84	16.57	12.25	19.38	21.26
Aug.	10.02	10.71	12.47	12.72	17.25	11.85	16.62	....	....	....
Sept.	10.02	10.67	12.47	12.70	17.25	11.88	16.71	12.41	19.15	21.05
Oct.	10.01	10.66	12.38	12.70	17.23	11.86	16.67	....	....	....
Nov.	10.02	10.85	12.44	12.63	17.23	11.89	16.78	12.41	18.90	21.22
Dec.	10.01	10.69	12.55	12.77	17.24	11.92	16.87	....	....	....
1973—Jan.	10.01	10.54	12.46	12.65	17.13	11.89	16.08	12.51	19.04	21.00
Feb.	10.05	10.76	12.51	12.76	17.16	11.86	16.20	....	....	....
Mar.	10.04	10.67	12.48	12.71	17.19	11.85	16.32	12.54	18.92	20.79
Apr.	10.04	10.64	12.50	12.74	17.19	11.88	16.44	....	....	....
May	10.05	10.84	12.48	12.78	17.22	11.91	16.52	12.73	18.88	20.76
June	10.08	10.57	12.57	12.78	17.24	11.94	16.61	....	....	....
July	10.10	10.84	12.51	12.75	17.21	12.02	16.75	12.77	18.93	20.55
Aug.	10.25	10.95	12.66	12.84	17.22	12.13	16.86	....	....	....
Sept.	10.44	11.06	12.67	12.96	17.23	12.28	16.98	12.90	18.69	20.52
Oct.	10.53	10.98	12.80	13.02	17.23	12.34	17.11	....	....	....
Nov.	10.49	11.19	12.75	12.94	17.23	12.40	17.21	13.12	18.77	20.65
Dec.	10.49	11.07	12.86	13.12	17.24	12.42	17.31	....	....	....
1974—Jan.	10.55	11.09	12.78	12.96	17.25	12.39	16.56	13.24	18.90	20.68
Feb.	10.53	11.25	12.82	13.02	17.24	12.33	16.62	....	....	....
Mar.	10.50	10.92	12.82	13.04	17.23	12.29	16.69	13.15	r18.69	r20.57
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	....	....	....
June	10.80	11.18	12.99	13.18	17.25	12.50	17.07	13.07	18.90	20.57

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 EXTENDED AND REPAID

(In millions of dollars)

Period	Total	By type: Automobile paper	By type: Other consumer goods paper	By type: Home improvement loans	By type: Personal loans	By holder: Commercial banks	By holder: Finance companies	By holder: Other financial lenders	By holder: Retail outlets
					Extensions				
1966	82,832	27,192	26,329	2,223	27,088	30,073	25,897	10,368	16,494
1967	87,171	26,320	29,504	2,369	28,978	31,382	26,461	11,238	18,090
1968	99,984	31,083	33,507	2,534	32,860	37,395	30,261	13,206	19,122
1969	109,146	32,553	38,332	2,831	35,430	40,955	32,753	15,198	20,240
1970	112,158	29,794	43,873	2,963	35,528	42,960	31,952	15,720	21,526
1971	124,281	34,873	47,821	3,244	38,343	51,237	32,935	17,966	22,143
1972	142,951	40,194	55,599	4,006	43,152	59,339	38,464	20,607	24,541
1973	165,083	46,453	66,859	4,728	47,043	69,726	43,221	23,414	28,722
1973—June	13,646	3,762	5,505	400	3,979	5,684	3,584	1,978	2,400
July	14,542	3,930	5,943	433	4,236	5,976	3,824	2,110	2,632
Aug.	14,294	3,968	5,961	408	3,957	6,195	3,685	1,943	2,471
Sept.	13,691	3,939	5,537	410	3,805	5,809	3,602	2,019	2,261
Oct.	14,149	3,912	5,911	415	3,911	6,060	3,623	1,951	2,515
Nov.	14,275	3,819	5,978	402	4,076	6,222	3,564	2,029	2,460
Dec.	12,677	3,315	5,254	429	3,679	5,124	3,279	1,897	2,377
1974—Jan.	13,714	3,492	5,662	373	4,187	5,715	3,693	1,911	2,395
Feb.	13,541	3,389	5,647	409	4,096	5,794	3,656	1,861	2,230
Mar.	13,823	3,484	5,933	424	3,982	5,710	3,497	1,976	2,640
Apr.	14,179	3,545	6,034	447	4,153	5,838	3,671	2,054	2,616
May	14,669	3,769	6,156	468	4,276	6,023	3,832	2,140	2,674
June	14,387	3,761	6,043	425	4,188	6,076	3,729	2,040	2,542
					Repayments				
1966	77,480	25,619	24,080	2,118	25,663	27,716	24,952	9,342	15,470
1967	83,988	26,534	27,847	2,202	27,405	29,549	26,681	10,337	17,421
1968	91,667	27,931	31,270	2,303	30,163	32,611	28,763	11,705	18,588
1969	99,786	29,974	34,645	2,457	32,710	36,470	30,981	13,193	19,142
1970	107,199	30,137	40,721	2,506	33,835	40,398	31,705	14,354	20,742
1971	115,050	31,393	44,933	2,901	35,823	45,395	31,730	16,033	21,892
1972	126,914	34,729	49,872	3,218	39,095	50,796	35,259	18,117	22,742
1973	144,978	39,452	59,409	3,577	42,540	60,014	38,066	20,358	26,540
1973—June	12,034	3,253	4,955	300	3,526	4,890	3,241	1,694	2,209
July	12,544	3,334	5,141	308	3,761	5,112	3,312	1,771	2,349
Aug.	12,399	3,293	5,168	298	3,640	5,146	3,241	1,738	2,274
Sept.	12,332	3,406	5,072	322	3,532	5,167	3,144	1,757	2,264
Oct.	12,449	3,427	5,149	308	3,565	5,212	3,287	1,703	2,247
Nov.	12,549	3,471	5,154	301	3,623	5,345	3,143	1,814	2,247
Dec.	12,267	3,338	5,001	332	3,596	5,088	3,151	1,766	2,262
1974—Jan.	12,797	3,433	5,193	356	3,815	5,254	3,418	1,823	2,302
Feb.	12,870	3,394	5,340	323	3,813	5,430	3,423	1,692	2,325
Mar.	13,206	3,544	5,596	308	3,758	5,479	3,452	1,827	2,448
Apr.	13,026	3,498	5,483	312	3,733	5,470	3,375	1,784	2,397
May	13,407	3,601	5,607	315	3,884	5,573	3,528	1,855	12,45
June	13,301	3,577	5,615	335	3,774	5,564	3,405	1,835	2,497
					Net change				
1966	5,352	1,573	2,249	105	1,425	2,357	945	1,026	1,024
1967	3,183	-214	1,657	167	1,573	1,833	220	901	669
1968	8,317	3,152	2,237	231	2,697	4,784	1,498	1,501	534
1969	9,360	2,579	3,687	374	2,720	4,485	1,772	2,005	1,098
1970	4,959	-343	3,152	457	1,693	2,977	-168	1,366	784
1971	9,231	3,480	2,888	343	2,520	5,842	1,205	1,933	251
1972	16,037	5,465	5,727	788	4,057	8,543	3,205	2,490	1,799
1973	20,105	7,001	7,450	1,151	4,503	9,712	5,155	3,056	2,182
1973—June	1,612	509	550	100	453	794	343	284	191
July	1,998	596	802	125	475	864	512	339	283
Aug.	1,895	675	793	110	317	1,049	444	205	197
Sept.	1,359	533	465	88	273	642	458	262	3
Oct.	1,700	485	762	107	346	848	336	248	268
Nov.	1,726	348	824	101	453	877	421	215	213
Dec.	410	-23	253	97	83	36	128	131	115
1974—Jan.	917	59	469	17	372	461	275	88	93
Feb.	671	-5	307	86	283	364	233	169	95
Mar.	617	-60	337	116	224	231	45	149	192
Apr.	1,153	47	551	135	420	368	296	270	219
May	1,262	168	549	153	392	450	304	285	223
June	1,086	154	428	90	414	512	324	205	45

NOTE.—Monthly estimates are seasonally adjusted and include adjustments for differences in trading days. Annual totals are based on data not seasonally adjusted.

Estimates are based on accounting records and often include finance charges. Renewals and refinancing of loans, purchases and sales of instalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding.

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and BULLETINS for Dec. 1968 and Oct. 1972.

MARKET GROUPINGS

(1967 = 100)

Grouping	1967 proportion	1973 average	1973 July	Aug.	Sept.	Oct.	Nov.	Dec.	1974 Jan.	Feb.	Mar.	Apr.[r]	May	June[p]	July
Total index	100.0	125.6	126.7	126.5	126.8	127.0	127.5	126.5	125.4	124.6	124.7	124.9	125.7	125.6	125.7
Products, total	**62.21**	**123.4**	**124.2**	**123.7**	**124.3**	**124.3**	**125.3**	**124.0**	**122.9**	**122.4**	**122.6**	**122.7**	**123.6**	**123.4**	**123.6**
Final products	*48.95*	*121.3*	*122.1*	*121.4*	*122.4*	*122.7*	*123.7*	*122.6*	*121.2*	*120.6*	*121.0*	*120.8*	*122.5*	*121.8*	*122.3*
Consumer goods	28.53	131.7	132.8	131.2	132.3	132.6	133.5	131.3	129.2	128.3	128.5	128.5	130.3	129.4	130.0
Equipment	20.42	106.7	107.3	107.6	108.5	108.9	110.1	110.1	109.8	109.9	110.1	110.1	111.8	111.3	111.4
Intermediate products	13.26	131.1	132.5	132.1	131.0	130.6	131.1	129.1	129.2	129.1	128.2	129.4	128.0	129.1	128.2
Materials	**37.79**	**129.3**	**130.9**	**130.9**	**131.3**	**131.1**	**131.5**	**130.7**	**129.7**	**128.3**	**128.8**	**128.7**	**129.2**	**129.4**	**129.3**
Consumer goods															
Durable consumer goods	7.86	*139.0*	*142.4*	*134.0*	*138.2*	*137.3*	*138.5*	*134.6*	*128.2*	*126.4*	*128.5*	*130.9*	*132.8*	*132.4*	*133.1*
Automotive products	2.84	136.8	141.7	121.1	129.8	131.4	133.7	120.6	108.0	106.6	108.0	113.8	116.2	114.7	116.6
Autos	1.87	125.4	134.0	103.9	118.4	122.5	124.8	106.2	90.0	86.4	86.3	97.7	100.3	99.6	101.5
Auto parts and allied goods	.97	158.9	156.7	154.2	151.8	148.4	150.9	147.8	142.6	145.5	149.8	144.7	146.7	143.6	145.5
Home goods	5.02	140.3	142.9	141.1	142.9	140.9	141.2	142.5	139.6	137.5	140.1	140.6	142.3	142.4	142.5
Appliances, TV, and radios	1.41	144.8	147.8	146.3	149.4	143.4	140.4	147.9	138.4	131.9	135.8	135.2	137.8	136.9	......
Appliances and A/C	.92	156.9	156.0	153.3	159.8	159.3	154.7	172.2	153.9	148.2	150.0	148.6	152.7	151.3	......
TV and home audio	.49	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Carpeting and furniture	1.08	150.0	155.4	154.2	153.3	153.9	152.7	150.1	153.5	153.3	154.5	158.2	157.4	158.9	......
Misc. home goods	2.53	133.6	134.7	132.9	134.8	134.1	136.8	136.3	134.4	134.2	136.3	136.0	138.3	138.4	138.5
Nondurable consumer goods	*20.67*	*129.0*	*129.1*	*130.2*	*130.1*	*130.8*	*131.5*	*130.2*	*129.5*	*129.1*	*128.7*	*127.6*	*129.4*	*128.3*	*128.8*
Clothing	4.32	116.0	116.5	117.0	118.0	116.8	117.3	120.3	116.3	114.5	112.0	106.2	107.0	......	......
Consumer staples	16.34	132.4	132.5	133.6	133.2	134.5	135.2	132.8	133.0	133.0	133.1	133.2	135.3	134.0	134.5
Consumer foods and tobacco	8.37	122.2	121.3	121.9	122.2	123.3	126.5	125.0	126.9	125.9	125.7	123.9	126.3	124.1	124.8
Nonfood staples	7.98	143.1	144.1	145.8	144.8	146.2	144.3	141.1	139.4	140.4	140.8	143.1	144.5	144.3	144.7
Consumer chemical products	2.64	153.3	153.0	155.6	153.4	156.2	154.9	156.7	157.8	159.0	160.3	159.7	157.5	156.2	......
Consumer paper products	1.91	121.3	122.5	124.1	124.4	122.5	123.6	120.5	119.4	119.9	119.1	119.4	124.7	123.5	......
Consumer fuel and lighting	3.43	147.5	149.2	150.4	149.7	151.9	147.8	140.7	136.7	137.4	138.2	143.7	145.4	146.6	......
Residential utilities	2.25	156.8	157.8	160.0	160.9	161.9	158.0	149.8	145.6	148.6	149.0	151.6	153.2	......	......
Equipment															
Business equipment	*12.74*	*122.6*	*123.0*	*124.6*	*125.8*	*126.2*	*127.8*	*126.9*	*126.8*	*127.3*	*127.6*	*127.9*	*129.8*	*129.7*	*129.7*
Industrial equipment	6.77	120.1	120.5	122.5	124.1	124.5	125.6	124.9	125.3	126.6	126.8	127.6	129.4	129.2	128.5
Building and mining equip.	1.45	120.4	119.6	123.0	123.7	124.7	126.0	126.0	128.5	130.3	131.3	133.5	135.0	136.5	136.5
Manufacturing equipment	3.85	113.0	113.9	115.1	117.3	117.3	118.2	118.5	119.3	120.6	121.1	122.1	124.1	123.4	123.4
Power equipment	1.47	138.5	138.5	141.0	142.3	143.0	144.6	140.3	138.0	138.7	137.3	136.6	137.8	137.1	133.6
Commercial, transit, farm eq.	5.97	125.5	125.8	127.0	127.7	128.1	130.3	129.2	128.5	128.2	128.7	128.2	130.2	130.4	130.9
Commercial equipment	3.30	135.0	135.9	137.0	138.2	140.1	141.3	139.3	139.8	139.8	140.8	140.4	141.3	142.4	141.5
Transit equipment	2.00	109.8	109.0	108.4	109.6	109.8	111.4	111.1	109.5	109.3	109.4	106.7	110.2	108.0	110.7
Farm equipment	.67	125.1	126.4	132.8	129.4	123.5	132.4	133.4	129.2	126.0	126.1	131.2	135.2	137.9	......
Defense and space equipment	*7.68*	*80.2*	*81.1*	*79.7*	*79.8*	*80.0*	*80.9*	*81.9*	*81.4*	*80.9*	*81.0*	*80.6*	*81.6*	*80.7*	*81.2*
Military products	5.15	80.3	81.1	79.0	79.1	79.3	80.0	81.3	80.6	80.2	80.5	79.9	80.3	78.2	78.8
Intermediate products															
Construction products	5.93	134.2	134.5	135.3	134.9	134.3	133.7	131.1	133.0	131.3	129.6	130.8	130.6	130.8	129.5
Misc. intermediate products	7.34	128.6	132.7	129.6	128.1	127.5	129.0	127.4	126.3	127.4	127.5	128.2	126.0	127.7	......
Materials															
Durable goods materials	*20.91*	*130.1*	*131.7*	*131.8*	*132.3*	*132.2*	*133.0*	*132.7*	129.8	*127.3*	*127.2*	*127.3*	*128.8*	*128.5*	*128.6*
Consumer durable parts	4.75	127.8	126.9	128.6	129.9	128.2	128.4	121.0	113.0	109.3	110.6	112.5	114.7	114.7	114.7
Equipment parts	5.41	119.3	124.5	122.3	122.1	122.7	125.8	125.3	123.9	122.6	121.6	120.1	122.7	122.5	122.5
Durable materials nec	10.75	136.5	137.6	138.0	138.7	139.0	138.7	141.6	140.0	137.6	137.5	137.5	138.0	137.6	137.7
Nondurable goods materials	*13.99*	*129.1*	*130.4*	*130.6*	*130.3*	*130.1*	*130.7*	*129.2*	*131.1*	*131.1*	*131.9*	*131.9*	*130.8*	*131.4*	*131.0*
Textile, paper, and chem. mat.	8.58	139.8	142.2	142.4	141.9	141.4	142.4	140.1	143.4	141.7	143.1	143.9	142.9	143.1	143.0
Nondurable materials n.e.c.	5.41	112.2	112.1	111.7	112.0	112.3	112.1	111.9	111.7	114.3	114.7	112.7	111.9	112.9	111.9
Fuel and power, industrial	2.89	123.9	126.9	126.3	128.3	126.9	124.9	123.1	121.5	122.5	122.6	123.2	124.8	125.5	127.0
Supplementary groups															
Home goods and clothing	9.34	129.0	130.7	130.0	131.3	129.8	130.2	132.4	128.8	126.9	127.0	124.6	126.0	125.9	126.1
Containers	1.82	139.9	135.1	140.5	139.8	141.2	142.3	141.0	148.4	144.3	151.4	147.0	141.5	143.6	......
Gross value of products in market structure															
(In billions of 1963 dollars)															
Products, total	*286.3*	*449.8*	*452.9*	*446.2*	*449.8*	*452.6*	*456.9*	*449.1*	*445.4*	*442.5*	*443.9*	*445.4*	*448.8*	*448.1*	*447.9*
Final products	221.4	346.1	347.7	341.9	346.3	349.7	353.3	346.9	342.5	339.9	342.3	342.9	347.9	346.3	346.3
Consumer goods	156.3	239.7	241.0	235.4	239.0	241.7	243.6	237.8	233.6	230.6	232.7	233.8	237.5	235.7	236.0
Equipment	65.3	106.4	106.6	106.6	107.3	108.0	109.5	109.0	108.9	109.1	109.4	109.0	110.6	110.6	110.3
Intermediate products	64.9	103.7	104.8	104.6	103.5	103.1	103.6	102.5	103.1	102.6	101.9	102.5	101.1	102.0	101.7

For NOTE see p. A-51.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 pro-portion	1973 aver-age	1973 July	1973 Aug.	1973 Sept.	1973 Oct.	1973 Nov.	1973 Dec.	1974 Jan.	1974 Feb.	1974 Mar.	1974 Apr.r	1974 May	1974 June p	1974 July
Manufacturing	88.55	125.2	126.5	126.1	126.3	126.4	127.4	126.4	125.3	124.5	124.6	124.8	125.6	125.3	125.5
Durable	52.33	122.1	123.8	122.6	123.3	123.5	124.3	123.1	121.1	119.4	120.4	120.7	122.2	121.8	122.1
Nondurable	36.22	129.6	130.5	130.9	130.7	130.4	131.3	131.2	131.4	131.5	130.9	130.4	130.7	130.4	130.5
Mining and utilities	11.45	128.9	130.4	130.7	131.3	131.5	130.6	126.9	125.4	126.9	127.3	127.8	128.3	127.9	128.5
Mining	6.37	110.2	111.0	111.5	111.8	111.9	111.3	110.4	109.9	111.7	112.2	111.3	111.6	110.8	111.7
Utilities	5.08	152.3	154.8	154.8	155.8	156.2	154.6	147.6	144.9	146.1	146.5	148.7	149.2	149.5	149.9
Durable manufactures															
Primary and fabricated metals	12.55	128.8	130.6	129.5	129.5	130.6	131.0	130.5	130.4	127.6	128.2	127.5	129.2	129.6	130.0
Primary metals	6.61	127.1	128.1	125.6	127.8	128.7	128.9	130.7	129.5	125.0	125.3	124.0	126.8	127.5	128.2
Iron and steel, subtotal	4.23	121.6	120.9	118.5	122.7	123.6	124.2	127.7	125.5	119.4	119.6	116.4	118.0	120.0	120.0
Fabricated metal products	5.94	130.7	133.5	133.8	131.5	132.4	133.1	130.0	131.4	130.6	131.6	131.3	131.9	132.1	132.0
Machinery and allied goods	32.44	117.3	119.3	117.7	118.9	118.9	119.9	118.6	115.2	113.8	114.8	115.5	117.2	116.5	116.9
Machinery	17.39	125.9	127.6	128.5	130.0	129.2	130.4	130.9	128.6	127.2	128.4	128.2	129.4	129.4	129.6
Nonelectrical machinery	9.17	125.1	127.1	128.9	130.0	130.0	130.3	130.2	129.4	128.1	129.8	130.7	131.2	131.5	131.5
Electrical machinery	8.22	126.8	128.0	128.2	129.8	128.5	130.5	131.6	127.7	126.2	126.8	125.3	127.4	127.3	127.2
Transportation equipment	9.29	109.2	112.1	105.7	107.3	108.8	109.8	103.0	95.7	93.9	95.0	97.8	100.6	98.4	99.2
Motor vehicles and parts	4.56	138.1	144.1	131.0	133.9	136.4	137.8	124.6	112.7	109.2	110.2	116.4	119.6	116.9	118.1
Aerospace and misc. trans. eq.	4.73	81.4	81.3	81.3	81.7	82.3	82.9	82.2	79.3	79.3	80.3	80.0	82.4	80.7	81.0
Instruments	2.07	138.4	140.8	140.9	141.5	141.0	142.6	142.7	143.0	142.8	142.8	143.8	146.3	147.4	147.4
Ordnance, private and Govt.	3.69	85.4	86.7	83.8	83.7	83.8	84.3	86.1	85.2	84.2	84.9	84.3	84.9	84.6	84.3
Lumber, clay, and glass	4.44	129.5	129.8	129.2	128.8	129.7	129.3	127.8	129.7	127.4	128.1	128.9	127.9	127.1	127.5
Lumber and products	1.65	128.9	125.4	128.4	128.9	127.4	127.3	126.3	126.1	127.1	126.1	126.8	126.8	126.1	......
Clay, glass, and stone products	2.79	129.9	132.3	129.6	128.8	131.2	130.4	128.7	131.8	127.6	129.3	130.3	128.6	127.5	......
Furniture and miscellaneous	2.90	135.2	135.9	137.5	138.2	136.1	136.4	135.3	133.4	135.2	136.8	136.8	138.9	138.4	138.7
Furniture and fixtures	1.38	126.3	127.5	129.5	130.4	128.8	127.9	124.9	124.2	125.4	126.8	128.8	129.7	130.5	......
Miscellaneous manufactures	1.52	143.3	143.5	144.9	145.3	142.9	144.3	144.5	141.8	144.2	145.8	144.1	147.3	145.5	......
Nondurable manufactures															
Textiles, apparel, and leather	6.90	114.7	114.5	115.4	117.5	116.8	116.7	118.8	116.2	115.3	112.4	109.3	109.5	108.6	108.4
Textile mill products	2.69	127.1	128.9	129.0	130.2	130.2	129.4	130.9	128.4	127.6	125.0	123.4	123.5	123.0	......
Apparel products	3.33	112.9	112.1	113.6	115.4	114.9	115.3	118.5	116.4	113.6	110.0	105.8	106.0	......	......
Leather and products	.88	83.6	79.2	81.0	86.4	83.1	82.9	82.9	77.6	83.7	83.0	79.5	80.1	80.5	......
Paper and printing	7.92	122.1	123.8	124.5	122.1	121.3	121.9	121.2	121.7	122.2	122.5	121.2	121.3	122.6	122.3
Paper and products	3.18	135.4	135.3	137.0	134.8	135.3	136.2	136.7	138.7	137.6	140.2	135.4	135.1	136.8	......
Printing and publishing	4.74	113.2	116.0	116.2	113.6	112.1	112.3	110.8	110.4	111.9	110.7	111.7	111.9	113.0	113.5
Chemicals, petroleum, and rubber	11.92	149.3	151.8	151.0	150.9	151.1	151.6	151.6	151.5	151.2	151.3	153.5	152.9	153.1	153.2
Chemicals and products	7.86	150.1	152.0	151.4	153.0	152.7	153.0	154.5	154.9	155.3	155.5	156.2	156.0	155.9	156.0
Petroleum products	1.80	127.4	129.3	128.2	126.0	130.4	129.5	125.5	120.5	116.9	117.3	126.9	126.1	125.8	126.0
Rubber and plastics products	2.26	164.0	168.8	167.9	163.6	161.9	164.5	162.3	164.3	163.5	164.2	165.5	163.7	165.0	......
Foods and tobacco	9.48	121.9	121.3	122.0	122.2	121.7	124.7	123.0	125.4	126.2	125.3	124.3	126.1	124.7	124.9
Foods	8.81	122.7	122.4	122.9	123.2	122.4	125.4	124.5	126.3	127.2	126.5	125.9	127.3	125.8	126.1
Tobacco products	.67	111.6	105.3	110.1	109.1	113.7	115.8	104.2	113.3	112.1	110.4	104.6	109.4	......	......
Mining															
Metal, stone, and earth minerals	1.26	118.1	116.9	120.6	120.4	120.9	121.3	122.0	121.4	119.9	119.7	117.5	117.9	112.0	117.5
Metal mining	.51	130.8	128.4	131.4	136.6	138.3	135.2	135.2	135.2	132.2	132.9	127.4	128.1	119.6	......
Stone and earth minerals	.75	109.5	109.1	113.1	109.5	109.2	111.7	113.1	111.9	111.6	110.7	110.7	111.0	106.7	......
Coal, oil, and gas	5.11	108.3	109.5	109.2	109.5	109.7	108.8	107.5	107.0	109.6	110.2	109.8	110.0	110.6	110.3
Coal	.69	103.6	109.0	104.0	109.8	103.0	104.1	110.4	108.7	112.7	114.7	110.3	113.6	118.0	118.0
Oil and gas extraction	4.42	109.0	109.5	110.0	109.7	110.8	109.6	107.0	106.8	109.1	109.5	109.7	109.5	109.5	109.0
Utilities															
Electric	3.91	160.7	164.0	163.8	165.1	165.3	163.4	155.6	153.0	154.6	155.1	158.3	159.0	......	......
Gas	1.17	124.2	......	......	......	......	......	......	......	......	......	......	......	......	......

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 Business Indexes release.

Indexes without seasonal adjustment are no longer being published in the *Bulletin*, but they are available in the Board's monthly release *Industrial Production* (the G.12.3), which is available upon request to Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SELECTED BUSINESS INDEXES

(1967 = 100, except as noted)

Period	Industrial production: Total	Market: Total	Products: Total	Products: Final: Consumer goods	Products: Final: Equipment	Products: Intermediate	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	....	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	....	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	....	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	91	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	103.1	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	106.7	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	107.2	98.0	114.1	120	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	107.3	93.9	116.3	122	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	110.5	96.7	130.2	142	125.3	119.8
1973	125.6	123.4	121.3	131.7	106.7	131.1	129.3	125.2	83.0	183.3	114.8	101.9	146.9	....	133.1	134.7
1973—June	125.6	123.7	121.3	131.9	106.6	132.0	129.0	125.6	[5]83.3	183.0	114.7	102.1	145.3	157	132.4	136.0
July	126.7	124.2	122.1	132.8	107.3	132.5	130.9	126.5		175.0	114.6	101.8	146.3	163	132.7	134.3
Aug.	126.5	123.7	121.4	131.2	107.6	132.1	130.9	126.1	83.3	199.0	115.0	102.1	146.7	162	135.1	142.1
Sept.	126.8	124.3	122.4	132.3	108.5	131.0	131.3	126.3		182.0	115.3	102.1	149.8	163	135.5	139.7
Oct.	127.0	124.3	122.7	132.6	108.9	130.6	131.1	126.4		191.0	116.0	102.9	151.7	164	136.6	138.7
Nov.	127.5	125.3	123.7	133.5	110.1	131.1	131.5	127.4	82.6	194.0	116.4	103.3	155.8	164	137.6	139.2
Dec.	126.5	124.0	122.6	131.3	110.1	129.1	130.7	126.4		161.0	116.4	103.2	153.7	161	138.5	141.8
1974—Jan.	125.4	122.9	121.2	129.2	109.8	129.2	129.7	125.3		155.0	116.2	102.6	151.6	164	139.7	146.6
Feb.	124.6	122.4	120.6	128.3	109.9	129.1	128.3	124.5	80.5	187.0	116.6	101.8	151.1	165	141.5	149.5
Mar.	124.7	122.6	121.0	128.5	110.1	128.2	128.8	124.6		181.0	116.6	101.5	150.5	168	143.1	151.4
Apr.	124.9	r122.7	r120.8	r128.5	r110.1	r129.4	r128.7	....		179.0	116.8	101.9	147.9	169	144.0	152.7
May	r125.7	r123.6	r122.5	r130.3	r111.8	r128.0	r129.2	125.6	80.6	188.0	r117.1	102.0	r154.4	172	145.6	155.0
June	r125.6	r123.4	r121.8	r129.4	r111.3	r129.1	129.4	r125.3		166.0	r117.0	r102.0	r155.4	170	147.1	155.7
July	125.7	123.6	122.3	130.0	111.4	128.2	129.3	125.5	....	....	116.8	101.4	156.4	177	....	161.7

[1] Employees only; excludes personnel in the Armed Forces.
[2] Production workers only.
[3] F.R. index based on Census Bureau figures.
[4] Prices are not seasonally adjusted. Latest figure is final.
[5] Figure is for second quarter 1973.

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; does not include data for Alaska and Hawaii.

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	1972	1973	1972 Dec.	1973 July	1973 Aug.	1973 Sept.	1973 Oct.	1973 Nov.	1973 Dec.	1974 Jan.	1974 Feb.	1974 Mar.	1974 Apr.	1974 May	1974 June
Total construction [1]	90,979	101,071	6,423	9,228	10,303	8,151	8,983	7,905	6,133	5,954	6,610	7,911	8,929	10,158	8,480
By type of ownership:															
Public	24,043	26,686	1,629	2,581	2,968	2,328	2,055	2,140	1,855	2,135	2,212	2,481	2,336	3,082	2,968
Private [1]	66,936	73,385	4,793	6,647	7,335	5,822	6,928	5,765	4,277	3,819	4,398	5,430	6,593	7,076	5,512
By type of construction:															
Residential building [1]	44,975	46,246	3,115	4,224	4,233	3,638	3,673	3,299	2,341	2,231	2,678	3,374	3,924	3,862	3,546
Nonresidential building	27,021	31,761	2,189	2,991	3,241	2,719	2,758	2,655	2,210	2,307	2,260	2,752	2,842	3,120	2,989
Nonbuilding	18,983	22,064	1,119	2,013	2,828	1,794	2,552	1,951	1,581	1,415	1,672	1,785	2,163	3,176	1,945
Private housing units authorized (In thousands, S.A., A.R.)	2,219	1,796	2,399	1,780	1,750	1,596	1,316	1,314	1,237	1,301	1,333	1,461	1,300	1,116	1,116

[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 exceed annual totals because adjustments—negative –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; 1971 data are for 13,000 reporting areas.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				
		Total	Residential	Nonresidential					Total	Military	Highway	Conservation and development	Other [2]
				Total	Buildings			Other					
					Industrial	Commercial	Other buildings [1]						
1962 [3]	59,965	42,096	25,150	16,946	2,842	5,144	3,631	5,329	17,869	1,266	6,365	1,523	8,715
1963 [4]	64,563	45,206	27,874	17,332	2,906	4,995	3,745	5,686	19,357	1,179	7,084	1,694	9,400
1964	67,413	47,030	28,010	19,020	3,565	5,396	3,994	6,065	20,383	910	7,133	1,750	10,590
1965	73,412	51,350	27,934	23,416	5,118	6,739	4,735	6,824	22,062	830	7,550	2,019	11,663
1966	76,002	51,995	25,715	26,280	6,679	6,879	5,037	7,685	24,007	727	8,405	2,194	12,681
1967	77,503	51,967	25,568	26,399	6,131	6,982	4,993	8,293	25,536	695	8,591	2,124	14,126
1968	86,626	59,021	30,565	28,456	6,021	7,761	4,382	10,292	27,605	808	9,321	1,973	15,503
1969	93,368	65,404	33,200	32,204	6,783	9,401	4,971	11,049	27,964	879	9,250	1,783	16,052
1970	94,167	66,071	31,864	34,207	6,538	9,754	5,125	12,790	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	124,077	93,893	54,288	39,605	4,676	13,462	5,898	15,569	30,184	1,087	10,429	2,172	16,496
1973	135,437	102,875	57,604	45,271	6,243	15,453	5,888	17,687	32,562	1,170	10,559	2,313	18,520
1973 – June	134,694	103,209	58,208	45,001	6,035	15,586	6,019	17,363	31,485	1,167	9,988	2,264	18,066
July	137,172	105,562	59,145	46,417	6,477	15,976	6,093	17,871	31,610	1,231	10,727	2,097	17,555
Aug.	137,351	105,475	59,280	46,195	6,436	15,754	5,854	18,151	31,876	1,100	10,606	2,226	17,944
Sept.	137,283	104,119	58,048	46,071	6,820	15,446	5,674	18,131	33,164	1,026	11,128	2,354	18,656
Oct.	136,363	130,197	56,233	46,964	6,748	15,762	5,860	18,594	33,166	1,079	10,566	2,300	19,221
Nov.	135,594	102,172	54,450	47,722	7,080	16,054	5,727	18,861	33,422	1,060	10,952	2,362	19,048
Dec.	133,169	100,057	52,304	47,753	7,343	15,890	5,913	18,607	33,112	1,082	11,168	2,314	18,548
1974 – Jan.	132,487	97,647	49,802	47,845	6,831	15,762	6,058	19,194	34,840	1,305	......	......	......
Feb.	136,274	98,762	49,071	49,691	7,869	16,650	6,143	19,029	37,512	1,361	......	......	......
Mar.	135,483	99,045	49,209	49,836	7,500	16,652	6,336	19,348	36,438	1,401	......	......	......
Apr. r	137,786	98,832	49,558	49,274	6,920	16,296	6,264	19,794	38,954	1,507	......	......	......
May	136,350	99,685	49,739	49,946	7,606	16,408	5,890	20,042	36,665	1,178	......	......	......
June p	136,028	99,303	49,468	49,835	7,668	16,107	6,015	20,047	36,725	......	......	......	......

[1] Includes religious, educational, hospital, institutional, and other buildings.

[2] Sewer and water, formerly shown separately, now included in "Other."

[3] Beginning July 1962, reflects inclusion of new series affecting most private nonresidential groups.

[4] Beginning 1963, reflects inclusion of new series under "Public" (for State and local govt. activity only).

NOTE.—Census Bureau data; monthly series at seasonally adjusted annual rates.

NEW HOUSING UNITS

(In thousands)

Period	Units started															Mobile home shipments (N.S.A.)
	Private (S.A., A.R.)								Private and public (N.S.A.)			Government-underwritten (N.S.A.)				
	Total	Region				Type of structure										
		Northeast	North Central	South	West	1-family	2- to 4-family	5- or more-family	Total	Private	Public	Total	FHA	VA		
1963	1,603	261	328	591	430	1,012	589		1,635	1,603	32	292	221	71	151	
1964	1,529	254	340	578	357	970	108	450	1,561	1,529	32	264	205	59	191	
1965	1,473	270	362	575	266	964	87	422	1,510	1,473	37	246	197	49	216	
1966	1,165	206	288	472	198	778	61	325	1,196	1,165	31	195	158	37	217	
1967	1,292	215	337	520	220	844	72	376	1,322	1,292	30	232	180	53	240	
1968	1,508	227	369	618	294	900	81	527	1,546	1,508	38	283	227	56	318	
1969	1,467	206	349	588	324	814	85	571	1,500	1,467	33	284	233	51	413	
1970	1,434	218	294	612	310	813	85	536	1,469	1,434	35	482	421	61	401	
1971	2,052	264	434	869	486	1,151	120	781	2,084	2,052	32	621	528	93	497	
1972	2,357	330	443	1,057	527	1,309	141	906	2,379	2,357	22	475	371	104	576	
1973	2,045	277	440	897	428	1,132	118	795	2,057	2,045	12	247	161	86	567	
1973- June	2,152	345	485	873	449	1,140	127	886	203	203	1	25	17	8	56	
July	2,152	245	475	1,020	412	1,232	144	776	203	203	1	20	12	8	49	
Aug.	2,030	255	466	844	465	1,108	107	814	200	197	3	23	14	9	53	
Sept.	1,844	281	431	748	384	990	97	757	149	148	1	15	10	6	44	
Oct.	1,674	242	383	715	334	957	81	637	149	147	2	15	9	6	45	
Nov.	1,675	241	322	750	362	938	84	653	135	133	1	17	12	5	39	
Dec.	1,403	192	278	654	279	767	73	563	91	90	......	11	7	4	28	
1974—Jan.	1,464	258	330	650	226	793	89	582	86	85	2	13	9	4	29	
Feb.	1,922	337	386	871	328	1,056	84	782	110	109	......	12	8	4	30	
Mar.	1,499	212	332	620	335	962	87	450	127	125	2	14	8	6	37	
Apr. r	1,630	195	327	749	359	996	88	546	161	160	1	13	6	7	42	
May	1,476	177	319	634	346	933	95	448	150	150	1	17	10	8	41	
Jun. p	1,595	262	382	616	335	1,015	76	504	149	148	2	15	8	7	......	

NOTE.—Starts are Census Bureau series (including farm starts) except for Govt.-underwritten, which are from Federal Housing Admin. and Veterans Admin. and represent units started, including rehabilitation units under FHA, based on field office reports of first compliance inspections. Data may not add to totals because of rounding.

Mobile home shipments are as reported by Mobile Homes Manufacturers Assn.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total noninstitutional 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		
1968	135,562	53,291	82,272	78,737	75,920	72,103	3,817	2,817	3.6
1969	137,841	53,602	84,240	80,734	77,902	74,296	3,606	2,832	3.5
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
1973—July	148,361	55,133	91,139	88,828	84,621	81,109	3,512	4,207	4.7
Aug.	148,565	56,129	91,011	88,704	84,513	81,088	3,425	4,191	4.7
Sept.	148,782	57,484	91,664	89,373	85,133	81,757	3,376	4,240	4.7
Oct.	149,001	56,955	92,038	89,749	85,649	82,194	3,455	4,100	4.6
Nov.	149,208	57,040	92,186	89,903	85,649	82,088	3,561	4,254	4.7
Dec.	149,436	57,453	92,315	90,033	85,669	82,026	3,643	4,364	4.8
1974—Jan.	149,656	58,303	92,801	90,543	85,811	82,017	3,794	4,732	5.2
Feb.	149,857	58,165	92,814	90,556	85,803	81,951	3,852	4,753	5.2
Mar.	150,066	58,183	92,747	90,496	85,863	82,164	3,699	4,633	5.1
Apr.	150,283	58,547	92,556	90,313	85,775	82,264	3,511	4,538	5.0
May	150,507	58,349	92,909	90,679	85,971	82,514	3,457	4,708	5.2
June	150,710	55,953	93,130	90,919	86,165	82,872	3,293	4,754	5.2
July	150,922	55,426	93,387	91,167	86,312	82,907	3,405	4,855	5.3

[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 & public utilities	Trade	Finance	Service	Government
1968	67,915	19,781	606	3,285	4,310	14,084	3,382	10,623	11,845
1969	70,284	20,167	619	3,435	4,429	14,639	3,564	11,229	12,202
1970	70,593	19,349	623	3,381	4,493	14,914	3,688	11,612	12,535
1971	70,645	18,529	602	3,411	4,442	15,142	3,796	11,869	12,856
1972	72,764	18,933	607	3,521	4,495	15,683	3,927	12,309	13,290
1973	75,567	19,820	625	3,648	4,611	16,288	4,053	12,866	13,657
SEASONALLY ADJUSTED									
1973—June	75,526	19,856	629	3,654	4,597	16,262	4,049	12,820	13,659
July	75,493	19,804	631	3,680	4,598	16,294	4,048	12,828	13,610
Aug.	75,747	19,861	634	3,676	4,617	16,352	4,064	12,906	13,637
Sept.	75,961	19,882	633	3,700	4,629	16,388	4,078	12,995	13,656
Oct.	76,363	20,016	639	3,694	4,671	16,465	4,088	13,044	13,746
Nov.	76,679	20,095	644	3,711	4,654	16,520	4,095	13,122	13,838
Dec.	76,626	20,090	646	3,732	4,644	16,398	4,101	13,128	13,887
1974—Jan.	76,526	20,006	654	3,636	4,684	16,417	4,109	13,136	13,884
Feb.	76,813	19,904	656	3,757	4,691	16,472	4,124	13,215	13,994
Mar.	76,804	19,851	655	3,725	4,676	16,487	4,127	13,240	14,043
Apr.	76,941	19,921	659	3,659	4,668	16,549	4,130	13,248	14,107
May	77,136	19,942	664	3,662	4,664	16,594	4,145	13,329	14,136
June[p]	77,073	19,951	666	3,602	4,648	16,575	4,142	13,363	14,126
July[p]	76,951	19,867	674	3,500	4,637	16,612	4,133	13,397	14,131
NOT SEASONALLY ADJUSTED									
1973—June	76,308	20,002	642	3,837	4,661	16,335	4,089	12,999	13,743
July	75,384	19,729	644	3,934	4,653	16,262	4,113	12,982	13,067
Aug.	75,686	20,018	648	3,981	4,659	16,279	4,121	13,009	12,971
Sept.	76,238	20,132	641	3,944	4,671	16,367	4,082	12,982	13,419
Oct.	76,914	20,168	640	3,923	4,680	16,515	4,076	13,057	13,855
Nov.	77,322	20,202	643	3,822	4,659	16,780	4,079	13,096	14,041
Dec.	77,391	20,110	642	3,639	4,644	17,113	4,080	13,062	14,101
1974—Jan.	75,620	19,818	642	3,280	4,618	16,290	4,072	12,913	13,987
Feb.	75,792	19,738	641	3,329	4,616	16,127	4,087	13,056	14,198
Mar.	76,117	19,726	642	3,405	4,634	16,187	4,102	13,147	14,274
Apr.	76,706	19,777	653	3,527	4,635	16,429	4,118	13,274	14,293
May	77,225	19,825	664	3,658	4,664	16,535	4,141	13,422	14,316
June[p]	77,871	20,099	680	3,782	4,713	16,650	4,183	13,550	14,214
July[p]	76,830	19,808	688	3,741	4,693	16,579	4,199	13,558	13,564

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 1970, series has been adjusted to Mar. 1971 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	124.2	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.2	125.9	129.0
1973—June	132.4	139.8	133.9	123.9	145.0	131.6	125.4	124.7	126.8	124.6	130.0	137.0	124.9	125.9	129.0
July	132.7	140.9	134.2	124.3	145.2	131.7	125.5	125.0	125.8	124.8	130.3	137.3	125.3	126.2	129.5
Aug.	135.1	149.4	135.2	125.0	147.0	132.8	125.8	125.3	126.5	124.5	130.5	137.6	125.7	126.1	129.4
Sept.	135.5	148.3	136.6	125.4	149.2	133.6	126.5	126.1	128.3	123.9	131.1	138.3	126.3	126.8	129.9
Oct.	136.6	148.4	138.1	125.9	151.5	141.1	127.4	126.7	129.6	125.0	132.1	140.6	127.3	127.2	130.3
Nov.	137.6	150.0	139.4	126.3	152.6	155.6	129.8	127.5	130.5	125.8	132.6	140.9	128.1	127.5	130.8
Dec.	138.5	151.3	r140.6	126.9	153.6	172.8	131.0	128.0	130.5	126.7	133.0	141.4	129.2	127.6	131.3
1974—Jan.	139.7	153.7	142.2	127.3	154.8	194.6	134.3	129.0	128.8	128.1	133.7	142.2	129.8	128.3	131.8
Feb.	141.5	157.6	143.4	128.0	155.8	202.0	137.3	130.1	130.4	129.3	134.5	143.4	130.8	128.9	132.3
Mar.	143.1	159.1	144.9	128.4	157.2	201.5	140.0	132.6	132.2	132.0	135.4	144.8	131.8	129.5	132.8
Apr.	144.0	158.6	146.0	128.8	158.2	206.5	141.9r	134.0	133.6	134.4	136.3	145.6	133.1	130.4	133.6
May	145.6	159.7	147.6	129.3	159.4	211.0	143.9	137.0	135.0	137.6	137.7	147.2	134.9	132.0	134.4
June	147.1	160.3	149.2	129.8	161.2	214.2	144.5	139.2	135.7	140.7	139.4	149.4	136.5	133.5	135.8

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
1973—July	134.3	173.3	146.5	126.1	124.2	141.4	134.7	110.8	112.9	177.8	122.3	132.8	122.0	115.2	130.0	115.0	120.9
Aug.	142.1	213.3	166.2	126.7	125.2	143.0	135.2	111.0	113.1	178.8	123.3	133.7	122.3	115.9	130.0	115.1	121.0
Sept.	139.7	200.4	156.3	127.4	126.8	143.8	137.4	111.5	112.8	181.9	124.4	134.4	122.6	116.0	129.9	114.5	121.1
Oct.	138.7	188.4	153.1	128.5	128.5	143.8	139.3	112.7	114.0	180.3	125.8	135.9	123.1	116.6	130.9	115.9	121.0
Nov.	139.2	184.0	151.9	130.1	130.0	143.0	144.1	113.5	114.8	184.7	127.6	138.5	123.8	117.2	131.5	116.1	121.3
Dec.	141.8	187.2	155.7	132.2	131.4	141.9	151.5	115.6	116.5	186.1	128.7	141.8	124.6	117.5	132.6	117.3	121.6
1974—Jan.	146.6	202.6	162.1	135.3	133.8	142.6	162.5	118.2	117.7	183.7	131.8	145.0	126.0	119.0	138.7	118.6	123.5
Feb.	149.5	205.6	164.7	138.2	135.2	143.4	177.4	120.2	119.8	184.1	132.9	148.0	127.0	120.2	142.1	118.9	124.6
Mar.	151.4	197.0	163.0	142.4	136.1	143.4	189.0	127.3	123.8	191.3	137.2	154.7	129.0	121.3	144.2	119.1	125.8
Apr.	152.7	186.2	159.1	146.6	137.5	145.4	197.9	132.3	129.4	200.2	114.4	161.2	130.8	122.9	146.7	119.4	128.2
May	155.0	180.8	158.9	150.5	139.1	146.3	204.3	137.0	133.7	198.0	146.6	168.7	134.1	124.5	150.7	121.4	133.2
June	155.7	168.6	157.4	153.6	141.7	146.0	210.5	142.8	135.6	192.2	147.5	174.0	137.2	126.1	152.3	122.8	134.3
July	161.7	180.8	167.6	157.8	142.1	146.6	221.7	148.4	139.5	188.6	153.3	180.3	140.3	128.2	156.4	125.1	135.2

[1] Dec. 1968 = 100.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1969	1970	1971 r	1972 r	1973 r	1973 r			1974	
										II	III	IV	I r	II p
Gross national product	**103.1**	**55.6**	**124.5**	**284.8**	**930.3**	**977.1**	**1,054.9**	**1,158.0**	**1,294.9**	**1,277.9**	**1,308.9**	**1,344.0**	**1,358.8**	**1,383.5**
Final purchases	*101.4*	*57.2*	*120.1*	*278.0*	*922.5*	*972.6*	*1,048.6*	*1,149.5*	*1,279.6*	*1,267.2*	*1,297.0*	*1,315.1*	*1,341.9*	*1,368.4*
Personal consumption expenditures	**77.2**	**45.8**	**80.6**	**191.0**	**579.5**	**617.6**	**667.1**	**729.0**	**805.2**	**799.0**	**816.3**	**823.9**	**840.6**	**866.8**
Durable goods	9.2	3.5	9.6	30.5	90.8	91.3	103.9	118.4	130.3	132.1	132.4	124.3	123.9	130.2
Nondurable goods	37.7	22.3	42.9	98.1	245.9	263.8	278.4	299.7	338.0	332.7	343.8	352.1	364.4	375.2
Services	30.3	20.1	28.1	62.4	242.7	262.6	284.8	301.9	336.9	334.2	340.1	347.4	352.4	361.4
Gross private domestic investment	**16.2**	**1.4**	**17.9**	**54.1**	**139.0**	**136.3**	**153.7**	**179.3**	**209.4**	**205.1**	**209.0**	**224.5**	**210.5**	**213.0**
Fixed investment	*14.5*	*3.0*	*13.4*	*47.3*	*131.1*	*131.7*	*147.4*	*170.8*	*194.0*	*194.4*	*197.1*	*195.5*	*193.6*	*197.9*
Nonresidential	*10.6*	*2.4*	*9.5*	*27.9*	*98.5*	*100.6*	*104.6*	*116.8*	*136.8*	*135.6*	*139.0*	*141.9*	*145.2*	*149.2*
Structures	5.0	.9	2.9	9.2	34.2	36.1	37.9	41.1	47.0	46.2	47.9	49.3	51.3	52.5
Producers' durable equipment	5.6	1.5	6.6	18.7	64.3	64.4	66.6	75.7	89.8	89.4	91.1	92.6	93.9	96.7
Residential structures	4.0	.6	3.9	19.4	32.6	31.2	42.8	54.0	57.2	58.7	58.1	53.6	48.4	48.7
Nonfarm	3.8	.5	3.7	18.6	32.0	30.7	42.3	53.4	56.7	58.4	57.6	53.0	47.8	48.0
Change in business inventories	1.7	−1.6	4.5	6.8	7.8	4.5	6.3	8.5	15.4	10.7	11.8	28.9	16.9	15.1
Nonfarm	1.8	−1.4	4.0	6.0	7.7	4.3	4.9	7.8	11.4	7.7	7.4	24.0	13.1	11.9
Net exports of goods and services	**1.1**	**.4**	**1.3**	**1.8**	**1.9**	**3.6**	**−.2**	**−6.0**	**3.9**	**.5**	**6.7**	**9.3**	**11.3**	**.2**
Exports	7.0	2.4	5.9	13.8	55.5	62.9	65.4	72.4	100.4	95.4	103.7	113.6	131.2	138.6
Imports	5.9	2.0	4.6	12.0	53.6	59.3	65.6	78.4	96.4	94.9	96.9	104.3	119.9	138.4
Government purchases of goods and services	**8.5**	**8.0**	**24.8**	**37.9**	**210.0**	**219.5**	**234.2**	**255.7**	**276.4**	**273.3**	**276.9**	**286.4**	**296.3**	**303.5**
Federal	*1.3*	*2.0*	*16.9*	*18.4*	*98.8*	*96.2*	*97.6*	*104.9*	*106.6*	*106.2*	*105.3*	*108.4*	*111.5*	*113.9*
National defense	.....	.....	13.8	14.1	78.4	74.6	71.2	74.8	74.4	74.0	73.3	75.3	75.8	76.1
Other	.....	.....	3.1	4.3	20.4	21.6	26.5	30.1	32.2	32.2	32.0	33.1	35.7	37.8
State and local	7.2	6.0	7.9	19.5	111.2	123.3	136.6	150.8	169.8	167.1	171.6	177.9	184.8	189.6
Gross national product in constant (1958) dollars	**203.6**	**141.5**	**263.7**	**355.3**	**725.6**	**722.5**	**746.3**	**792.5**	**839.2**	**837.4**	**840.8**	**845.7**	**830.5**	**828.0**

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*, (generally the July issue) and the Aug. 1966 Supplement to the *Survey*.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1969	1970	1971 r	1972 r	1973 r	1973 r			1974	
										II	III	IV	I r	II p
National income	**86.8**	**40.3**	**104.2**	**241.1**	**766.0**	**800.5**	**857.7**	**946.5**	**1,065.6**	**1,051.2**	**1,077.3**	**1,106.3**	**1,118.8**	.....
Compensation of employees	**51.1**	**29.5**	**64.8**	**154.6**	**566.0**	**603.9**	**643.1**	**707.1**	**786.0**	**776.7**	**793.3**	**814.8**	**828.8**	**848.0**
Wages and salaries	*50.4*	*29.0*	*62.1*	*146.8*	*509.7*	*542.0*	*573.6*	*626.8*	*691.6*	*683.6*	*698.2*	*717.0*	*727.6*	*744.3*
Private	45.5	23.9	51.9	124.4	405.6	426.9	449.5	491.4	545.1	538.7	550.8	565.8	573.8	588.1
Military	.3	.3	1.9	5.0	19.0	19.6	19.4	20.5	20.6	20.3	20.2	21.0	21.0	20.9
Government civilian	4.6	4.9	8.3	17.4	85.1	95.5	104.7	114.8	126.0	124.5	127.2	130.2	132.8	135.4
Supplements to wages and salaries	*.7*	*.5*	*2.7*	*7.8*	*56.3*	*61.9*	*69.5*	*80.3*	*94.4*	*93.1*	*95.1*	*97.7*	*101.2*	*103.7*
Employer contributions for social insurance	.1	.1	2.0	4.0	27.8	29.7	33.1	38.6	48.4	47.8	48.8	50.1	52.3	53.2
Other labor income	.6	.4	.7	3.8	28.4	32.2	36.4	41.7	46.0	45.4	46.3	47.6	48.9	50.5
Proprietors' income	**15.1**	**5.9**	**17.5**	**37.5**	**67.2**	**66.9**	**69.2**	**75.9**	**96.1**	**92.8**	**99.3**	**103.2**	**98.4**	**89.6**
Business and professional	9.0	3.3	11.1	24.0	50.5	50.0	52.0	54.9	57.6	57.1	57.7	58.4	59.3	60.5
Farm	6.2	2.6	6.4	13.5	16.7	16.9	17.2	21.0	38.5	35.6	41.5	44.9	39.1	29.1
Rental income of persons	**5.4**	**2.0**	**3.5**	**9.4**	**22.6**	**23.9**	**25.2**	**25.9**	**26.1**	**25.7**	**26.2**	**26.4**	**26.4**	**26.1**
Corporate profits and inventory valuation adjustment	**10.5**	**−1.2**	**15.2**	**37.7**	**79.8**	**69.2**	**78.7**	**92.2**	**105.1**	**105.0**	**105.2**	**106.4**	**107.7**	.....
Profits before tax	*10.0*	*1.0*	*17.7*	*42.6*	*84.9*	*74.0*	*83.6*	*99.2*	*122.7*	*124.9*	*122.7*	*122.7*	*138.7*	.....
Profits tax liability	1.4	.5	7.6	17.8	40.1	34.8	37.5	41.5	49.8	50.9	49.9	49.5	53.6	.....
Profits after tax	*8.6*	*.4*	*10.1*	*24.9*	*44.8*	*39.3*	*46.1*	*57.7*	*72.9*	*74.0*	*72.9*	*73.2*	*85.1*	.....
Dividends	5.8	2.0	4.4	8.8	24.3	24.7	25.0	27.3	29.6	29.1	29.8	30.7	31.6	32.5
Undistributed profits	2.8	−1.6	5.7	16.0	20.5	14.6	21.1	30.3	43.3	44.9	43.1	42.5	53.5	.....
Inventory valuation adjustment	.5	−2.1	−2.5	−5.0	−5.1	−4.8	−4.9	−7.0	−17.6	−20.0	−17.5	−16.3	−31.0	−37.3
Net interest	**4.7**	**4.1**	**3.2**	**2.0**	**30.5**	**36.5**	**41.6**	**45.6**	**52.3**	**51.1**	**53.2**	**55.5**	**57.5**	**59.8**

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	1929	1933	1941	1950	1969	1970	1971r	1972r	1973r	1973r II	1973r III	1973r IV	1974 Ir	1974 IIp
Gross national product	103.1	55.6	124.5	284.8	930.3	977.1	1,054.9	1,158.0	1,294.9	1,277.9	1,308.9	1,341.0	1,358.8	1,383.5
Less: Capital consumption allowances	7.9	7.0	8.2	18.3	81.6	87.3	93.7	102.9	110.8	110.5	111.5	113.9	115.8	118.4
Indirect business tax and nontax liability	7.0	7.1	11.3	23.3	85.9	93.5	102.7	110.0	119.2	118.6	120.4	121.3	122.6	125.7
Business transfer payments	.6	.7	.5	.8	3.8	4.0	4.3	4.6	4.9	4.8	4.9	5.0	5.1	5.2
Statistical discrepancy	.7	.6	.4	1.5	6.1	6.4	2.3	3.8	5.0	7.5	4.9	2.6	6.3	......
Plus: Subsidies less current surplus of government enterprises	.1	......	.1	.2	1.0	1.7	1.1	2.3	.6	.7	.3	.3	2.7	3.7
Equals: National income	86.8	40.3	104.2	241.1	766.0	800.5	857.7	946.5	1,065.6	1,051.2	1,077.3	1,106.3	1,118.8	......
Less: Corporate profits and inventory valuation adjustment	10.5	1.2	15.2	37.7	79.8	69.2	78.7	92.2	105.1	105.0	105.2	106.4	107.7	......
Contributions for social insurance	.2	.3	2.8	6.9	54.2	57.7	63.8	73.0	91.2	90.2	92.1	93.9	99.1	100.8
Excess of wage accruals over disbursements	......	......	......	......	......	.0	.1	.0	.1	.3	.0	.0	.0	.6
Plus: Government transfer payments	.9	1.5	2.6	14.3	61.9	75.1	89.0	98.6	113.0	111.3	114.1	117.1	123.1	130.7
Net interest paid by government and *consumers*	2.5	1.6	2.2	7.2	28.7	31.0	31.2	33.0	38.3	37.7	39.3	40.4	40.8	42.0
Dividends	5.8	2.0	4.4	8.8	24.3	24.7	25.0	27.3	29.6	29.1	29.8	30.7	31.6	32.5
Business transfer payments	.6	.7	.5	.8	3.8	4.0	4.3	4.6	4.9	4.8	4.9	5.0	5.1	5.2
Equals: Personal income	85.9	47.0	96.0	227.6	750.9	808.3	864.0	944.9	1,055.0	1,039.2	1,068.0	1,099.3	1,112.5	1,133.8
Less: Personal tax and nontax payments	2.6	1.5	3.3	20.7	116.5	116.6	117.6	142.4	151.3	147.2	154.2	159.9	161.9	167.9
Equals: Disposable personal income	83.3	45.5	92.7	206.9	634.4	691.7	746.4	802.5	903.7	892.1	913.9	939.4	950.6	965.9
Less: Personal outlays	79.1	46.5	81.7	193.9	596.2	635.5	685.9	749.9	829.4	822.5	840.7	850.1	866.2	892.6
Personal consumption expenditures	77.2	45.8	80.6	191.0	579.5	617.6	667.1	729.0	805.2	799.0	816.3	823.9	840.6	866.8
Consumer interest payments	1.5	.5	.9	2.4	15.8	16.8	17.7	19.8	22.9	22.5	23.4	24.0	24.4	24.8
Personal transfer payments to foreigners	.3	.2	.2	.5	.9	1.0	1.1	1.1	1.3	1.0	.9	2.2	1.2	1.0
Equal: Personal saving	4.2	.9	11.0	13.1	38.2	56.2	60.5	52.6	74.4	69.6	73.2	89.3	84.4	73.3
Disposable personal income in constant (1958) dollars	150.6	112.2	190.3	249.6	513.6	534.8	555.4	580.5	619.6	618.2	621.8	622.9	610.3	604.3

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1972r	1973r	1973r June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1974r Jan.	Feb.	Mar.	Apr.	May	Junep
Total personal income	944.9	1,055.0	1,047.2	1,056.1	1,067.6	1,080.4	1,090.8	1,100.0	1,107.1	1,107.0	1,113.4	1,117.1	1,125.2	1,131.4	1,141.8
Wage and salary disbursements	626.8	691.7	689.2	692.9	697.2	704.5	711.0	717.9	722.2	722.5	728.3	732.1	737.1	745.3	752.5
Commodity-producing industries	225.4	251.9	250.9	252.6	253.7	257.4	260.0	263.1	264.5	262.1	264.6	265.3	267.4	270.0	271.8
Manufacturing only	*175.8*	*196.6*	*196.0*	*196.8*	*197.8*	*200.4*	*202.9*	*205.2*	*205.8*	*204.1*	*204.9*	*205.5*	*207.8*	*210.1*	*211.8*
Distributive industries	151.0	165.1	164.9	165.1	166.2	168.2	169.1	171.1	170.9	172.0	172.8	173.9	175.3	177.8	179.5
Service industries	115.3	128.2	127.8	128.7	129.7	130.7	131.5	132.3	134.7	135.3	137.0	138.2	139.1	141.1	142.3
Government	135.0	146.6	145.6	146.5	147.5	148.2	150.4	151.4	152.1	153.0	153.8	154.6	155.3	156.3	158.9
Other labor income	41.7	46.0	45.6	45.9	46.3	46.7	47.1	47.6	48.0	48.5	48.9	49.4	49.9	50.5	51.1
Proprietors' income	75.9	96.1	93.1	96.6	99.1	102.1	103.2	103.4	103.3	100.8	98.5	96.0	92.8	89.7	86.5
Business and professional	54.9	57.6	57.2	57.8	57.6	57.8	58.3	58.5	58.4	58.7	59.4	59.9	60.2	60.6	60.9
Farm	21.0	38.5	35.9	38.8	41.5	44.3	44.9	44.9	44.9	42.1	39.1	36.1	32.6	29.1	25.6
Rental income	25.9	26.1	26.2	26.0	26.2	26.4	26.4	26.4	26.4	26.4	26.4	26.4	25.5	26.4	26.4
Dividends	27.3	29.6	29.2	29.4	30.0	30.0	30.2	30.4	31.6	31.4	31.6	31.9	32.1	32.5	33.0
Personal interest income	78.6	90.6	89.9	91.2	92.5	93.7	94.8	96.0	97.0	97.5	98.3	99.0	100.4	101.8	103.3
Transfer payments	103.2	117.8	116.6	117.2	119.4	120.4	121.7	122.1	122.6	126.7	128.4	129.5	134.6	135.8	137.1
Less: Personal contributions for social insurance	34.5	42.8	42.6	43.1	43.3	43.5	43.7	43.8	43.8	46.7	46.8	47.0	47.2	47.6	48.0
Nonagricultural income	916.5	1,008.0	1,002.9	1,008.8	1,017.6	1,027.6	1,037.0	1,046.1	1,052.9	1,055.5	1,064.9	1,071.6	1,083.1	1,095.8	1,106.7
Agricultural income	28.4	47.1	44.3	47.4	50.0	52.9	53.8	53.9	54.2	51.6	48.5	45.5	42.0	38.6	35.1

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

SUMMARY OF FUNDS RAISED AND ADVANCED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1968	1969	1970	1971	1972	1973	1971 H1	1971 H2	1972 H1	1972 H2	1973 H1	1973 H2	
	Funds raised, by type and sector													
1	**Total funds raised by nonfinancial sectors**	94.6	91.4	97.5	146.7	166.1	187.0	134.7	158.7	145.2	187.3	198.0	175.4	1
2	***Excluding equities***	95.9	88.0	92.6	135.0	156.1	181.3	123.8	146.1	134.7	177.8	192.3	169.6	2
3	U.S. Government	13.4	-3.6	12.8	25.5	17.3	9.7	22.7	28.4	12.4	22.2	17.0	2.5	3
4	Public debt securities	10.3	-1.3	12.9	26.0	13.9	7.7	24.2	27.8	10.5	17.2	15.8	-.3	4
5	Budget agency issues	3.1	-2.4	-.1	-.5	3.4	2.0	-1.6	.5	1.9	4.9	1.2	2.8	5
6	**All other nonfinancial sectors**	81.2	95.0	84.7	121.2	148.8	177.3	112.0	130.4	132.8	165.1	181.0	172.9	6
7	Corporate equities	-1.4	3.4	4.9	11.7	10.0	5.7	10.9	12.6	10.4	9.5	5.7	5.8	7
8	***Debt instruments***	82.6	91.6	79.8	109.5	138.8	171.6	101.1	117.8	122.3	155.6	175.3	167.1	8
9	Debt capital instruments	50.6	50.6	57.7	83.2	92.4	94.7	79.5	86.9	87.3	97.6	91.7	97.7	9
10	State and local government securities	9.5	9.9	11.3	16.6	11.9	10.1	17.9	15.4	12.0	11.9	6.5	13.6	10
11	Corporate and foreign bonds	14.0	13.0	20.6	19.7	13.2	11.6	22.3	17.2	14.4	12.0	10.6	12.7	11
12	Mortgages	27.1	27.7	25.7	46.8	67.3	73.0	39.3	54.3	60.9	73.7	74.6	71.4	12
13	*Home mortgages*	15.1	15.7	12.8	26.0	39.7	42.6	20.6	31.5	35.6	43.7	43.5	41.8	13
14	*Other residential*	3.4	4.7	5.8	8.8	10.3	9.5	8.5	9.1	9.1	11.5	10.8	8.2	14
15	*Commercial*	6.4	5.3	5.3	10.0	14.8	16.5	8.5	11.5	13.5	16.0	16.1	16.9	15
16	*Farm*	2.2	1.9	1.8	2.0	2.6	4.4	1.7	2.3	2.7	2.5	4.3	4.5	16
17	Other private credit	32.0	41.0	22.1	26.3	46.4	76.9	21.7	30.9	35.0	58.0	83.6	69.5	17
18	Bank loans n.e.c.	13.1	15.3	6.4	9.3	21.8	41.7	5.1	13.5	14.5	29.3	54.2	29.2	18
19	Consumer credit	10.0	10.4	6.0	11.2	19.2	22.9	8.9	13.6	15.8	22.5	24.7	20.4	19
20	Open-market paper	1.6	3.3	3.8	-.9	-1.6	2.5	-1.0	-.8	-.3	-2.8	3.4	8.4	20
21	Other	7.2	12.0	5.9	6.6	7.0	9.8	8.7	4.6	5.0	9.0	8.2	11.5	21
22	**By borrowing sector**	81.2	95.0	84.7	121.2	148.8	177.3	112.0	130.4	132.8	165.1	181.0	172.9	22
23	***Debt instruments***	82.6	91.6	79.8	109.5	138.8	171.6	101.1	117.8	122.3	155.6	175.3	167.1	23
24	Foreign	2.9	2.9	3.0	5.7	3.8	7.1	5.3	6.1	3.4	4.3	11.1	3.1	24
25	State and local governments	9.8	10.7	11.4	17.0	12.3	10.5	17.9	16.1	11.9	12.7	6.4	14.6	25
26	Households	29.6	32.2	22.9	38.3	63.2	74.1	30.0	46.6	56.2	70.5	73.5	74.0	26
27	Nonfinancial business	40.2	45.9	42.5	48.5	59.5	79.9	47.9	49.0	50.9	68.2	84.4	75.4	27
28	*Farm*	2.8	3.2	3.2	4.1	4.9	8.6	4.0	4.2	4.4	5.3	7.5	9.8	28
29	*Nonfarm noncorporate*	5.6	7.4	5.3	8.7	10.4	11.4	9.3	8.1	9.5	11.6	12.0	10.8	29
30	*Corporate*	31.8	35.4	33.9	35.7	44.2	59.9	34.6	36.8	37.0	51.2	64.8	54.9	30
31	***Corporate equities***	-1.4	3.4	4.9	11.7	10.0	5.7	10.9	12.6	10.4	9.5	5.7	5.8	31
32	Foreign	.2	.5	.1	*	-.4	-.2	.4	-.3	-.2	-.6	-.4	*	32
33	Corporate business	-1.5	2.9	4.8	11.7	10.4	5.9	10.5	12.9	10.7	10.1	6.1	5.7	33
	Totals including equities													
34	*Foreign*	3.1	3.3	3.0	5.7	3.4	6.9	5.7	5.8	3.2	3.7	10.7	3.1	34
35	Nonfinancial business	38.7	48.8	47.3	60.2	69.9	85.8	58.4	61.9	61.6	78.3	90.5	81.2	35
36	Corporate	30.3	38.3	38.8	47.4	54.6	65.8	45.1	49.7	47.7	61.3	70.9	60.6	36
37	Memo: U.S. Govt. cash balance	-1.1	.4	2.8	3.2	.5	-1.7	-.2	6.6	-3.0	4.0	3.6	-7.0	37
	Totals net of changes in U.S. Govt. cash balances													
38	Total funds raised	95.7	91.0	94.7	143.5	165.6	188.7	134.9	152.1	148.1	183.3	194.3	182.3	38
39	By U.S. Government	14.5	-4.0	10.0	22.3	16.8	11.4	22.9	21.7	15.4	18.1	13.3	9.4	39
	Private domestic net investment and borrowing in credit markets													
	Total, households and business													
1	***Total capital outlays***[1]	207.6	226.7	224.2	252.5	291.1	328.3	246.3	258.7	279.9	302.3	323.8	332.9	1
2	Capital consumption [2]	140.4	154.3	166.0	179.0	193.4	209.9	175.8	182.2	190.3	196.6	205.6	214.3	2
3	Net physical investment	67.2	72.4	58.2	73.5	97.7	118.4	70.5	76.6	89.7	105.7	118.2	118.6	3
4	Net funds raised	68.3	81.0	70.2	98.5	133.1	159.9	88.4	108.5	117.7	148.8	163.9	155.2	4
5	Excess net investment [3]	-1.1	-8.6	-12.0	-25.0	-35.4	-41.5	-17.9	-32.0	-28.0	-43.1	-45.7	-36.6	5
	Total business													
6	***Total capital outlays***	97.9	108.9	108.0	116.6	133.3	151.3	115.8	117.3	127.4	139.3	145.6	157.0	6
7	Capital consumption	63.2	69.5	74.6	80.3	87.6	94.5	78.8	81.7	86.2	88.9	92.7	96.3	7
8	Net physical investment	34.7	39.4	33.5	36.3	45.8	56.8	37.0	35.5	41.2	50.4	52.9	60.7	8
9	Net debt funds raised	40.2	45.9	42.5	48.5	59.5	79.9	47.9	49.0	50.9	68.2	84.4	75.4	9
10	Corporate equity issues	-1.5	2.9	4.8	11.7	10.4	5.9	10.5	12.9	10.7	10.1	6.1	5.7	10
11	Excess net investment [3]	-4.0	-9.4	-13.8	-23.9	-24.1	-29.0	-21.4	-26.4	-20.4	-27.9	-37.5	-20.5	11
	Corporate business													
12	***Total capital outlays***	75.0	83.7	84.0	86.7	100.7	114.8	86.5	87.0	96.0	105.4	109.8	120.0	12
13	Capital consumption	45.1	49.8	53.6	57.7	62.8	67.9	56.7	58.7	61.8	63.8	66.5	69.4	13
14	Net physical investment	29.9	33.9	30.4	29.1	37.8	46.8	29.8	28.3	34.1	41.5	43.3	50.6	14
15	Net debt funds raised	31.8	35.4	33.9	35.7	44.2	59.9	34.6	36.8	37.0	51.2	64.8	54.9	15
16	Corporate equity issues	-1.5	2.9	4.8	11.7	10.4	5.9	10.5	12.9	10.7	10.1	6.1	5.7	16
17	Excess net investment [3]	-.4	-4.4	-8.4	-18.3	-16.8	-18.9	-15.3	-21.4	-13.5	-19.8	-27.6	-10.0	17
	Households													
18	***Total capital outlays***	109.7	117.8	116.2	135.9	157.8	177.1	130.4	141.4	152.6	163.0	178.2	175.9	18
19	Capital consumption	77.2	84.8	91.4	98.7	105.9	115.4	97.0	100.4	104.1	107.7	112.9	118.0	19
20	Net physical investment	32.5	33.0	24.7	37.2	51.9	61.6	33.5	41.0	48.5	55.3	65.3	58.0	20
21	Net funds raised	29.6	32.2	22.9	38.3	63.2	74.1	30.0	46.6	56.2	70.5	73.5	74.0	21
22	Excess net investment [3]	2.9	.8	1.8	-1.1	-11.3	12.5	3.5	-5.6	-7.6	-15.2	-8.2	-16.1	22

[1] Capital outlays are totals for residential and nonresidential fixed capital, net change in inventories, and consumer durables, except outlays by financial business.

[2] Capital consumption includes amounts for consumer durables and excludes financial business capital consumption.

[3] Excess of net investment over net funds raised.

NOTE.—Full statements for sectors and transaction types are available on a quarterly basis and annually for flows and for amounts outstanding. Requests for these statements should be addressed to the Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C., 20551.

Funds raised by type and sector. Credit flows included here are the net amounts raised by households, nonfinancial business, governments, and foreigners. All funds raised by financial sectors are excluded. U.S. Government budget issues (line 5) are loan participation certificates issued by CCC, Export-Import Bank, FNMA, and GNMA, together with security issues by FHA, Export-Import Bank, and TVA. Issues by Federally sponsored credit agencies are excluded as borrowing by financial institutions. Such issues are on p. A-59, line 11. Corporate equity issues are net cash issues by nonfinancial and foreign corporations. Mortgages exclude loans in process. Open market paper is commercial paper issued by nonfinancial corporations plus bankers' acceptances.

DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1968	1969	1970	1971	1972	1973	1971 H1	1971 H2	1972 H1	1972 H2	1973 H1	1973 H2	
1	**Total funds advanced in credit markets to nonfinancial sectors**	**95.9**	**88.0**	**92.6**	**135.0**	**156.1**	**181.3**	**123.8**	**146.1**	**134.7**	**177.8**	**192.3**	**169.6**	1
	By public agencies and foreign													
2	**Total net advances**	**12.2**	**15.8**	**28.0**	**41.3**	**16.9**	**34.8**	**38.6**	**44.0**	**19.7**	**14.1**	**42.9**	**26.7**	2
3	U.S. Government securities	3.4	.9	15.7	33.4	7.3	11.0	32.9	34.0	12.7	2.0	21.2	.7	3
4	Residential mortgages	2.8	4.6	5.7	5.7	5.2	7.7	4.2	7.1	6.2	4.3	4.9	10.5	4
5	FHLB advances to S&L's	.9	4.0	1.3	−2.7	*	7.2	−5.5	.2	2.4	2.5	7.8	6.6	5
6	Other loans and securities	5.1	6.3	5.2	4.9	4.3	9.0	7.1	2.7	3.2	5.4	9.1	8.9	6
	By agency—													
7	U.S. Government	4.9	2.9	2.8	3.2	2.3	3.0	4.3	2.2	1.5	3.1	1.0	5.1	7
8	Sponsored credit agencies	3.2	9.0	9.9	2.8	6.0	20.3	−1.4	7.0	7.5	4.5	18.7	21.8	8
9	Monetary authorities	3.7	4.2	5.0	8.8	.2	9.2	8.4	9.3	4.5	−4.1	11.8	6.7	9
10	Foreign	.3	−.3	10.3	26.4	8.4	2.3	27.3	25.5	6.2	10.6	11.5	−6.9	10
11	Agency borrowing not included in line 1	3.5	8.8	8.2	4.3	6.2	19.6	.9	7.7	7.4	5.0	17.6	21.6	11
	Private domestic funds advanced													
12	**Total net advances**	**87.2**	**80.9**	**72.8**	**98.0**	**145.4**	**166.1**	**86.1**	**109.9**	**122.4**	**168.6**	**167.0**	**164.5**	12
13	U.S. Government securities	13.3	4.6	5.4	−3.5	16.3	18.4	−9.2	2.1	7.1	25.3	13.5	23.4	13
14	State and local obligations	9.5	9.9	11.3	16.6	11.9	10.1	17.9	15.4	12.0	11.9	6.5	13.6	14
15	Corporate and foreign bonds	13.8	12.5	20.0	19.5	13.2	11.6	22.1	16.8	14.2	12.1	10.3	12.9	15
16	Residential mortgages	15.5	15.7	12.8	29.1	44.6	44.3	24.8	33.4	38.4	50.8	49.2	39.4	16
17	Other mortgages and loans	35.9	42.2	24.6	33.7	59.5	88.9	25.0	42.3	48.3	71.0	95.2	81.8	17
18	Less: FHLB advances	.9	4.0	1.3	−2.7	*	7.2	−5.5	.2	2.4	2.5	7.8	6.6	18
	Private financial intermediation													
19	*Credit market funds advanced by private financial institutions*	*75.3*	*54.9*	*74.9*	*111.4*	*150.2*	*161.4*	*112.2*	*110.6*	*130.5*	*170.1*	*184.8*	*138.0*	19
20	Commercial banking	38.7	18.2	35.1	50.6	69.7	89.6	53.2	48.0	57.2	82.4	101.3	77.8	20
21	Savings institutions	15.6	14.5	16.9	41.5	48.7	35.2	45.4	37.5	48.4	48.9	49.8	20.6	21
22	Insurance and pension funds	14.0	12.3	17.3	14.1	16.0	21.4	12.5	15.7	14.1	17.8	19.6	23.2	22
23	Other finance	7.0	9.9	5.7	5.3	15.8	15.2	1.2	9.4	10.6	21.0	14.1	16.4	23
24	*Sources of funds*	*75.3*	*54.9*	*74.9*	*111.4*	*150.2*	*161.4*	*112.2*	*110.6*	*130.5*	*170.1*	*184.8*	*138.0*	24
25	Private domestic deposits	45.9	2.6	63.2	90.8	97.8	87.9	107.7	73.9	97.9	97.9	103.1	72.7	25
26	Credit market borrowing	8.5	19.1	−.4	9.2	20.2	30.3	2.6	15.9	16.4	24.0	34.4	26.2	26
27	Other sources	21.0	33.3	12.1	11.3	32.2	43.2	1.9	20.8	16.2	48.2	47.3	39.1	27
28	Foreign funds	2.6	9.3	−8.5	−3.2	5.1	6.3	−7.2	.8	5.5	4.7	5.3	7.4	28
29	Treasury balances	−.2	*	2.9	2.2	.7	−1.0	−.8	5.3	−3.6	5.1	1.4	−.6	29
30	Insurance and pension reserves	11.4	10.4	13.1	9.6	11.3	15.7	7.7	11.5	8.4	14.1	13.8	17.5	30
31	Other, net	7.2	13.5	4.5	2.7	15.1	22.2	2.2	3.2	5.9	24.3	29.6	14.8	31
	Private domestic nonfinancial investors													
32	Direct lending in credit markets	20.3	45.0	−2.4	−4.2	15.4	35.1	−23.5	15.2	8.3	22.5	16.6	52.7	32
33	U.S. Government securities	8.0	16.8	−8.3	−13.0	4.1	19.4	−22.4	−3.5	−3.3	11.5	13.4	25.3	33
34	State and local obligations	−.2	8.7	−1.1	−.1	2.1	1.4	−2.7	2.6	.9	3.4	.6	2.1	34
35	Corporate and foreign bonds	4.7	7.4	10.1	8.2	4.9	.8	8.6	7.7	4.5	5.2	1.3	.4	35
36	Commercial paper	5.8	10.2	−4.4	−.6	3.7	10.0	−7.3	6.0	6.7	.8	−.1	20.1	36
37	Other	2.1	2.0	1.4	1.3	.6	3.5	.3	2.3	−.4	1.7	1.4	4.8	37
38	Deposits and currency	48.3	5.4	66.6	94.2	102.2	91.8	110.6	77.9	103.3	101.3	109.2	74.5	38
39	Time and savings accounts	33.9	−2.3	56.1	81.2	85.7	79.9	92.6	69.8	88.8	82.6	98.8	60.9	39
40	Large negotiable CD's	3.5	−13.7	15.0	7.7	8.7	18.6	3.4	12.0	2.1	15.3	34.2	3.0	40
41	Other at commercial banks	17.5	3.4	24.2	32.9	31.0	32.9	44.0	21.9	38.9	23.2	26.8	39.0	41
42	At savings institutions	12.9	8.0	16.9	40.6	46.0	28.4	45.3	35.9	47.8	44.1	37.8	18.9	42
43	Money	14.5	7.7	10.5	13.0	16.5	12.0	17.9	8.1	14.5	18.7	10.3	13.6	43
44	Demand deposits	12.1	4.8	7.1	9.6	12.1	8.0	15.1	4.1	9.1	15.3	4.3	11.8	44
45	Currency	2.4	2.8	3.5	3.4	4.4	3.9	2.8	3.9	5.5	3.4	6.0	1.8	45
46	**Total of credit market instr., deposits, and currency**	**68.7**	**50.5**	**64.2**	**90.0**	**117.7**	**126.9**	**87.1**	**93.0**	**111.7**	**123.8**	**125.7**	**127.2**	46
47	Public support rate (in per cent)	12.7	18.0	30.2	30.6	10.8	19.2	31.2	30.1	14.6	7.9	22.3	15.7	47
48	Private financial intermediation (in per cent)	86.4	67.9	102.8	113.7	103.3	97.2	130.3	100.7	106.6	100.9	110.7	83.9	48
49	Total foreign funds	2.9	9.1	1.8	23.2	13.5	8.6	20.1	26.3	11.6	15.3	16.8	.5	49
		Corporate equities not included above												
1	Total net issues	5.1	9.5	9.5	14.7	12.0	5.7	13.0	16.3	12.4	11.5	5.4	6.0	1
2	Mutual fund shares	5.8	4.8	2.6	1.2	−.6	−1.6	.3	2.1	−.8	−.4	−2.0	1.1	2
3	Other equities	−.7	4.7	6.9	13.5	12.6	7.3	12.7	14.2	13.3	12.0	7.4	7.1	3
4	Acquisitions by financial institutions	10.8	12.2	11.4	19.2	15.6	13.3	23.4	15.0	17.6	13.6	12.5	14.1	4
5	Other net purchases	−5.8	−2.7	−1.9	−4.6	−3.6	7.6	−10.4	1.3	−5.1	−2.1	7.0	8.1	5

Notes

Line

1. Line 2 of p. A-62.
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 + 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

Line 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 (−)	1971	1972	1973	1973 I	1973 II	1973 III	1973 IV	1974 I^p
1	Merchandise trade balance [1]	-2,722	-6,986	623	-962	-360	602	1,343	101
2	Exports	42,754	48,768	70,252	15,228	16,670	18,143	20,211	22,299
3	Imports	-45,476	-55,754	69,629	-16,190	-17,030	-17,541	-18,868	-22,198
4	Military transactions, net	-2,908	-3,604	-2,201	-833	-763	547	-58	-466
5	Travel and transportation, net	-2,341	-3,055	2,710	686	-781	613	-630	-529
6	Investment income, net [2]	5,021	4,526	5,291	1,447	1,208	1,257	1,378	2,901
7	*U.S. direct investments abroad* [2]	6,385	6,925	9,415	2,194	2,210	2,323	2,688	4,446
8	Other U.S. investments abroad	3,444	3,494	4,569	1,000	1,098	1,179	1,292	1,495
9	*Foreign investments in the United States* [2]	-4,809	-5,893	-8,693	1,747	-2,100	-2,245	-2,602	-3,040
10	Other services, net [2]	2,781	3,110	3,540	841	815	984	901	895
11	**Balance on goods and services** [3]	**-170**	**-6,009**	**4,543**	**193**	**119**	**1,683**	**2,934**	**2,902**
					487	*233*	*169*	*3,993*	*4,016*
12	Remittances, pensions, and other transfers	-1,604	-1,624	1,943	-404	-411	-412	-717	-396
13	**Balance on goods, services, and remittances**	**-1,774**	**-7,634**	**2,600**	**-597**	**-292**	**1,271**	**2,217**	**2,506**
					109	*-182*	*-597*	*3,270*	*3,646*
14	U.S. Government grants (excluding military)	-2,043	-2,173	-1,933	-357	-645	-485	-447	[4] 2,534
15	**Balance on current account**	**-3,817**	**-9,807**	**667**	**954**	**937**	**786**	**1,770**	[4] **-28**
					266	*867*	*1,045*	*2,845*	*1,094*
16	U.S. Government capital flows excluding nonscheduled repayments, net [5]	-2,111	-1,705	2,938	-699	565	-608	-1,066	[4] 1,296
17	Nonscheduled repayments of U.S. Government assets	227	137	289	111	174	4	*	*
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies	-478	238	1,111	217	485	206	204	55
19	Long-term private capital flows, net	4,381	-98	127	319	315	1,529	-1,406	742
20	*U.S. direct investments abroad*	-4,943	-3,517	-4,872	-1,815	-973	-710	-1,374	-220
21	Foreign direct investments in the United States	115	383	2,537	351	588	886	712	1,127
22	Foreign securities	-966	654	807	51	124	209	-525	-647
23	U.S. securities other than Treasury issues	2,289	4,507	4,051	1,718	489	1,173	670	696
24	Other, reported by U.S. banks	-862	-1,158	-581	-110	-239	227	-459	-52
25	Other, reported by U.S. nonbanking concerns	216	341	-200	124	-56	162	-430	-162
26	**Balance on current account and long-term capital** [5]	***10,559***	**-11,235**	**-744**	**1,006**	**-1,158**	**1,917**	**-498**	**2,065**
					1,051	*-1,179*	*250*	*1,237*	*2,456*
27	Nonliquid short-term private capital flows, net	-2,347	-1,541	-4,276	1,663	-1,457	97	-1,253	3,224
28	Claims reported by U.S. banks	-1,802	-1,457	-3,940	-1,644	-1,399	222	-1,119	-2,791
29	Claims reported by U.S. nonbanking concerns	-530	305	-1,240	57	59	-460	-664	-756
30	Liabilities reported by U.S. nonbanking concerns	-15	221	904	38	1	335	530	323
31	Allocations of Special Drawing Rights (SDR's)	717	710	....	....	....	....	....	....
32	Errors and omissions, net	-9,776	-1,790	-2,776	-4,085	904	-387	792	290
33	**Net liquidity balance**	**-21,965**	**-13,856**	**-7,796**	**-6,754**	**1,711**	**-1,627**	**959**	**-869**
					-6,190	*-2,038*	*611*	*-179*	*-48*
34	*Liquid private capital flows, net*	-7,788	3,502	2,492	-3,441	1,997	316	3,630	1,913
35	Liquid claims	-1,097	-1,247	-1,944	-1,853	923	-521	493	-2,660
36	Reported by U.S. banks	-566	-742	-1,103	1,171	996	456	-472	-2,248
37	Reported by U.S. nonbanking concerns	-531	-505	-841	-682	-73	65	21	-412
38	Liquid liabilities	-6,691	4,749	4,436	-1,588	1,074	837	4,113	4,573
39	To foreign commercial banks	-6,908	3,716	2,978	1,673	723	699	3,229	4,589
40	To international and regional organizations	682	104	376	11	31	-50	384	-593
41	To other foreigners	-465	929	1,082	74	320	188	500	577
42	***Official reserve transactions balance, financed by changes in:***	**29,753**	**-10,354**	**-5,304**	**10,195**	**286**	**1,943**	**2,661**	**1,044**
					9,994	*769*	*939*	*2,982*	*1,488*
43	*Liquid liabilities to foreign official agencies*	27,615	9,734	4,452	8,816	729	1,489	-2,145	-555
44	Other readily marketable liabilities to foreign official agencies [6]	551	399	1,118	1,202	259	11	-354	-277
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt	341	189	-475	43	167	452	-147	-2
46	U.S. official reserve assets, net	2,348	32	209	220	17	-13	-15	-210
47	Gold	866	547	....	....	....	....	....	....
48	SDR's	-249	-703	9	....	9	....	....	....
49	*Convertible currencies*	381	35	233	233	....	....	....	-1
50	Gold tranche position in IMF	1,350	153	33	-13	8	13	15	209
	Memoranda:								
51	Transfers under military grant programs (excluded from lines 2, 4, and 14)	3,204	4,189	2,772	693	833	758	487	391
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20)	3,157	4,521	....	....	....	....	....	....
53	Reinvested earnings of U.S. *incorporated* affiliates of foreign firms (excluded from lines 9 and 21)	498	548	....	....	....	....	....	....
	Balances excluding allocations of SDR's:								
54	Net liquidity	*22,682*	*-14,566*	*-7,796*	*-6,190*	*-2,038*	*611*	*-179*	*48*
55	Official reserve transactions	*30,470*	*-11,064*	*5,304*	*9,994*	*769*	*939*	*2,982*	*1,488*

For notes see the following page.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports [1]				Imports [2]				Trade balance			
	1971	1972	1973 [r]	1974	1971	1972	1973 [r]	1974	1971	1972	1973 [r]	1974
Month:												
Jan.	3,601	4,074	4,955	7,111	3,599	4,436	5,244	6,467	2	−361	−289	644
Feb.	3,695	3,824	5,070	7,606	3,564	4,473	5,483	7,392	130	−649	−413	213
Mar.	3,790	3,869	5,311	7,674	3,628	4,515	5,414	7,845	160	−647	−103	−171
Apr.	3,631	3,820	5,494	8,234	3,774	4,417	5,360	8,141	−143	−596	+133	93
May	3,746	3,882	5,561	7,630	3,908	4,486	5,703	8,407	−161	−604	−142	−777
June	3,672	3,971	5,728	8,357	4,037	4,468	5,775	8,613	−365	−497	47	256
July	3,573	4,074	5,865	....	3,832	4,565	5,829	....	−259	−491	+37	....
Aug.	3,667	4,197	6,042	....	3,913	4,726	6,011	....	−247	−530	+32	....
Sept.	4,487	4,176	6,420	....	4,179	4,612	5,644	....	308	−436	+776	....
Oct.	2,669	4,316	6,585	....	3,469	4,738	5,996	....	−800	−421	+589	....
Nov.	3,196	4,473	6,879	....	3,456	5,148	6,684	....	−260	−675	+195	....
Dec.	3,881	4,558	6,949	....	4,169	5,002	6,291	....	−288	−444	+658	....
Quarter:												
I	11,086	11,767	15,337	22,390	10,792	13,403	16,140	21,704	294	−1,657	804	686
II	11,049	11,673	16,783	24,220	11,719	13,370	16,838	25,161	−670	−1,697	−56	−940
III	11,727	12,447	18,327	....	11,924	13,903	17,483	....	−197	−1,456	+845	....
IV	9,746	13,347	20,413	....	11,094	14,888	18,972	....	−1,348	−1,540	+1,441	....
Year [3]	43,549	49,208	70,823	....	45,563	55,555	69,476	....	−2,014	−6,347	+1,348	....

[1] Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.
[2] General imports including imports for immediate consumption *plus* entries into bonded warehouses.
[3] 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]
1960	19,359	17,804	17,767	....	1,555	....
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	[5] 16,964	11,859	10,367	[5] 2,781	2,324	....
1970	14,487	11,072	10,732	629	1,935	851
1971	[6] 12,167	10,206	10,132	[6] 276	585	1,100
1972 [7]	13,151	10,487	10,410	241	465	1,958
1973 [8]	14,378	11,652	11,567	8	552	2,166

End of month	Total	Gold stock: Total [2]	Gold stock: Treasury	Convertible foreign currencies [4]	Reserve position in IMF	SDR's [3]
1973						
July	12,918	10,487	10,410	8	474	1,949
Aug.	12,923	10,487	10,410	8	479	1,949
Sept.	12,927	10,487	10,410	8	483	1,949
Oct.	[8] 14,367	[8] 11,652	[8] 11,567	8	[8] 541	[8] 2,166
Nov.	14,373	11,652	11,567	8	547	2,166
Dec.	14,378	11,652	11,567	8	552	2,166
1974						
Jan.	14,565	11,652	11,567	59	688	2,166
Feb.	14,643	11,652	11,567	68	757	2,166
Mar.	14,588	11,652	11,567	9	761	2,166
Apr.	14,651	11,652	11,567	9	824	2,166
May	14,870	11,652	11,567	66	989	2,163
June	14,946	11,652	11,567	94	1,005	2,195
July	[9] 14,912	11,652	11,567	12	[9] 1,021	[9] 2,227

[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] For holdings of F.R. Banks only, see p. A-11.
[5] 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.
[6] Includes \$28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.
[7] 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.
[8] 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.
[9] 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 July amounted to \$2,233 million, reserve position in IMF \$1,024 million, and total U.S. reserve assets \$14,921 million.

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; excludes transfers under military grants, exports under U.S. military agency sales contracts, and imports of U.S. military agencies.
[2] Fees and royalities 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] Equal to net exports of goods and services in national income and product accounts of the United States.
[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 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. U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales [–] or net acquisitions; 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)

Area and country	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973			1974
											II	III	IV	I
Western Europe:														
Austria	–82	–55	–100	–25	......	......	4	......	......	......	......	......	......	......
Belgium	......	–40	–83	......	......	–58	......	......	–110	......	......	......	......	......
France	–518	–405	–884	–601	......	600	325	–129	–473	......	......	......	......	......
Germany, Fed. Rep. of	......	–225	......	......	......	......	500	......	......	......	......	......	......	......
Ireland	......	–1	–2	–2	–2	–52	41	2	......	......	......	......	......	......
Italy	......	200	–80	–60	–85	–209	–76	......	......	......	......	......	......	......
Netherlands	......	–60	–35	......	......	–19	......	–50	–25	......	......	......	......	......
Spain	–130	–32	–180	......	......	......	......	51	......	......	......	......	......	......
Switzerland	......	–81	–50	–2	–30	–50	–25	–50	–175	......	......	......	......	......
United Kingdom	329	618	150	80	–879	–835	......	......	......	......	......	......	......	......
Bank for Intl. Settlements	......	......	......	......	......	......	200	......	......	......	......	......	......	......
Other	1	–6	–35	–49	16	–47	[1]1	–29	–13	......	......	......	......	......
Total	–399	–88	–1,299	–659	–980	–669	969	–204	–796	......	......	......	......	......
Canada	......	......	......	200	150	50	......	......	......	......	......	......	......	......
Latin American republics:														
Argentina	–30	......	......	–39	–1	–25	–25	–28	......	......	......	......	......	......
Brazil	72	54	25	–3	–1	*	......	–23	......	......	......	......	......	......
Colombia	......	10	29	7	......	......	*	–1	......	......	......	......	......	......
Venezuela	......	......	–25	......	......	......	......	......	......	......	......	......	......	......
Other	–11	–9	–13	–6	11	–40	–29	–80	–5	......	......	......	......	......
Total	32	56	17	–41	9	–65	–54	–131	–5	......	......	......	......	......
Asia:														
Iraq	......	......	–10	–4	–21	–42	......	......	......	......	......	......	......	......
Japan	......	......	......	–56	......	......	......	–119	......	......	......	......	......	......
Lebanon	......	–11	......	–11	–1	–95	......	......	–35	......	......	......	......	......
Malaysia	......	......	......	......	......	–34	......	......	–10	......	......	......	......	......
Philippines	25	20	*	–1	......	9	40	–4	–2	......	......	......	......	......
Saudi Arabia	......	......	......	......	......	–50	......	......	......	......	......	......	......	......
Singapore	......	......	......	......	......	–81	11	......	–30	......	......	......	......	......
Other	–13	–6	–14	–14	–22	–75	–9	[2]–91	39	–3	......	......	......	......
Total	12	3	–24	–86	–44	–366	42	–213	–38	–3	......	......	......	......
All other	–36	–7	–16	–22	[3]–166	[3]–68	–1	–81	–6	......	......	......	......	......
Total foreign countries	–392	–36	–1,322	–608	–1,031	–1,118	957	–631	–845	–3	......	......	......	......
Intl. Monetary Fund[4]	......	......	[5]–225	177	22	–3	10	–156	–22	–544	......	......	......	......
Grand total	–392	–36	–1,547	–431	–1,009	–1,121	967	[6]–787	–867	–547	......	......	......	......

[1] Includes purchase from Denmark of $25 million.
[2] Includes purchase from Kuwait of $25 million.
[3] Includes sales to Algeria of $150 million in 1967 and $50 million in 1968.
[4] Includes IMF gold sales to and purchases from the United States, U.S. payment of increases in its gold subscription to IMF, gold deposits by the IMF (see note 1 (b) to Table 3), and withdrawal of deposits. The first withdrawal ($17 million) was made in June 1968 and the last withdrawal ($144 million) was made in Feb. 1972.

IMF sold to the United States a total of $800 million of gold ($200 million in 1956, and $300 million in 1959 and in 1960) with the right of repurchase; proceeds from these sales invested by IMF in U.S. Treasury securities. IMF repurchased $400 million in Sept. 1970 and the remaining $400 million in Feb. 1972.
[5] Payment to the IMF of $259 million increase in U.S. gold subscription less gold deposits by the IMF.
[6] Includes the U.S. payment of $385 million increase in its gold subscription to the IMF and gold sold by the IMF to the United States in mitigation of U.S. sales to other countries making gold payments to the IMF. The country data include U.S. gold sales to various countries in connection with the IMF quota payments. Such U.S. sales to countries and resales to the United States by the IMF totaled $548 million each.

5. U.S. LIQUID AND OTHER 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	Official institutions: Liquid: Short-term liabilities reported by banks in U.S.	Official institutions: Liquid: Marketable U.S. Treas. bonds and notes[3]	Official institutions: Nonmarketable convertible U.S. Treas. bonds and notes	Official institutions: Nonmarketable nonconvertible U.S. Treas. bonds and notes[4]	Official institutions: Other readily marketable liabilities[5]	Liquid liabilities to commercial banks abroad[6]	Liquid liabilities to other foreigners: Total	Liquid liabilities to other foreigners: Short-term liabilities reported by banks in U.S.	Liquid liabilities to other foreigners: Marketable U.S. Treas. bonds and notes[3,7]	Liquid liabilities to nonmonetary intl. and regional organizations[8]
1962	24,268	800	12,914	11,963	751	....	200	....	5,346	3,013	2,565	448	2,195
1963[9]	26,433	800	14,459	12,467	1,217	703	63	9	5,817	3,397	3,046	351	1,960
	26,394	800	14,425	12,467	1,183	703	63	9	5,817	3,387	3,046	341	1,965
1964[9]	29,313	800	15,790	13,224	1,125	1,079	204	158	7,271	3,730	3,354	376	1,722
	29,364	800	15,786	13,220	1,125	1,079	204	158	7,303	3,753	3,377	376	1,722
1965	29,569	834	15,826	13,066	1,105	1,201	334	120	7,419	4,059	3,587	472	1,431
1966[9]	31,145	1,011	14,841	12,484	860	256	328	913	10,116	4,271	3,743	528	906
	31,020	1,011	14,896	12,539	860	256	328	913	9,936	4,272	3,744	528	905
1967[9]	35,819	1,033	18,201	14,034	908	711	741	1,807	11,209	4,685	4,127	558	691
	35,667	1,033	18,194	14,027	908	711	741	1,807	11,085	4,678	4,120	558	677
1968[9]	38,687	1,030	17,407	11,318	529	701	2,518	2,341	14,472	5,053	4,444	609	725
	38,473	1,030	17,340	11,318	462	701	2,518	2,341	14,472	4,909	4,444	465	722
1969[9]	[10]45,755	1,019	[10]15,975	11,054	346	[10]555	[10]2,515	1,505	23,638	4,464	3,939	525	659
	45,914	1,019	15,998	11,077	346	555	2,515	1,505	23,645	4,589	4,064	525	663
1970—Dec.[9]	47,009	566	23,786	19,333	306	429	3,023	695	17,137	4,676	4,029	647	844
	46,960	566	23,775	19,333	295	429	3,023	695	17,169	4,604	4,039	565	846
1971—Dec.[11]	67,681	544	51,209	39,679	1,955	6,060	3,371	144	10,262	4,138	3,691	447	1,528
	67,808	544	50,651	39,018	1,955	6,093	3,441	144	10,949	4,141	3,694	447	1,523
1972—Dec.	82,888	....	61,526	40,000	5,236	12,108	3,639	543	14,665	5,070	4,645	425	1,627
1973—June	92,189	....	70,701	45,713	6,934	12,245	3,805	2,004	14,356	5,463	5,080	383	1,669
July	93,218	....	71,028	46,138	6,934	12,245	3,705	2,006	15,310	5,362	4,988	374	1,518
Aug.	92,580	....	70,520	45,721	6,906	12,319	3,555	2,019	15,077	5,451	5,116	335	1,532
Sept.	92,073	....	69,777	45,174	6,914	12,319	3,355	2,015	15,026	5,651	5,304	347	1,619
Oct.	93,175	....	69,702	45,212	6,929	12,319	3,233	2,009	15,953	5,699	5,325	374	1,821
Nov.	92,581	....	67,400	43,791	6,207	12,319	3,234	1,849	17,255	5,916	5,506	410	2,010
Dec.	92,608	....	66,810	43,919	5,701	12,319	3,210	1,661	17,643	6,152	5,722	430	2,003
1974—Jan.	90,114	....	63,891	41,576	5,229	12,321	3,210	1,555	18,014	6,285	5,836	449	1,924
Feb.	92,022	....	64,097	41,989	5,192	12,322	3,210	1,384	19,677	6,455	6,045	410	1,793
Mar.	95,718	....	65,527	43,412	5,192	12,329	3,210	1,384	22,022	6,751	6,351	400	1,418
Apr.	97,509	....	67,163	45,184	5,020	12,330	3,210	1,419	22,060	6,992	6,572	420	1,294
May[p]	100,895	....	67,959	45,976	5,013	12,330	3,210	1,430	24,276	7,112	6,704	408	1,548
June	103,890	....	69,993	47,429	5,013	12,330	3,655	1,566	24,831	7,356	6,929	427	1,710

[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.

[3] Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated 1962–63.

[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 two 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 as follows: liquid, $17 million, and other, $84 million.

[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.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond generally to statistics following in this section, except for the exclusion of nonmarketable, nonconvertible U.S. Treasury notes issued to foreign official nonreserve agencies, the inclusion of investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations, and minor rounding differences. Table excludes IMF "holdings of dollars," and holdings of U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

6. U.S. LIQUID AND OTHER 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]
1967	18,194	10,321	1,310	1,582	4,428	250	303
1968 [3]	17,407	8,070	1,867	1,865	5,043	259	303
	17,340	8,062	1,866	1,865	4,997	248	302
1969 [3]	[4] 15,975	[4] 7,074	1,624	1,888	4,552	546	291
	[4] 15,998	[4] 7,074	1,624	1,911	4,552	546	291
1970 [3]	23,786	13,620	2,951	1,681	4,713	407	414
	23,775	13,615	2,951	1,681	4,708	407	413
1971 [5]	51,209	30,010	3,980	1,414	14,519	415	871
	50,651	30,134	3,980	1,429	13,823	415	870
1972	61,526	34,197	4,279	1,733	17,577	777	2,963
1973—June	70,701	46,967	4,111	1,999	13,734	992	2,898
July	71,028	47,140	4,043	2,075	13,692	928	3,150
Aug.	70,520	47,260	3,836	2,015	13,637	738	3,034
Sept.	69,777	47,099	3,759	1,861	13,289	769	3,000
Oct.	69,702	47,514	3,851	1,938	12,601	735	3,063
Nov.	67,400	46,002	3,820	2,233	11,474	785	3,086
Dec.	66,810	45,717	3,853	2,544	10,884	788	3,024
1974—Jan.	63,891	43,290	3,945	2,446	10,479	838	2,893
Feb.	64,097	42,389	4,262	2,743	10,878	1,000	2,825
Mar.	65,527	42,771	4,195	2,887	11,631	1,249	2,794
Apr.	67,163	42,648	4,309	3,532	12,360	1,402	2,912
May p	67,959	42,761	4,302	3,384	12,988	1,620	2,904
June p	69,993	43,200	4,201	4,005	13,962	1,884	2,741

1 Includes Bank for International Settlements and European Fund.
2 Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.
3 See note 9 to Table 5.
4 Includes $101 million increase in dollar value of foreign currency *liabilities resulting from revaluation of the German mark in Oct. 1969.*
5 Data on second line differ from those on the first line because certain accounts previously classified as "Official institutions" are included in "Banks"; a number of reporting banks are included in the series for the first time; and U.S. Treasury liabilities payable in foreign currencies to official institutions of foreign countries have been increased in value by $110 million to reflect market exchange rates as of Dec. 31, 1971.

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: Total [1]	Payable in dollars: Total	Deposits: Demand	Deposits: Time [2]	U.S. Treasury bills and certificates [3]	Other short-term liab. [4]	Payable in foreign currencies	IMF gold investment [5]	To nonmonetary international and regional organizations [6]: Total	Deposits: Demand	Deposits: Time [2]	U.S. Treasury bills and certificates	Other short-term liab. [4]
1969	40,199	39,770	20,460	6,959	5,015	7,336	429	800	613	62	83	244	223
1970 [7]	41,719	41,351	15,785	5,924	14,123	5,519	368	400	820	69	159	211	381
	41,761	41,393	15,795	5,961	14,123	5,514	368	400	820	69	159	211	381
1971 [8]	55,404	55,018	10,399	5,209	33,025	6,385	386	400	1,372	73	192	210	896
	55,428	55,036	6,459	4,217	33,025	11,335	392	400	1,367	73	192	210	892
1972	60,724	60,228	8,288	5,631	31,850	14,458	496	....	1,413	86	202	326	800
1973—June	66,718	66,074	9,114	5,830	34,931	16,199	644	....	1,569	155	134	169	1,110
July	67,925	67,317	8,989	5,879	34,556	17,894	607	....	1,488	206	116	116	1,049
Aug.	67,400	66,790	8,436	6,137	34,257	17,960	611	....	1,487	178	118	61	1,129
Sept.	67,057	66,396	8,754	6,130	33,702	17,810	660	....	1,552	80	100	62	1,311
Oct.	68,258	67,681	9,108	6,772	32,869	18,932	577	....	1,768	70	93	173	1,431
Nov.	68,514	67,892	9,849	6,884	31,977	19,182	622	....	1,962	73	97	373	1,420
Dec.	69,239	68,642	11,399	6,995	31,886	18,363	597	....	1,955	101	86	296	1,471
1974—Jan.	67,281	66,641	10,822	7,030	29,543	12,246	640	....	1,855	95	94	286	1,380
Feb.	69,404	68,635	11,473	7,066	30,274	19,822	770	....	1,693	77	67	232	1,317
Mar.	72,936	72,170	11,651	7,168	31,444	21,907	766	....	1,151	96	66	227	762
Apr.	74,925	74,219	11,973	7,505	32,676	22,064	706	....	1,109	60	60	209	780
May p	78,289	77,635	11,812	7,708	34,028	24,086	653	....	1,333	95	54	46	1,138
June p	80,782	79,990	13,003	8,395	34,008	24,584	792	....	1,593	106	64	91	1,332

For notes see the following 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[9]: 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
1969	38,786	20,397	6,876	3,971	7,113	429	11,077	1,930	2,942	3,844	2,159	202
1970[7]	40,499	15,716	5,765	13,511	5,138	368	19,333	1,652	2,554	13,367	1,612	148
	40,541	15,726	5,802	13,511	5,133	368	19,333	1,652	2,554	13,367	1,612	148
1971[8]	53,632	10,326	5,017	32,415	5,489	386	39,679	1,620	2,504	32,311	3,086	158
	53,661	6,386	4,025	32,415	10,443	392	39,018	1,327	2,039	32,311	3,177	165
1972—Dec.	59,310	8,203	5,429	31,523	13,659	496	40,000	1,591	2,880	31,453	3,905	171
1973—June	65,149	8,959	5,696	34,762	15,089	644	45,713	1,941	3,124	34,684	5,777	187
July	66,436	8,782	5,762	34,440	16,845	607	46,138	1,935	3,192	34,360	6,461	189
Aug.	65,914	8,258	6,019	34,196	16,831	611	45,721	1,576	3,355	34,118	6,545	127
Sept.	65,504	8,674	6,030	33,640	16,499	660	45,174	1,633	3,226	33,554	6,634	127
Oct.	66,490	9,038	6,678	32,696	17,501	577	45,212	1,811	3,846	32,613	6,814	127
Nov.	66,552	9,776	6,787	31,604	17,763	622	43,791	2,035	3,802	31,529	6,298	127
Dec.	67,284	11,297	6,909	31,590	16,892	597	43,919	2,125	3,911	31,511	6,245	127
1974—Jan.	65,426	10,728	6,936	29,257	17,865	640	41,576	2,379	3,705	29,152	6,212	127
Feb.	67,711	11,396	6,999	30,042	18,505	770	41,989	2,407	3,703	29,917	5,834	127
Mar.	71,785	11,554	7,103	31,217	21,145	766	43,412	2,631	3,800	31,064	5,790	127
Apr.	73,816	11,913	7,445	32,467	21,284	706	45,184	2,920	3,949	32,312	5,877	127
May[p]	76,956	11,717	7,655	33,982	22,948	653	45,976	2,352	3,970	33,786	5,741	127
June[p]	79,189	12,897	8,332	33,917	23,252	792	47,429	2,642	4,277	33,745	6,638	127

End of period	Total	To banks[10]: Payable in dollars: Total	Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates	Other short-term liab.[4]	To other foreigners: Payable in dollars: Total	Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates	Other short-term liab.[4]	To banks and other foreigners: Payable in foreign currencies
1969	27,709	23,419	16,756	1,999	20	4,644	4,064	1,711	1,935	107	312	226
1970[7]	21,166	16,917	12,376	1,326	14	3,202	4,029	1,688	1,886	131	325	220
	21,208	16,949	12,385	1,354	14	3,197	4,039	1,688	1,895	131	325	220
1971[8]	13,953	10,034	7,047	850	8	2,130	3,691	1,660	1,663	96	274	228
	14,643	10,721	3,399	320	8	6,995	3,694	1,660	1,666	96	271	228
1972—Dec.	19,310	14,340	4,658	405	5	9,272	4,645	1,954	2,145	65	481	325
1973—June	19,437	13,899	5,053	258	8	8,579	5,081	1,965	2,314	70	732	457
July	20,299	14,892	4,957	321	8	9,607	4,989	1,890	2,250	72	776	418
Aug.	20,192	14,594	4,806	353	10	9,425	5,115	1,876	2,311	68	861	483
Sept.	20,330	14,493	5,070	430	8	8,984	5,305	1,972	2,374	77	881	533
Oct.	21,278	15,504	5,250	473	7	9,774	5,325	1,977	2,359	76	912	449
Nov.	22,762	16,761	5,734	469	8	10,550	5,506	2,007	2,517	67	915	495
Dec.	23,364	17,174	6,941	512	11	9,710	5,721	2,232	2,486	68	936	469
1974—Jan.	23,850	17,501	6,329	511	14	10,648	5,835	2,020	2,719	91	1,005	513
Feb.	25,722	19,035	6,857	521	32	11,625	6,044	2,131	2,775	93	1,045	642
Mar.	28,373	21,384	6,572	506	54	14,251	6,350	2,351	2,797	98	1,104	639
Apr.	28,632	21,481	6,601	683	63	14,133	6,572	2,392	2,813	92	1,274	579
May[p]	30,980	23,750	7,054	774	73	15,849	6,704	2,312	2,911	124	1,358	526
June[p]	31,760	24,166	7,839	1,002	66	15,259	6,929	2,415	3,052	106	1,355	665

1 Data exclude "holdings of dollars" of the IMF.

2 Excludes negotiable time certificates of deposit, which are included in "Other."

3 Includes nonmarketable certificates of indebtedness issued to official institutions of foreign countries.

4 Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit. See also note 8(a).

5 U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold was reacquired by the IMF.

6 Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.

Includes difference between cost value and face value of securities in IMF gold investment account.

7 Data on the two 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 Data on second line differ from those on first line because (a) those liabilities of U.S. banks to their foreign branches and those liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, which were previously reported as deposits, are included in "Other short-term liabilities"; (b) certain accounts previously classified as "Official institutions" are included in "Banks"; and (c) a number of reporting banks are included in the series for the first time.

9 Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.

10 Excludes central banks, which are included in "Official institutions."

NOTE.—"Short term" refers to obligations 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 the "holdings of dollars" of the International Monetary Fund; 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 non-negotiable, non-interest-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	1972	1973				1974					
	Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May[p]	June[p]
Europe:											
Austria	272	292	204	166	161	210	279	327	248	298	310
Belgium-Luxembourg	1,094	1,378	1,411	1,463	1,483	1,593	1,662	1,572	1,795	1,739	1,827
Denmark	284	409	470	527	659	527	456	380	358	261	266
Finland	163	145	135	136	165	178	160	169	140	143	174
France	4,441	5,296	4,143	3,415	3,483	3,241	2,967	2,852	2,767	3,018	3,425
Germany	5,346	13,236	14,180	14,227	13,227	12,307	12,357	12,275	13,035	13,777	13,528
Greece	238	215	280	236	389	262	238	343	285	239	232
Italy	1,338	1,140	1,095	1,224	1,404	1,195	1,119	2,243	1,386	1,435	1,281
Netherlands	1,468	2,022	2,534	2,866	2,886	2,522	2,502	2,547	2,507	2,407	2,352
Norway	978	1,024	999	980	965	961	962	993	923	923	911
Portugal	416	459	467	470	534	482	486	450	450	452	411
Spain	256	259	284	319	305	264	304	267	289	499	471
Sweden	1,184	1,835	1,787	1,807	1,885	1,975	1,973	1,733	1,475	1,350	1,211
Switzerland	2,857	3,309	3,316	3,091	3,377	3,281	3,513	3,792	4,228	5,138	6,354
Turkey	97	72	83	75	98	221	146	96	92	95	125
United Kingdom	5,011	5,593	6,416	6,473	6,148	6,440	6,186	7,392	7,697	8,772	8,533
Yugoslavia	117	58	61	76	86	77	94	78	82	86	100
Other Western Europe[1]	1,483	3,099	3,426	2,926	3,352	3,125	3,007	2,946	3,003	2,444	2,701
U.S.S.R.	11	16	40	20	22	26	20	29	52	28	27
Other Eastern Europe	81	114	96	101	110	92	96	122	95	104	125
Total	27,136	39,971	41,426	40,598	40,742	38,982	38,525	40,605	40,905	43,210	44,364
Canada	3,467	3,721	3,812	3,967	3,862	4,158	4,432	3,841	4,553	4,164	3,701
Latin America:											
Argentina	631	889	781	766	914	847	895	1,001	1,058	1,180	1,365
Bahamas[2]	540	592	456	806	824	593	1,011	2,016	1,335	1,826	1,348
Brazil	605	700	745	816	860	819	961	837	774	731	782
Chile	137	127	137	142	157	178	174	185	224	191	238
Colombia	210	167	207	221	247	219	238	238	227	227	217
Cuba	6	7	7	6	7	7	8	7	6	6	6
Mexico	831	1,044	1,029	1,132	1,284	1,323	1,343	1,369	1,374	1,416	1,410
Panama	167	204	231	282	279	281	326	401	408	522	552
Peru	225	178	152	124	135	144	154	159	160	162	166
Uruguay	140	114	115	112	120	120	115	121	121	132	121
Venezuela	1,078	941	1,130	1,420	1,468	1,460	1,636	1,736	2,297	2,248	2,708
Other Latin American republics	860	791	742	769	880	947	1,026	1,100	1,144	1,053	1,073
Netherlands Antilles and Surinam	86	65	70	63	71	69	61	69	63	95	124
Other Latin America	44	463	532	556	361	470	792	659	566	432	450
Total	5,560	6,283	6,334	7,215	7,608	7,477	8,741	9,896	9,757	10,221	10,561
Asia:											
China, People's Rep. of (China Mainland	39	40	37	40	38	38	39	38	39	39	33
China, Republic of (Taiwan)	675	802	779	764	757	735	715	641	573	620	688
Hong Kong	318	349	363	383	372	389	416	452	453	512	462
India	98	99	105	71	85	152	183	133	177	264	225
Indonesia	108	254	169	160	133	186	175	240	305	220	257
Israel	177	173	279	330	327	337	311	302	275	267	256
Japan	15,843	7,680	7,061	6,726	6,954	6,417	7,440	8,307	8,668	9,060	9,419
Korea	192	213	198	210	195	222	204	180	253	234	262
Philippines	438	482	479	497	515	570	604	595	642	731	772
Thailand	171	143	163	180	247	336	471	607	536	517	524
Other	1,071	1,165	1,139	1,138	1,202	1,306	1,196	1,445	1,942	1,883	2,542
Total	19,131	11,401	10,771	10,500	10,826	10,690	11,752	12,940	13,861	14,347	15,440
Africa:											
Egypt	24	34	34	63	35	72	72	52	68	71	84
Morocco	12	11	10	14	11	11	12	17	15	20	39
South Africa	115	132	103	109	114	97	119	148	83	122	102
Zaire	21	19	26	24	87	42	30	42	43	52	58
Other	768	765	747	824	808	837	1,044	1,335	1,500	1,703	1,941
Total	939	961	919	1,034	1,056	1,059	1,277	1,593	1,709	1,968	2,223
Other countries:											
Australia	3,027	3,106	3,169	3,183	3,131	2,986	2,917	2,849	2,979	2,980	2,831
All other	51	62	59	55	59	74	66	60	52	68	69
Total	3,077	3,168	3,228	3,238	3,190	3,059	2,984	2,909	3,031	3,047	2,900
Total foreign countries	59,310	65,504	66,490	66,552	67,284	65,426	67,711	71,785	73,816	76,956	79,189
International and regional:											
International[3]	951	1,183	1,403	1,610	1,628	1,537	1,404	863	840	1,038	1,250
Latin American regional	307	298	299	290	271	256	228	226	217	226	222
Other regional[4]	156	70	66	62	57	64	61	62	51	69	122
Total	1,413	1,552	1,768	1,962	1,955	1,855	1,693	1,151	1,109	1,333	1,593
Grand total	60,724	67,057	68,258	68,514	69,239	67,281	69,404	72,936	74,925	78,289	80,782

For notes see the following 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 [5]

Area and country	1972 Apr.	1972 Dec.	1973 Apr.	1973 Dec.	1974 Apr.
Other Western Europe:					
Cyprus	2	3	9	19	10
Iceland	9	9	12	8	11
Ireland, Rep. of	15	17	22	62	53
Other Latin American republics:					
Bolivia	53	87	65	68	102
Costa Rica	70	92	75	86	88
Dominican Republic	91	114	104	118	137
Ecuador	62	121	109	92	90
El Salvador	83	76	86	90	129
Guatemala	123	132	127	156	245
Haiti	23	27	25	21	28
Honduras	50	58	64	56	71
Jamaica	32	41	32	39	52
Nicaragua	66	61	79	99	119
Paraguay	17	22	26	29	40
Trinidad & Tobago	15	20	17	17	21
Other Latin America:					
Bermuda	(2)	(2)	127	242	201
British West Indies	23	36	100	109	......
Other Asia:					
Afghanistan	17	25	19	22	11
Bahrain	18	24	23	24	11
Burma	5	2	17	12	......
Cambodia	2	3	3	2	4
Iran	88	93	114	124	243
Iraq	9	10	26	101	......
Jordan	2	4	4	6	6
Other Asia—Cont.:					
Kuwait	16	39	36	28	......
Laos	3	2	3	3	......
Lebanon	60	55	55	62	68
Malaysia	25	54	59	58	40
Pakistan	58	59	93	105	108
Ryukyu Islands (incl. Okinawa)[6]	53	......	......	......	......
Saudi Arabia	80	344	236	334	303
Singapore	45	77	53	141	165
Sri Lanka (Ceylon)	6	5	6	13	13
Syria	6	4	39	5	40
Vietnam	185	135	98	88	98
Other Africa:					
Algeria	31	32	51	111	110
Ethiopia (incl. Eritrea)	29	57	75	79	118
Ghana	11	10	28	20	22
Kenya	14	23	19	23	20
Liberia	25	30	31	42	29
Libya	296	393	312	331	......
Nigeria	56	85	140	78	......
Southern Rhodesia	2	2	1	2	1
Sudan	5	3	3	3	2
Tanzania	6	11	16	12	12
Tunisia	7	10	11	7	17
Uganda	10	7	19	6	11
Zambia	7	28	37	22	......
All other:					
New Zealand	27	30	34	39	33

[1] Includes Bank for International Settlements and European Fund.
[2] Bermuda included with Bahamas through Dec. 1972.
[3] Data exclude "holdings of dollars" of the International Monetary Fund.
[4] Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."
[5] Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe").
[6] Included in Japan after Apr. 1972.

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	Other Europe	Total Latin America	Japan	Other Asia	All other countries
1970	1,703	789	914	695	165	53	110	42	26	152	385	137	62
1971	902	446	457	144	257	56	164	52	30	111	3	87	9
1972—Dec.[2]	1,000	562	439	93	259	87	165	63	32	136	1	32	10
	1,018	580	439	93	259	87	165	63	32	136	1	32	10
1973—June	1,467	769	697	311	274	113	164	68	233	125	2	94	10
July	1,525	768	757	311	305	141	164	68	265	145	2	93	19
Aug.	1,530	775	755	322	305	127	165	68	265	143	2	95	17
Sept.	1,502	758	744	318	302	123	165	68	263	145	2	84	18
Oct.	1,473	735	738	312	305	122	165	68	265	140	2	81	18
Nov.	1,469	753	717	313	287	117	165	67	246	138	2	80	19
Dec.	1,487	761	726	310	296	121	165	66	245	151	5	78	18
1974—Jan.	1,497	801	696	310	275	111	165	65	236	139	2	78	11
Feb.	1,500	888	612	259	267	86	165	58	231	109	2	35	13
Mar.	1,558	951	607	259	261	87	165	45	232	111	2	39	13
Apr.	1,671	1,025	646	294	263	89	165	56	227	133	2	50	13
May^p	1,638	1,005	633	296	263	74	165	56	220	125	2	52	13
June^p	1,675	974	700	321	307	73	165	78	220	146	2	77	12

[1] Excludes central banks, which are included with "Official institutions."

[2] Data on the two 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.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

	1973							1974					
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May[p]	June[p]
Europe:													
Belgium-Luxembourg	6	6	6	7	7	7	7	7	7	7	7	7	7
Sweden	135	135	135	165	165	165	235	235	260	260	260	260	260
Switzerland	43	42	37	37	37	38	34	33	32	34	33	35	34
United Kingdom	280	275	236	247	290	400	423	437	450	439	460	470	488
Other Western Europe	85	85	85	85	85	85	86	91	91	90	89	88	91
Eastern Europe	5	5	5	5	5	5	5	5	5	5	5	5	5
Total	554	547	504	546	588	700	789	808	845	835	854	865	883
Canada	560	560	560	560	560	567	582	597	832	847	848	849	849
Latin America:													
Latin American republics	1	4	8	9	9	11	11	11	11	11	11	11	11
Other Latin America	6	3	3	3	3	3	3	3	3	3	3	5	5
Total	7	7	11	12	12	14	14	14	14	14	14	16	16
Asia:													
Japan	5,977	5,977	5,949	5,950	5,950	5,143	4,552	4,066	3,718	3,703	3,531	3,499	3,498
Other Asia	10	9	9	11	11	11	11	11	11	11	11	12	12
Total	5,988	5,987	5,959	5,961	5,961	5,154	4,563	4,077	3,729	3,714	3,542	3,510	3,510
Africa	183	183	183	158	158	158	158	158	157	157	157	157	157
All other	25	25	25	25	25	25	25	25	25	25	25	25	25
Total foreign countries	7,317	7,308	7,241	7,261	7,303	6,617	6,131	5,678	5,602	5,592	5,440	5,421	5,440
International and regional:													
International	72	1	1	21	6	1	1	20	51	217	141	174	57
Latin American regional	27	28	45	45	47	47	48	49	49	49	44	41	60
Total	100	29	46	66	53	48	49	69	100	267	185	214	117
Grand total	7,417	7,337	7,287	7,327	7,356	6,665	6,179	5,747	5,702	5,859	5,625	5,636	5,557

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 benchmark surveys of holdings and regular monthly reports of securities transactions (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—				Collec- tions out- stand- ing	Accept- ances made for acct. of for- eigners	Other	Total	Deposits with for- eigners	Foreign govt. se- curities, coml. and fi- nance paper	Other
			Total	Official institu- tions	Banks[1]	Others							
1970	10,802	10,192	3,051	119	1,720	1,212	2,389	3,985	766	610	352	92	166
1971 [2]	13,170	12,328	4,503	223	2,613	1,667	2,475	4,243	1,107	842	549	119	174
	13,272	12,377	3,969	231	2,080	1,658	2,475	4,254	1,679	895	548	173	174
1972 [3]	15,471	14,625	5,674	163	2,975	2,535	3,269	3,204	2,478	846	441	223	182
	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
1973—June	18,825	17,987	7,318	205	4,070	3,043	3,881	3,984	2,804	839	552	140	147
July	19,012	18,149	7,024	162	3,926	2,936	3,871	3,922	3,332	863	561	151	151
Aug.	18,978	18,091	6,973	176	4,029	2,768	3,948	3,716	3,454	887	488	151	248
Sept.	18,725	17,948	6,809	160	3,918	2,731	4,070	3,718	3,351	777	459	143	175
Oct.	19,298	18,438	6,983	216	3,989	2,778	4,099	3,774	3,582	861	510	187	163
Nov.	19,588	18,797	7,070	252	4,084	2,733	4,287	3,788	3,652	790	512	131	148
Dec.	20,719	20,057	7,718	271	4,589	2,859	4,306	4,155	3,877	662	428	119	115
1974—Jan.	21,081	20,279	7,413	303	4,429	2,680	4,386	4,107	4,373	802	467	162	173
Feb.	22,968	22,124	7,949	303	4,992	2,654	4,426	4,554	5,195	844	594	121	129
Mar.	25,654	24,805	9,080	421	5,807	2,852	4,641	5,125	5,958	849	545	160	144
Apr.	26,564	25,707	9,578	346	6,152	3,079	4,805	5,810	5,515	857	589	99	169
May	29,624	28,741	9,963	363	6,386	3,213	5,080	6,486	6,956	884	611	113	160
June	32,049	31,092	11,509	386	7,771	3,352	5,049	7,491	7,044	957	687	130	141

1 Excludes central banks, which are included with "Official institutions."

2 Data on second line differ from those on first line because (a) those claims of U.S. banks on their foreign branches and those claims of U.S. agencies and branches of foreign banks on their head offices and foreign branches, which were previously reported as "Loans", are included in "Other short-term claims"; and (b) a number of reporting banks are included in the series for the first time.

3 Data on the two 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.

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	1972 Dec.	1973 Sept.	1973 Oct.	1973 Nov.	1973 Dec.	1974 Jan.	1974 Feb.	1974 Mar.	1974 Apr.	1974 May^p	1974 June^p
Europe:											
Austria	8	14	15	14	11	14	36	20	40	32	104
Belgium-Luxembourg	120	190	150	145	148	134	143	216	188	155	231
Denmark	59	52	50	53	48	50	60	76	57	67	63
Finland	118	114	97	89	108	106	93	97	115	124	131
France	330	413	461	525	621	649	682	743	721	624	727
Germany	321	313	366	392	311	342	382	395	355	441	421
Greece	29	16	26	23	35	41	36	37	47	48	49
Italy	255	242	282	363	316	313	330	482	507	512	572
Netherlands	108	144	132	172	133	139	147	174	169	202	212
Norway	69	67	74	82	72	85	91	76	91	96	90
Portugal	19	18	23	22	23	25	25	37	29	33	32
Spain	207	183	183	189	222	208	180	284	318	322	404
Sweden	164	166	155	177	153	135	106	121	132	95	117
Switzerland	125	234	242	203	176	240	338	270	327	417	663
Turkey	6	6	8	16	10	11	9	16	18	8	10
United Kingdom	997	1,304	1,236	1,210	1,456	1,490	1,621	2,009	1,627	2,179	2,341
Yugoslavia	22	10	8	19	10	9	15	12	13	25	20
Other Western Europe	20	26	34	26	27	19	20	22	28	55	26
U.S.S.R.	41	46	49	51	46	29	36	33	30	38	47
Other Eastern Europe	49	97	87	72	59	64	65	70	65	95	84
Total	3,067	3,654	3,678	3,843	3,985	4,104	4,416	5,190	4,875	5,568	6,343
Canada	1,914	1,909	2,210	1,979	1,960	1,880	2,037	2,243	2,191	2,363	2,195
Latin America:											
Argentina	379	455	469	485	498	521	539	679	686	641	669
Bahamas [1]	519	623	702	612	873	577	1,041	1,287	1,126	1,944	1,890
Brazil	649	879	837	826	900	953	958	1,114	1,180	1,315	1,473
Chile	52	40	80	125	151	136	155	180	193	165	182
Colombia	418	423	423	413	397	425	428	459	467	473	515
Cuba	13	13	15	13	12	11	11	13	13	13	13
Mexico	1,202	1,309	1,368	1,337	1,370	1,344	1,418	1,426	1,627	1,652	1,718
Panama	244	252	273	263	266	294	297	345	390	406	386
Peru	145	178	208	204	178	186	184	194	224	264	280
Uruguay	40	39	45	47	55	58	51	44	38	38	40
Venezuela	383	430	436	469	517	482	510	586	627	557	605
Other Latin American republics	388	409	431	465	490	542	546	600	617	618	663
Netherlands Antilles and Surinam	14	31	23	17	13	17	19	29	20	27	41
Other Latin America	36	91	137	124	140	356	461	268	281	191	296
Total	4,480	5,171	5,448	5,401	5,861	5,904	6,619	7,224	7,489	8,303	8,770
Asia:											
China, People's Rep. of (China Mainland)	1	7	22	36	31	24	19	27	19	18	23
China, Republic of (Taiwan)	194	141	128	117	140	119	147	183	231	315	348
Hong Kong	93	130	121	124	147	169	189	170	179	166	207
India	14	19	14	16	16	16	15	19	18	25	18
Indonesia	87	81	89	96	88	105	107	97	71	105	115
Israel	105	145	145	155	166	153	140	165	140	135	158
Japan	4,152	5,801	5,746	6,034	6,400	6,466	6,960	7,857	8,607	9,715	10,798
Korea	296	348	372	369	403	432	477	498	555	632	593
Philippines	149	121	105	118	181	189	182	197	228	258	297
Thailand	191	179	206	225	273	322	364	405	434	389	414
Other	300	361	349	377	394	466	560	521	671	661	714
Total	5,584	7,331	7,297	7,666	8,238	8,463	9,159	10,138	11,153	12,416	13,684
Africa:											
Egypt	21	43	38	40	35	42	40	42	44	54	58
Morocco	4	11	4	7	5	4	4	21	9	4	5
South Africa	143	157	150	147	129	133	134	131	153	206	202
Zaire	13	48	51	61	60	56	67	61	79	72	91
Other	118	146	163	155	159	178	175	210	192	218	266
Total	299	405	406	410	388	413	420	466	477	554	621
Other countries:											
Australia	291	218	223	251	243	279	268	328	318	353	378
All other	40	36	36	36	43	37	49	64	59	66	57
Total	330	254	259	287	286	316	317	392	377	420	435
Total foreign countries	15,674	18,724	19,297	19,587	20,718	21,080	22,967	25,653	26,563	29,623	32,049
International and regional	3	1	1	1	1	1	1	1	1	1	1
Grand total	15,676	18,725	19,298	19,588	20,719	21,081	22,968	25,654	26,564	29,624	32,050

[1] Includes Bermuda through Dec. 1972.

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	Other long-term claims	Payable in foreign currencies	Country or area: United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	All other countries
1970	3,075	2,698	504	236	1,958	352	25	71	411	312	1,325	115	548	292
1971	3,667	3,345	575	315	2,455	300	22	130	593	228	1,458	246	583	429
1972[2]	4,954	4,539	833	430	3,276	375	40	145	704	406	1,996	319	881	503
	5,029	4,555	836	430	3,289	435	40	145	701	406	2,012	353	900	514
1973- June	5,609	5,100	978	550	3,572	464	45	131	980	523	2,002	316	1,096	561
July	5,628	5,119	957	554	3,609	455	54	128	1,029	517	1,982	315	1,122	535
Aug.	5,524	5,012	1,002	514	3,496	466	46	137	1,007	404	1,963	309	1,157	548
Sept.	5,410	4,885	1,010	508	3,367	456	70	131	976	418	1,941	256	1,186	501
Oct.	5,593	5,037	1,041	538	3,458	476	80	130	1,012	491	1,980	262	1,203	514
Nov.	5,788	5,248	1,127	555	3,566	463	78	138	1,059	484	2,088	255	1,246	516
Dec.	5,862	5,310	1,129	571	3,610	480	72	140	1,099	489	2,072	247	1,282	533
1974- Jan.	5,803	5,252	1,115	559	3,578	472	79	137	1,102	484	2,033	253	1,284	509
Feb.	5,873	5,270	1,166	580	3,525	524	79	144	1,158	457	2,061	249	1,293	511
Mar.	6,049	5,432	1,253	627	3,552	542	75	146	1,263	473	2,129	248	1,300	490
Apr.	6,661	6,019	1,542	734	3,744	566	76	191	1,550	478	2,340	246	1,328	529
May[p]	6,706	6,088	1,548	746	3,793	550	67	214	1,535	467	2,401	233	1,336	520
June[p]	6,986	6,374	1,590	775	4,010	545	66	212	1,663	496	2,476	236	1,389	514

[1] Excludes central banks, which are included with "Official institutions."
[2] Data on the two 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.

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	Foreign: Official	Foreign: Other	U.S. corporate securities[2]: Purchases	Sales	Net purchases or sales	Foreign bonds: Purchases	Sales	Net purchases or sales	Foreign stocks: Purchases	Sales	Net purchases or sales
1971	1,672	130	1,542	1,661	119	14,593	13,158	1,435	1,687	2,621	935	1,385	1,439	-57
1972	3,316	57	3,258	3,281	-23	19,073	15,015	4,058	1,901	2,961	1,060	2,532	2,123	409
1973	305	-165	470	465	6	18,543	13,810	4,733	1,474	2,467	993	1,729	1,554	176
1974 - Jan.-June[p]	622	68	-691	688	3	7,596	6,672	924	540	1,648	1,107	1,150	1,044	107
1973- June	-71	-69	-1	....	1	1,087	899	188	125	103	22	123	111	12
July	79	-71	9	....	9	1,320	898	422	101	207	106	108	107	1
Aug.	-51	17	68	-28	39	1,328	864	464	96	157	61	117	125	-8
Sept.	40	20	20	8	12	1,174	963	212	67	101	34	115	105	10
Oct.	29	13	42	15	27	1,807	1,722	86	97	336	-238	129	131	-2
Nov.	691	5	686	722	36	1,948	1,692	256	104	317	-213	156	178	-22
Dec.	486	1	487	506	19	1,336	1,359	23	144	209	65	159	144	15
1974 Jan.	-432	20	452	-472	19	1,715	1,453	262	71	364	-292	209	207	2
Feb.	45	31	-76	-37	-39	1,200	1,188	12	100	145	45	206	206	-1
Mar.	157	166	-10	....	10	1,672	1,474	198	102	398	295	167	183	-16
Apr.	234	82	152	-171	20	1,060	844	216	103	323	219	189	155	34
May[p]	11	29	19	-7	12	853	845	8	89	153	63	173	175	-2
June[p]	-79	97	19	....	19	1,095	866	229	74	266	192	207	117	90

[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.

NOTE.—Statistics include transactions of international and regional organizations.

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	Other Europe	Total Europe	Canada	Latin America	Asia	Other[1]
1971	11,626	10,894	731	87	131	219	168	−49	71	627	−93	37	108	52
1972	14,361	12,173	2,188	372	−51	297	642	561	137	1,958	−78	−32	256	83
1973	12,762	9,978	2,785	439	2	339	685	366	274	2,104	99	−1	577	5
1974—Jan.–June^p	4,276	3,893	383	145	14	225	115	31	34	507	52	53	−32	13
1973—June	766	632	134	2	−23	7	52	15	21	74	8	−2	55	−2
July	880	564	316	67	−19	25	80	28	28	210	19	11	71	5
Aug.	972	631	341	53	1	60	57	40	34	245	10	11	81	−6
Sept.	948	734	214	63	6	18	54	15	14	169	*	27	21	−3
Oct.	1,369	1,272	96	6	−7	5	−34	68	25	62	−26	16	41	4
Nov.	1,482	1,088	394	106	27	54	68	67	6	327	−18	−9	108	−14
Dec.	873	878	−4	30	9	32	−64	−25	7	−12	−8	4	34	−16
1974—Jan.	974	801	173	68	4	37	43	27	23	201	−27	−42	33	9
Feb.	741	585	156	39	5	52	40	5	33	163	*	1	−9	1
Mar.	896	846	49	−4	26	40	24	14	25	91	−21	9	−29	1
Apr.	575	559	16	22	17	35	5	14	35	19	−10	2	3	2
May^p	571	590	−19	18	7	29	2	−36	−5	16	−7	−16	−14	2
June^p	520	512	8	−15	8	33	11	18	3	16	13	7	15	2

[1] 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	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. and regional
1971	703	15	35	−1	216	327	39	631	37	19	−2	*	−21	39
1972	1,871	336	77	74	135	357	315	1,293	82	22	323	2	*	148
1973	1,948	201	33	19	307	275	473	1,204	49	44	588	*	10	52
1974—Jan.–June^p	541	80	31	113	80	138	30	412	19	9	−225	*	*	325
1973—June	54	6	−3	*	−3	−19	−2	−20	7	−1	*	*	10	59
July	106	*	−57	*	13	−15	7	−52	3	4	1	*	*	150
Aug.	123	31	1	1	−5	57	10	94	−1	4	2	*	*	24
Sept.	−2	2	*	*	−1	14	12	26	−1	1	11	*	*	−39
Oct.	−11	53	*	1	46	14	1	86	4	1	1	*	*	−103
Nov.	−138	4	11	−2	28	76	5	122	−21	3	−209	*	*	−33
Dec.	−19	9	10	4	37	60	32	152	*	16	−183	....	*	−3
1974—Jan.	89	3	25	*	23	117	−9	159	14	1	−104	*	*	18
Feb.	−144	1	*	*	*	44	−15	30	−2	5	−119	*	*	−46
Mar.	149	1	*	2	6	69	6	−71	1	6	−1	*	*	215
Apr.	200	60	3	*	8	23	17	111	4	−1	*	*	*	86
May^p	27	10	*	*	28	−20	1	20	3	5	3	*	*	3
June^p	220	5	3	116	15	42	−17	163	1	4	3	*	*	56

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
1971	−992	−310	−682	31	−275	−46	−366	−57	32
1972	−651	−90	−561	492	−651	−69	−296	−66	29
1973	−818	139	−957	−141	−569	120	168	3	37
1974—Jan.–June^p	1,000	16	1,016	320	810	48	156	4	10
1973—June	34	7	27	10	6	13	−13	1	9
July	−105	3	−108	−13	−93	−13	9	*	2
Aug.	−69	5	−75	21	44	−4	−8	*	3
Sept.	−25	4	−28	−28	8	−8	−1	*	2
Oct.	−240	4	−243	25	−148	8	−64	1	1
Nov.	−236	9	−245	−47	89	−6	−104	*	*
Dec.	−50	51	101	−45	−11	−15	−34	2	3
1974—Jan.	−291	−4	287	−81	−204	−2	−1	−1	2
Feb.	−46	6	−52	−62	−11	−9	32	−4	1
Mar.	−311	4	−315	24	288	−15	10	*	3
Apr.	−185	3	−188	−49	−157	6	12	*	*
May^p	−65	5	−70	−26	34	22	9	*	3
June^p	−101	3	105	−78	115	−6	94	1	*

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)
1971—Mar.	511	314
June	419	300
Sept.	333	320
Dec.	311	314
1972—Mar.	325	379
June	312	339
Sept.	286	336
Dec.	372	405
1973—Mar.	310	364
June	316	243
Sept.	290	255
Dec.	333	231
1974—Mar.^{p}	384	227

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.: Total	Claims on U.S.: Parent bank	Claims on U.S.: Other	Claims on foreigners: Total	Claims on foreigners: Other branches of parent bank	Claims on foreigners: Other banks	Claims on foreigners: Official institutions	Claims on foreigners: Nonbank foreigners	Other
IN ALL FOREIGN COUNTRIES											
Total, all currencies	1971—Dec.[r]	59,939	4,755	2,302	2,454	53,423	11,223	23,599	1,164	17,436	1,760
	1972—Dec.[r]	78,202	4,678	2,113	2,565	71,304	11,504	35,773	1,594	22,432	2,220
	1973—May	90,388	4,185	1,915	2,270	83,158	13,116	41,414	1,875	26,753	3,046
	June	96,107	4,925	2,325	2,601	87,786	13,149	44,953	1,805	27,879	3,395
	July	100,987	5,350	2,502	2,848	92,071	14,934	46,155	1,934	29,048	3,567
	Aug.	102,392	5,109	2,286	2,823	93,470	15,289	46,012	2,012	30,156	3,813
	Sept.	108,080	4,806	1,916	2,890	98,681	16,778	48,084	2,147	31,672	4,593
	Oct.	111,087	4,802	1,831	2,970	101,789	17,721	49,477	2,239	32,352	4,496
	Nov.[r]	117,325	5,808	2,848	2,961	106,041	18,462	51,975	2,108	33,497	5,476
	Dec.[r]	121,951	4,882	1,882	3,000	112,323	19,222	55,910	2,503	34,687	4,746
	1974—Jan.[r]	123,912	4,605	1,552	3,054	114,703	19,497	57,032	2,733	35,441	4,604
	Feb.	127,240	4,696	1,893	2,802	711,481	20,341	57,163	2,957	37,020	5,064
	Mar.	136,983	7,986	5,383	2,603	123,823	22,268	60,435	3,030	38,090	5,174
	Apr.[r]	139,532	6,257	3,682	2,575	128,187	22,854	62,334	3,629	39,370	5,087
	May	145,362	8,152	5,585	2,567	131,796	24,376	64,635	3,645	39,141	5,414
Payable in U.S. dollars	1971—Dec.[r]	39,149	4,502	2,295	2,207	34,093	6,659	17,341	861	9,233	553
	1972—Dec.[r]	52,636	4,419	2,091	2,327	47,444	7,869	26,251	1,059	12,264	773
	1973—May	56,118	3,900	1,888	2,012	51,068	8,178	27,836	1,015	14,038	1,149
	June	59,984	4,575	2,276	2,298	54,117	8,118	30,457	1,037	14,505	1,292
	July	62,239	4,775	2,467	2,308	56,058	8,852	30,964	1,123	15,118	1,407
	Aug.	63,553	4,502	2,227	2,275	57,670	9,660	30,545	1,193	16,272	1,380
	Sept.	66,361	4,386	1,865	2,521	60,362	10,315	31,767	1,186	17,093	1,613
	Oct.	68,400	4,356	1,789	2,567	62,461	11,223	32,595	1,223	17,419	1,583
	Nov.	73,637	5,336	2,787	2,549	66,595	11,874	34,992	1,302	18,427	1,705
	Dec.	79,502	4,428	1,844	2,583	73,308	12,844	39,052	1,587	19,824	1,767
	1974—Jan.[r]	81,949	4,166	1,515	2,651	76,033	13,253	40,027	1,848	20,905	1,749
	Feb.	83,907	4,311	1,838	2,473	77,679	13,769	40,185	2,024	21,701	1,918
	Mar.[r]	92,838	7,640	5,359	2,281	83,272	15,776	42,971	1,977	22,548	1,925
	Apr.[r]	94,127	5,886	3,635	2,251	86,093	15,954	44,379	2,726	23,034	2,148
	May	100,155	7,806	5,537	2,269	89,876	16,874	47,330	2,840	22,831	2,473
IN UNITED KINGDOM											
Total, all currencies	1971—Dec.[r]	34,227	2,693	1,230	1,464	30,675	5,690	15,965	473	8,546	859
	1972—Dec.[r]	43,467	2,234	1,138	1,096	40,214	5,659	23,842	606	10,106	1,018
	1973—May	48,860	1,743	909	834	45,783	5,725	28,254	610	11,194	1,334
	June	51,203	1,875	1,012	864	47,821	5,279	30,223	604	11,716	1,506
	July	53,996	2,500	1,492	1,008	49,923	6,274	30,652	646	12,350	1,574
	Aug.	52,880	1,877	935	942	49,423	6,849	29,525	677	12,372	1,580
	Sept.	55,842	1,473	604	870	52,489	8,022	30,774	659	13,035	1,879
	Oct.	57,306	1,833	879	954	53,518	7,970	31,617	685	13,247	1,954
	Nov.	61,897	2,230	1,181	1,049	56,808	8,552	33,813	700	13,743	2,859
	Dec.	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974—Jan.	63,757	1,484	521	964	60,185	9,123	35,796	907	14,359	2,087
	Feb.	63,585	1,477	616	861	59,792	9,209	34,813	916	14,853	2,317
	Mar.	68,076	3,070	2,319	751	63,020	r10,706	r36,192	887	15,235	1,986
	Apr.[r]	68,914	2,713	1,876	837	64,104	10,695	36,765	1,073	15,572	2,097
	May	71,935	3,787	2,969	818	65,966	11,759	37,882	889	15,435	2,182
Payable in U.S. dollars	1971—Dec.[r]	24,210	2,585			21,277	4,135	12,572		4,571	348
	1972—Dec.[r]	30,257	2,146			27,664	4,326	17,874		5,464	446
	1973—May	30,809	1,654			28,569	3,943	18,776		5,851	586
	June	32,763	1,784			30,286	3,900	20,341		6,045	693
	July	33,381	2,193			30,464	4,042	20,137		6,286	723
	Aug.	32,807	1,538			30,569	4,887	19,134		6,549	699
	Sept.	34,251	1,348			32,062	5,399	19,759		6,904	840
	Oct.	35,511	1,681			33,062	5,769	20,336		6,956	768
	Nov.	39,096	2,042			36,218	6,273	22,650		7,296	835
	Dec.	40,323	1,642			37,816	6,509	23,899		7,409	865
	1974—Jan.	42,131	1,368			39,932	6,825	25,098		8,010	830
	Feb.	41,762	1,384			39,409	6,902	24,415		8,093	969
	Mar.	46,062	2,967			42,212	r8,240	r25,365		8,608	882
	Apr.[r]	46,419	2,623			42,771	8,262	25,768		8,741	1,024
	May	49,608	3,688			44,784	9,285	26,957		8,542	1,135
IN BAHAMAS AND CAYMANS[1]											
Total, all currencies	1971—Dec.[r]	8,234	1,274	496	777	6,871	3,620			3,251	90
	1972—Dec.[r]	12,642	1,486	214	1,272	10,986	6,663			4,322	170
	1973—May	14,090	1,488	261	1,227	12,274	6,874			5,400	328
	June	15,614	1,909	402	1,507	13,448	7,915			5,533	256
	July	16,466	1,927	347	1,579	14,253	8,459			5,795	286
	Aug.	19,341	2,260	576	1,684	16,642	9,846			6,796	439
	Sept.	20,673	2,280	489	1,791	17,890	10,596			7,294	504
	Oct.	20,698	1,976	272	1,704	18,198	10,618			7,580	524
	Nov.	21,503	2,525	824	1,702	18,412	10,367			8,045	566
	Dec.	23,771	2,001	313	1,688	21,307	12,302			9,005	463
	1974—Jan.	24,071	2,011	228	1,783	21,581	12,232			9,349	479
	Feb.	25,657	1,882	170	1,713	23,262	13,293			9,969	513
	Mar.[r]	28,444	3,299	1,787	1,512	24,534	14,600			9,934	611
	Apr.[r]	28,776	2,280	802	1,478	25,873	15,496			10,376	623
	May	[2]30,862	3,164	1,697	1,467	26,953	17,029			9,924	744

For notes see p. A-76

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
59,940	3,061	658	2,403	54,798	10,789	29,825	5,472	8,712	2,081	1971 Dec. r	Total all currencies
78,203	3,501	997	2,504	72,121	11,121	41,218	8,351	11,432	2,580	1972 Dec. r	
90,389	4,387	1,080	3,308	82,578	12,892	47,016	9,227	13,443	3,423	1973 May	
96,106	4,456	1,005	3,451	87,999	12,918	51,863	9,483	13,735	3,651	June	
100,987	4,368	1,200	3,169	92,702	14,634	54,072	9,575	14,421	3,917	July	
102,392	4,607	1,083	3,524	93,645	15,627	54,493	8,494	15,031	4,140	Aug.	
108,079	4,728	1,180	3,548	98,699	16,609	57,624	8,635	15,831	4,652	Sept.	
111,087	4,680	1,298	3,382	101,719	17,253	59,304	9,073	16,089	4,688	Oct.	
117,326	4,776	1,084	3,692	106,909	17,673	63,274	9,542	16,420	5,641	Nov.	
121,951	5,070	1,158	3,912	111,754	18,233	65,650	10,094	17,777	5,128	Dec.	
123,882	5,319	1,738	3,581	113,807	18,531	67,838	9,547	17,890	4,756	1974 Jan. r	
127,240	5,853	2,009	3,844	116,440	18,942	67,979	10,119	19,399	4,947	Feb.	
136,983	6,656	2,127	4,530	125,002	21,043	71,936	10,474	21,550	5,324	Mar. r	
139,532	6,875	2,368	4,507	127,280	22,469	71,600	11,196	22,015	5,377	Apr. r	
145,362	8,132	2,930	5,201	131,340	23,605	74,395	11,404	21,936	5,891	May	
40,955	2,624	503	2,121	37,080	6,663	21,116	4,391	4,910	1,250	1971 Dec. r	Payable in U.S. dollars
54,878	3,050	847	2,202	50,406	7,955	29,229	6,781	6,441	1,422	1972 Dec. r	
59,513	3,843	915	2,928	53,945	8,418	31,104	7,259	7,164	1,725	1973 May	
62,833	3,911	866	3,045	57,139	8,376	34,403	7,247	7,114	1,783	June	
64,456	3,775	1,036	2,739	58,799	9,219	35,153	7,005	7,421	1,882	July	
65,496	4,057	943	3,114	59,347	10,237	35,458	6,165	7,487	2,092	Aug.	
68,604	4,146	1,021	3,125	62,196	10,627	37,260	6,242	8,067	2,263	Sept.	
70,058	4,135	1,139	2,996	63,693	11,312	r37,662	6,337	r8,382	2,230	Oct.	
75,735	4,190	928	3,262	68,438	11,825	41,598	6,290	8,724	3,107	Nov.	
80,383	4,488	993	3,495	73,284	12,571	43,702	7,327	9,684	2,611	Dec.	
82,212	4,820	1,609	3,211	74,920	12,754	44,990	7,172	10,003	2,473	1974 Jan. r	
84,548	5,349	1,857	3,493	76,732	12,942	44,853	7,809	11,128	2,466	Feb.	
93,355	6,086	1,924	4,161	84,471	15,041	49,065	8,205	12,159	2,799	Mar.	
94,887	6,316	2,195	4,121	85,673	15,830	48,252	8,792	12,800	2,898	Apr. r	
100,579	7,430	2,741	4,689	89,706	16,628	51,078	9,057	12,943	3,443	May	
											IN UNITED KINGDOM
34,227	1,653	109	1,544	31,814	3,401	18,833	4,454	5,126	760	1971 Dec. r	Total, all currencies
43,467	1,453	113	1,340	41,020	2,961	24,596	6,433	7,030	994	1972 Dec. r	
48,860	2,028	170	1,857	45,575	3,614	26,987	7,304	7,669	1,258	1973 May	
51,203	1,957	122	1,835	47,936	3,321	29,151	7,565	7,899	1,310	June	
53,996	1,875	163	1,711	50,707	3,883	30,797	7,793	8,234	1,414	July	
52,880	2,080	171	1,909	49,293	3,731	30,266	6,730	8,565	1,508	Aug.	
55,842	2,125	161	1,964	51,957	4,118	31,963	6,929	8,947	1,759	Sept.	
57,306	2,026	129	1,897	53,475	4,036	r33,341	7,118	r8,980	1,805	Oct.	
61,897	2,197	143	2,054	57,042	3,886	36,052	7,680	9,424	2,657	Nov.	
61,732	2,431	136	2,295	57,311	3,944	35,063	8,056	10,248	1,990	Dec.	
63,726	2,429	346	2,083	59,356	4,350	36,996	7,679	10,332	1,941	1974 Jan.	
63,585	2,573	269	2,303	58,956	4,193	35,489	8,160	11,112	2,057	Feb.	
68,076	3,167	353	2,814	63,096	4,587	37,836	8,456	12,217	1,813	Mar.	
68,914	3,123	409	2,714	63,914	4,975	36,700	9,064	13,175	1,877	Apr. r	
71,935	3,727	749	2,978	66,111	4,890	39,706	9,111	12,404	2,097	May	
24,629	1,405	23	1,383	22,852	2,164	13,840	3,666	3,181	372	1971 Dec. r	Payable in U.S. dollars
30,810	1,272	72	1,200	29,002	2,008	17,379	5,329	4,287	535	1972 Dec. r	
32,051	1,809	138	1,671	29,635	2,225	16,906	5,877	4,626	607	1973 May	
33,491	1,731	102	1,629	31,185	2,234	18,318	5,971	4,663	575	June	
33,803	1,661	148	1,513	31,549	2,316	18,639	5,855	4,738	593	July	
32,960	1,846	148	1,698	30,433	2,213	18,566	4,995	4,660	681	Aug.	
34,886	1,866	137	1,729	32,213	2,245	19,836	5,110	5,022	807	Sept.	
35,342	1,831	103	1,727	32,781	2,515	r20,195	4,934	r5,137	730	Oct.	
39,527	1,940	119	1,821	36,032	2,468	23,059	4,971	5,534	1,555	Nov.	
39,658	2,173	113	2,060	36,646	2,519	22,135	5,839	6,152	839	Dec.	
40,979	2,200	329	1,871	37,884	2,846	22,971	5,806	6,262	895	1974 Jan.	
40,930	2,346	243	2,103	37,579	2,729	21,464	6,342	7,044	1,006	Feb.	
45,579	2,927	329	2,598	41,708	3,063	24,300	6,694	7,650	945	Mar.	
46,323	2,878	384	2,494	42,453	3,234	23,382	7,225	8,612	992	Apr. r	
49,255	3,480	724	2,756	44,580	3,083	26,128	7,306	8,064	1,194	May	
											IN BAHAMAS AND CAYMANS[1]
8,236	747			7,305	1,649	4,539		1,116	183	1971 Dec. r	Total, all currencies
12,643	1,220			11,260	1,818	8,105		1,338	163	1972 Dec. r	
14,090	1,320			12,440	1,944	8,980		1,516	330	1973 May	
15,613	1,458			13,829	2,272	10,170		1,387	326	June	
16,466	1,339			14,803	2,691	10,484		1,628	323	July	
19,341	1,521			17,410	3,917	11,691		1,803	409	Aug.	
20,673	1,608			18,464	4,321	12,255		1,887	601	Sept.	
20,698	1,663			18,463	4,591	11,902		1,969	572	Oct.	
21,504	1,559			19,363	4,744	12,857		1,762	582	Nov.	
23,771	1,517			21,803	5,526	14,453		1,824	451	Dec.	
24,071	1,848			21,782	5,293	14,569		1,920	441	1974 Jan.	
25,657	2,166			23,026	5,617	15,248		2,161	465	Feb.	
28,444	2,192			25,692	6,591	16,793		2,309	560	Mar.	
28,776	2,192			26,095	7,200	16,784		2,111	479	Apr.	
[2]30,862	2,567			27,704	8,255	16,759		2,690	591	May	

For notes see p. A-76.

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
1971	294	43,195	13,815
1972	325	50,934	[2]15,530
1973—July	280	57,054	15,464
Aug.	259	55,855	15,455
Sept.	250	55,407	15,437
Oct.	426	54,766	[3]17,122
Nov.	420	52,998	17,104
Dec.	251	52,070	17,068
1974—Jan.	392	49,582	17,044
Feb.	542	50,255	17,039
Mar.	366	51,342	17,037
Apr.	517	52,642	17,026
May	429	54,195	17,021
June	384	54,442	17,014
July	330	54,317	16,964

[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 change in par value of the U.S. dollar in May 1972.

[3] The value of earmarked gold increased because of the change in par value of the U.S. dollar 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]		
1969	1,491	1,062	161	183	86	663	534
1970	1,141	697	150	173	121	372	443
1971—Dec.[2]	1,648	1,092	203	234	120	577	587
	1,507	1,078	127	234	68	580	443
1972—Dec.[2]	1,965	1,446	169	307	42	702	485
	2,375	1,912	55	340	68	912	535
1973—May r	3,315	2,541	130	433	211	1,119	1,011
June r	3,312	2,652	74	453	134	1,157	882
July r	3,340	2,561	136	475	167	1,128	959
Aug. r	3,424	2,643	82	490	209	1,117	940
Sept. r	3,287	2,573	78	476	161	1,142	892
Oct. r	2,993	2,329	66	451	148	1,063	881
Nov. r	3,241	2,604	64	437	136	1,121	922
Dec. r	3,185	2,604	37	431	113	1,128	775
1974—Jan. r	2,859	2,286	59	365	149	1,091	772
Feb. r	3,254	2,618	65	368	203	1,222	868
Mar. r	3,692	3,018	99	358	218	1,366	1,029
Apr. r	3,585	2,966	60	351	209	1,480	928
May	3,671	3,036	71	337	227	1,911	974

[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 two 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
1970—June	2,387	1,843	543	4,457	3,868	234	355
Sept.	2,512	1,956	557	4,361	3,756	301	305
Dec.	2,677	2,281	496	4,160	3,579	234	348
1971—Mar.	2,437	1,975	462	4,515	3,909	232	374
June	2,375	1,937	438	4,708	4,057	303	348
Sept.	2,564	2,109	454	4,894	4,186	383	326
Dec.[1]	2,704	2,229	475	5,185	4,535	318	333
	2,763	2,301	463	5,004	4,467	290	247
1972—Mar.	2,844	2,407	437	5,177	4,557	318	302
June	2,925	2,452	472	5,331	4,685	376	270
Sept.	2,933	2,435	498	5,495	4,833	432	230
Dec.[1]	3,119	2,635	484	5,723	5,074	411	238
	3,533	3,022	511	6,373	5,695	396	282
1973—Mar. r	3,460	2,938	522	7,200	6,300	464	437
June r	3,435	2,856	579	7,437	6,574	503	360
Sept. r	3,757	3,034	723	7,809	6,855	535	418
Dec.	4,215	3,432	782	8,575	7,641	489	445
1974—Mar. p	4,691	3,789	902	10,628	9,671	411	546

[1] Data on the two 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 1972		1973		1974	Claims on foreigners 1972		1973		1974
	Dec.r	June r	Sept. r	Dec.	Mar.p	Dec.r	June r	Sept. r	Dec.	Mar.p
Europe:										
Austria	2	2	2	3	4	19	17	15	17	16
Belgium-Luxembourg	83	81	129	131	221	73	109	112	106	153
Denmark	7	19	18	9	17	29	20	21	46	37
Finland	4	4	7	7	8	25	21	31	44	42
France	167	165	165	168	161	231	325	283	310	413
Germany, Fed. Rep. of	164	189	200	236	238	195	278	265	284	336
Greece	15	24	33	40	21	35	40	52	51	87
Italy	121	103	108	116	136	202	201	201	237	327
Netherlands	109	113	115	134	123	84	96	119	118	111
Norway	14	13	10	9	9	16	19	21	18	22
Portugal	4	4	12	13	24	19	25	24	50	112
Spain	81	72	79	77	68	157	140	169	244	414
Sweden	13	25	32	48	43	57	49	53	71	74
Switzerland	105	81	142	103	94	82	90	67	101	90
Turkey	4	3	11	18	26	48	14	17	34	41
United Kingdom	1,104	775	855	938	1,129	1,223	1,495	1,544	1,559	1,857
Yugoslavia	7	17	22	28	31	12	18	21	49	30
Other Western Europe	2	3	3	3	3	12	9	12	15	19
Eastern Europe	3	22	24	31	26	42	92	73	104	79
Total	2,010	1,716	1,966	2,113	2,383	2,561	3,059	3,100	3,457	4,259
Canada	215	250	236	255	321	965	1,305	1,341	1,251	1,532
Latin America:										
Argentina	29	24	24	38	49	79	60	65	75	94
Bahamas[1]	391	435	364	419	206	662	766	746	633	761
Brazil	35	47	42	64	78	172	183	208	230	410
Chile	18	13	13	20	6	34	29	34	42	78
Colombia	7	7	8	9	18	39	36	43	40	44
Cuba	1	*	*	*	*	1	1	1	1	1
Mexico	27	37	36	45	68	181	203	185	235	260
Panama	18	18	17	13	14	85	83	102	120	178
Peru	4	6	10	15	17	36	34	37	49	66
Uruguay	7	3	2	2	3	4	5	5	5	6
Venezuela	21	23	24	50	69	92	101	104	143	143
Other L.A. republics	45	47	58	67	66	95	103	127	134	172
Neth. Antilles and Surinam	10	11	7	6	5	13	11	9	12	12
Other Latin America	4	19	20	22	37	34	90	105	214	158
Total	616	689	626	770	637	1,527	1,705	1,771	1,932	2,382
Asia:										
China, People's Republic of (China Mainland)	32	31	36	42	20	*	11	48	11	8
China, Rep. of (Taiwan)	26	37	31	34	53	65	77	77	120	183
Hong Kong	12	13	18	41	24	33	40	44	47	65
India	7	7	7	14	14	34	29	32	37	36
Indonesia	16	15	15	14	13	48	47	52	54	51
Israel	19	14	11	25	31	31	27	28	38	38
Japan	224	290	350	298	377	475	506	641	837	1,157
Korea	21	18	20	37	38	68	46	56	105	109
Philippines	16	20	17	17	9	59	64	70	73	88
Thailand	5	6	6	6	7	23	24	28	28	53
Other Asia	152	140	179	233	355	206	207	207	238	260
Total	530	592	692	761	940	1,042	1,079	1,283	1,588	2,048
Africa:										
Egypt	32	20	11	25	48	16	23	28	18	15
South Africa	8	6	6	14	22	52	51	60	62	69
Zaire	1	12	19	19	21	8	15	19	19	20
Other Africa	63	67	97	128	134	93	97	95	127	162
Total	104	105	134	187	224	170	187	202	225	266
Other countries:										
Australia	45	72	94	118	134	83	75	90	97	111
All other	14	11	9	12	22	23	26	22	25	30
Total	59	83	103	130	156	107	101	111	123	141
International and regional	*	*	*	*	29	1	1	*	1	1
Grand total	3,533	3,435	3,757	4,215	4,691	6,373	7,437	7,809	8,575	10,628

[1] Includes Bermuda through Dec. 1972.

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
1970—Mar.	2,358	2,744	159	735	573	181	74	458	158	288	71	47
June	2,587	2,757	161	712	580	177	65	477	166	288	76	54
Sept.	2,785	2,885	157	720	620	180	63	586	144	284	73	58
Dec.	3,102	2,950	146	708	669	183	60	618	140	292	71	64
1971—Mar.	3,177	2,983	154	688	670	182	63	615	161	302	77	72
June	3,172	2,982	151	687	677	180	63	625	138	312	75	74
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	3,118	128	705	767	174	60	653	136	325	86	84
1972—Mar.	3,093	3,191	129	713	787	175	60	665	137	359	81	85
June	3,300	3,255	108	713	797	188	61	671	161	377	86	93
Sept.	3,448	3,235	128	695	805	177	63	661	132	389	89	96
Dec.[1]	3,540	3,370	163	715	833	184	60	659	156	406	87	109
	3,688	3,493	187	758	868	187	64	703	134	399	82	111
1973—Mar.r	3,874	3,635	151	816	882	165	63	796	124	413	101	125
Juner	3,857	3,703	174	818	893	146	65	819	138	416	104	131
Sept.r	4,086	3,877	211	840	911	147	73	827	152	475	104	137
Dec.r	3,984	3,950	285	785	966	145	81	820	141	471	112	144
1974—Mar.p	3,871	4,070	360	758	1,007	194	82	798	138	469	115	149

[1] Data on the two 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.

OPEN MARKET RATES

(Per cent per annum)

Month	Canada		United Kingdom				France	Germany, Fed. Rep. of		Netherlands		Switzerland
	Treasury bills, 3 months[1]	Day-to-day money[2]	Prime bank bills, 3 months	Treasury bills, 3 months	Day-to-day money	Clearing banks' deposit rates	Day-to-day money[3]	Treasury bills, 60–90 days[4]	Day-to-day money[5]	Treasury bills, 3 months	Day-to-day money	Private discount rate
1972	3.55	3.65	6.06	5.02	4.83	3.84	4.95	3.04	4.30	2.15	1.97	4.81
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
1973—July	5.67	5.28	9.06	8.35	5.89	6.25	7.89	7.00	15.78	5.58	5.65	5.00
Aug.	6.47	5.87	12.78	10.98	9.70	8.99	8.87	7.00	10.63	5.92	7.24	5.00
Sept.	6.41	6.31	12.12	11.37	9.13	9.50	9.73	7.00	9.76	5.67	7.97	5.25
Oct.	6.56	6.54	11.37	10.75	10.53	9.50	10.99	7.00	10.57	5.25	7.93	5.25
Nov.	6.48	6.56	13.38	11.76	8.80	9.50	10.96	7.00	11.30	5.29	7.88	5.25
Dec.	6.39	6.58	13.74	12.41	9.57	9.46	11.14	7.00	11.89	6.41	8.75	5.40
1974—Jan.	6.31	6.50	13.67	12.09	10.36	9.25	13.63	7.00	10.40	6.50	9.36	6.00
Feb.	6.10	6.49	13.63	11.94	8.96	9.50	12.48	7.00	9.13	6.50	9.73	6.00
Mar.	6.24	6.50	14.39	11.95	11.31	9.50	11.88	7.00	11.63	6.00	9.07	6.00
Apr.	7.18	6.93	13.20	11.53	10.00	9.50	11.81	5.63	5.33	6.64	9.86	6.50
May	8.22	7.48	13.31	11.36	10.72	9.50	....	5.63	8.36	7.00	9.00	6.50
June	8.66	8.36	12.61	11.23	10.58	9.50	....	5.63	8.79	....	....	6.50
July	8.88	8.52	13.21	11.20	8.70	9.50	....	....	....	....	....	....

[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-72 AND A73 RESPECTIVELY:

[1] Cayman Islands included beginning Aug. 1973.
[2] Total assets and total liabilities payable in U.S. dollars amounted to $28,470 million and $28,686 million, respectively, on May 31, 1974.

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.

CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of July 31, 1974		Country	Rate as of July 31, 1974	
	Per cent	Month effective		Per cent	Month effective
Argentina	18.0	Feb. 1972	Italy	9.0	Mar. 1974
Austria	6.50	May 1974	Japan	9.0	Dec. 1973
Belgium	8.75	Feb. 1974	Mexico	4.5	June 1942
Brazil	18.0	Feb. 1972	Netherlands	8.0	Dec. 1973
Canada	9.25	July. 1974	Norway	5.5	Mar. 1974
Denmark	10.0	Jan. 1974	Sweden	6.0	Apr. 1974
France	13.0	June 1974	Switzerland	5.5	Jan. 1974
Germany, Fed. Rep. of	7.0	June 1973	United Kingdom	11.75	May 1974
Israel	....	....	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.

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)
1970	111.36	3.8659	2.0139	95.802	13.334	18.087	27.424	13.233	239.59	.15945	.27921
1971	113.61	4.0009	2.0598	99.021	13.508	18.148	28.768	13.338	244.42	.16174	.28779
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
1973—July	141.78	5.8124	2.8151	100.049	18.041	24.655	42.821	13.605	253.75	.17200	.37801
Aug.	141.48	5.5917	2.7035	99.605	17.521	23.527	41.219	13.220	247.57	.17423	.37704
Sept.	146.83	5.5695	2.7089	99.181	17.480	23.466	41.246	12.987	241.83	.17691	.37668
Oct.	148.22	5.5871	2.7328	99.891	17.692	23.718	41.428	12.938	242.92	.17656	.37547
Nov.	148.22	5.2670	2.5882	100.092	16.744	22.687	38.764	12.767	238.70	.16904	.35941
Dec.	148.33	5.1150	2.4726	100.058	16.089	21.757	37.629	12.328	231.74	.16458	.35692
1974—Jan.	148.23	4.8318	2.3329	100.859	14.981	19.905	35.529	11.854	222.40	.15433	.33559
Feb.	148.50	5.0022	2.4358	102.398	15.570	20.187	36.844	12.131	227.49	.15275	.34367
Mar.	148.55	5.1605	2.5040	102.877	16.031	20.742	38.211	12.415	234.06	.15687	.35454
Apr.	148.41	5.3345	2.5686	103.356	16.496	20.541	39.594	12.711	238.86	.15720	.36001
May	148.44	5.5655	2.6559	103.916	17.012	20.540	40.635	12.841	241.37	.15808	.35847
June	148.34	5.5085	2.6366	103.481	16.754	20.408	39.603	12.735	239.02	.15379	.35340
July	147.99	5.4973	2.6378	102.424	16.858	20.984	39.174	12.759	238.96	.15522	.34372

Period	Malaysia (dollar)	Mexico (peso)	Nether-lands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzer-land (franc)	United Kingdom (pound)
1970	32.396	8.0056	27.651	111.48	13.992	3.4978	139.24	1.4280	19.282	23.199	239.59
1971	32.989	8.0056	28.650	113.71	14.205	3.5456	140.29	1.4383	19.592	24.325	244.42
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
1973—July	43.121	8.0000	38.700	135.02	18.932	4.4624	148.63	1.7385	24.732	35.428	253.75
Aug.	43.859	8.0000	37.596	135.33	18.145	4.3243	148.52	1.7553	24.070	33.656	247.57
Sept.	43.361	8.0000	38.542	145.07	18.048	4.2784	148.50	1.7610	23.769	33.146	241.83
Oct.	43.641	8.0000	40.011	148.64	18.285	4.3014	148.54	1.7576	23.942	33.019	242.92
Nov.	41.838	8.0000	37.267	147.74	17.872	4.1155	148.45	1.7479	23.019	31.604	238.70
Dec.	41.405	8.0000	35.615	144.34	17.651	3.9500	148.66	1.7571	22.026	31.252	231.74
1974—Jan.	40.094	8.0000	34.009	139.08	16.739	3.7195	148.66	1.7205	20.781	29.727	222.40
Feb.	40.489	8.0000	35.349	140.31	17.351	3.8567	148.76	1.6933	21.373	31.494	227.49
Mar.	41.152	8.0000	36.354	143.40	17.734	3.9519	148.88	1.6927	21.915	32.490	234.06
Apr.	41.959	8.0000	37.416	145.12	18.170	4.0232	148.85	1.7080	22.730	33.044	238.86
May	42.155	8.0000	38.509	146.07	18.771	4.1036	148.78	1.7409	23.388	34.288	241.37
June	41.586	8.0000	37.757	145.29	18.410	4.0160	148.86	1.7450	22.885	33.449	239.02
July	41.471	8.0000	38.043	145.15	18.519	3.9886	149.73	1.7525	22.861	33.739	238.96

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.

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	714	1,470	791	82	64	85
1971	41,160	4,732	10,206	26,220	192	90	259	729	1,544	792	80	64	85
1972	44,890	5,830	10,487	28,575	208	152	281	792	1,638	834	87	69	92
1973—June	44,865	5,831	10,487	28,545	208	152	281	793	1,603	834	87	69	92
July	....	5,826	10,487	....	208	152	281	793	1,603	834	87	69	92
Aug.	....	5,826	10,487	....	208	152	281	793	1,603	834	87	69	92
Sept.	44,880	5,826	10,487	28,565	208	152	282	793	1,603	834	87	69	92
Oct.	....	6,474	11,652	....	231	169	312	881	1,781	927	97	77	103
Nov.	....	6,476	11,652	....	231	169	212	881	1,781	927	97	77	103
Dec.	49,850	6,478	11,652	31,720	231	169	311	881	1,781	927	97	77	103
1974—Jan.	....	6,478	11,652	....	231	169	312	882	1,781	927	97	77	103
Feb.	....	6,478	11,652	....	231	169	312	882	1,781	927	97	77	103
Mar.	p49,840	6,478	11,652	p31,710	231	169	312	882	1,781	927	97	77	103
Apr.	....	6,478	11,652	....	231	169	313	882	1,781	927	97	77	....
May	....	6,477	11,652	....	231	169	312	882	1,781	927	97	77	....
June p	....	6,477	11,652	....	231	....	....	882	1,781	927	....	77	....

End of period	France	Germany, Fed. Rep. of	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	3,523	4,077	98	243	131	144	2,884	679	87	322	85	184	1,909
1972	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973—June	3,841	4,462	133	264	142	156	3,134	802	102	350	93	186	2,063
July	3,835	4,469	133	264	142	156	3,134	802	102	350	93	184	2,063
Aug.	3,835	4,469	133	264	142	156	3,134	802	102	350	93	182	2,065
Sept.	3,835	4,469	133	264	142	156	3,134	802	94	350	93	179	2,065
Oct.	4,261	4,966	148	293	159	173	3,483	891	115	388	103	198	2,294
Nov.	4,261	4,966	148	293	159	173	3,483	891	105	388	103	198	2,294
Dec.	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974—Jan.	4,262	4,966	148	293	159	173	3,483	891	113	389	103	195	2,294
Feb.	4,262	4,966	148	293	159	173	3,483	891	120	391	103	194	2,294
Mar.	4,262	4,966	149	....	159	173	3,483	891	123	387	103	156	2,294
Apr.	4,262	4,966	149	....	159	173	3,483	891	118	387	103	....	2,294
May	4,262	4,966	149	....	159	173	3,483	891	142	386	103	....	2,294
June p	4,262	4,966	150	....	159	173	3,483	891	130	389	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	92	126	1,349	162	384	−282
1971	55	921	108	410	398	200	2,909	82	130	775	148	391	310
1972	60	1,021	117	681	541	217	3,158	89	136	800	133	425	218
1973—June	60	1,022	117	724	542	220	3,162	89	136	810	133	425	205
July	60	1,022	117	734	542	220	3,162	89	136	810	133	425	204
Aug.	60	1,035	117	740	542	220	3,162	89	136	797	133	425	205
Sept.	60	1,036	116	738	542	220	3,162	89	136	797	133	425	213
Oct.	67	1,154	129	820	602	244	3,512	99	151	886	148	472	227
Nov.	67	1,159	129	809	602	244	3,513	99	151	886	148	472	237
Dec.	67	1,163	129	802	602	244	3,513	99	151	886	148	472	235
1974—Jan.	67	1,167	129	793	602	244	3,513	99	151	886	148	472	271
Feb.	67	1,171	129	783	602	244	3,513	99	151	886	148	472	277
Mar.	67	1,176	129	780	602	244	3,513	99	151	886	148	472	274
Apr.	67	1,180	129	780	602	244	3,513	99	151	....	148	472	271
May	67	1,180	129	777	602	244	3,513	99	151	....	....	472	247
June p	....	....	129	781	....	244	3,513	....	....	....	....	472	259

[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 China Mainland.

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 in bars and coins and other gold assets minus gold deposit liabilities.

NUMBER OF BANKING OFFICES IN THE UNITED STATES

Type of office and type of change	All banks	Commercial banks							Mutual savings banks	
		Total	Member			Nonmember				
			Total	National[1]	State	Total	Insured	Noninsured	Insured[2]	Noninsured
Banks (head office):										
Dec. 31, 1934	16,063	15,484	6,442	5,462	980	9,042	7,699	1,343	68	511
Dec. 31, 1941	14,826	14,278	6,619	5,117	1,502	7,662	6,810	852	52	496
Dec. 31, 1947[3]	14,714	14,181	6,923	5,005	1,918	7,261	6,478	783	194	339
Dec. 31, 1951	14,618	14,089	6,840	4,939	1,901	7,252	6,602	650	202	327
Dec. 31, 1962	13,938	13,427	6,047	4,503	1,544	7,380	7,072	308	331	180
Dec. 31, 1963	14,078	13,569	6,108	4,615	1,493	7,461	7,177	284	330	179
Dec. 31, 1964	14,266	13,761	6,225	4,773	1,452	7,536	7,262	274	327	178
Dec. 31, 1965	14,309	13,804	6,221	4,815	1,406	7,583	7,320	263	328	177
Dec. 31, 1966	14,274	13,770	6,150	4,779	1,351	7,620	7,385	235	330	174
Dec. 31, 1967	14,222	13,721	6,071	4,758	1,313	7,650	7,439	211	331	170
Dec. 31, 1968	14,179	13,679	5,978	4,716	1,262	7,701	7,504	197	333	167
Dec. 31, 1969	14,158	13,662	5,871	4,669	1,202	7,791	7,595	196	330	166
Dec. 31, 1970	14,181	13,688	5,768	4,621	1,147	7,920	7,735	185	328	165
Dec. 31, 1971	14,273	13,784	5,728	4,600	1,128	8,056	7,875	181	326	163
Dec. 31, 1972	14,413	13,928	5,705	4,613	1,092	8,223	8,017	206	325	160
Dec. 31, 1973	14,653	14,172	5,737	4,661	1,076	8,435	8,229	206	321	160
June 30, 1974	14,817	14,338	5,763	4,695	1,068	8,575	8,347	228	319	160
Branches, additional offices, and facilities:										
Dec. 31, 1934	3,133	3,007	2,224	1,243	981	783	783		126	
Dec. 31, 1941	3,699	3,564	2,580	1,565	1,015	984	932	52	32	103
Dec. 31, 1947[3]	4,332	4,161	3,051	1,870	1,181	1,110	1,043	67	124	47
Dec. 31, 1951	5,383	5,153	3,837	2,370	1,467	1,316	1,275	41	165	65
Dec. 31, 1962	12,932	12,345	9,649	6,640	3,009	2,696	2,646	50	466	121
Dec. 31, 1963	14,122	13,498	10,613	7,420	3,193	2,885	2,835	50	502	122
Dec. 31, 1964	15,275	14,601	11,457	8,156	3,301	3,144	3,094	50	549	125
Dec. 31, 1965	16,471	15,756	12,298	8,964	3,334	3,458	3,404	54	583	132
Dec. 31, 1966	17,665	16,908	13,129	9,611	3,518	3,779	3,717	62	614	143
Dec. 31, 1967	18,757	17,928	13,856	10,183	3,673	4,072	4,026	46	669	160
Dec. 31, 1968	19,911	19,013	14,553	10,985	3,568	4,460	4,414	46	729	169
Dec. 31, 1969	21,196	20,208	15,204	11,727	3,477	5,004	4,957	47	810	178
Dec. 31, 1970	22,727	21,643	16,191	12,536	3,655	5,452	5,404	48	891	193
Dec. 31, 1971	24,299	23,104	17,085	13,272	3,813	6,019	5,979	40	983	212
Dec. 31, 1972	25,977	24,622	17,954	13,974	3,980	6,668	6,623	45	1,113	242
Dec. 31, 1973	27,946	26,454	18,966	14,916	4,050	7,488	7,442	46	1,241	251
June 30, 1974	28,869	27,336	19,436	15,387	4,049	7,900	7,853	47	1,282	251
Changes Jan.–June 30, 1974										
Banks:										
New banks	230	229	72	53	19	157	129	28	1	....
Ceased banking operations	2	2	....	....	....	-2	....	2	....	....
Suspensions	....	....	....	....	....	....	....	....	....	....
Reopening of suspended bank	1	1	....	....	....	1	1	....	....	....
Consolidations and absorptions:										
Banks converted into branches	51	-56	27	19	8	29	-29	....	-1	....
Other	8	6	1	....	1	-5	4	1	-2	....
Interclass changes:										
Nonmember to national	....	....	5	5	....	5	5	....	....	....
Nonmember to State member	....	....	3	....	3	3	-3	....	....	....
State member to national	....	....	....	4	-4	....	....	....	....	....
State member to nonmember	....	....	17	....	17	17	17	....	....	....
National to nonmember	....	....	9	9	....	9	9	....	....	....
Noninsured to insured	....	....	....	....	....	....	3	-3	....	....
Net change	*164*	*166*	*26*	*34*	*-8*	*140*	*118*	*22*	*2*	....
Number of banks, June 30, 1974	14,817	14,338	5,763	4,695	1,068	8,575	8,347	228	319	160
Branches and additional offices:										
De novo	980	901	506	404	102	395	394	1	79	....
Banks converted	56	56	39	29	10	17	17	....	....	....
Discontinued	106	75	61	42	19	-14	14	....	-31	....
Sale of branch	-4	-4	5	-1	-4	1	1	....	....	....
Interclass changes:										
Nonmember to national	....	....	19	19	....	19	-19	....	....	....
Nonmember to State member	....	....	3	....	3	3	3	....	....	....
State member to national	....	....	....	106	106	....	....	....	....	....
State member to nonmember	....	....	14	....	14	14	14	....	....	....
National to State member	....	....	....	-26	26	....	....	....	....	....
National to nonmember	....	....	16	-16	....	16	16	....	....	....
Insured mutual savings to national	....	6	6	6	....	....	....	....	6	....
Other	....	1	5	-8	3	6	6	....	-1	....
Facilities reclassified as branches	2	2	1	1	....	1	1	....	....	....
Net change	*928*	*887*	*473*	*472*	*1*	*414*	*413*	*1*	*41*	....
Number of branches and additional offices, June 30, 1974	28,671	27,138	19,271	15,232	4,039	7,867	7,820	47	1,282	251
Banking facilities:[4]										
Facilities reclassified as branches	2	2	-1	1	....	1	1	....	....	....
Discontinued	3	-3	2	2	....	-1	-1	....	....	....
Interclass changes:										
State member to national	....	....	....	2	2	....	....	....	....	....
Net change	*-5*	*-5*	*3*	*-1*	*-2*	*2*	*-2*	....	....	....
Number of facilities, June 30, 1974	198	198	165	155	10	33	33	....	....	....

[1] National bank figures include one bank in Puerto Rico and one bank in Virgin Islands.

[2] Insured mutual savings banks figures include one to three member mutual savings banks, 1941 to 1962 inclusive, not reflected in total commercial bank figures.

[3] Series revised as of June 30, 1947. The revision resulted in an addition of 115 banks and nine branches.

[4] Provided at military and other Govt. establishments through arrangements made by the Treasury Dept.

NOTE.—Beginning with 1959, figures include all banks in Alaska and Hawaii, but nonmember banks in territories and possessions are excluded.

NUMBER OF PAR AND NONPAR BANKING OFFICES

F.R. district, State, or other area	Total		Par						Nonpar (nonmember)	
			Total		Member		Nonmember			
	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices
Total, including other areas:										
Dec. 31, 1973	14,062	26,687	13,915	26,594	5,737	19,015	8,178	7,579	147	93
June 30, 1974	14,213	27,583	14,084	27,488	5,763	19,493	8,321	7,995	129	95
F.R. districts, June 30, 1974										
Boston	379	1,917	379	1,917	208	1,245	171	672	...	...
New York[1]	480	4,242	480	4,242	326	3,675	154	567	...	...
Philadelphia	414	1,992	414	1,992	274	1,328	140	664	...	...
Cleveland	771	2,385	771	2,385	462	1,922	309	463	...	...
Richmond	772	3,964	766	3,963	388	2,477	378	1,486	6	1
Atlanta	1,901	2,193	1,857	2,128	631	1,270	1,226	858	44	65
Chicago	2,658	2,844	2,658	2,844	930	1,811	1,728	1,033	...	...
St. Louis	1,414	1,274	1,377	1,260	429	644	948	616	37	14
Minneapolis	1,392	351	1,392	351	505	182	887	169	...	...
Kansas City	2,153	505	2,153	505	817	272	1,336	233	...	...
Dallas	1,445	402	1,403	387	650	200	753	187	42	15
San Francisco	434	5,514	434	5,514	143	4,467	291	1,047	...	...
State or area, June 30, 1974:										
Alabama	292	386	292	386	112	273	180	113	...	...
Alaska	10	79	10	79	5	68	5	11	...	...
Arizona	16	415	16	415	4	288	12	127	...	...
Arkansas	257	258	220	244	83	151	137	93	37	14
California	182	3,428	182	3,428	65	2,969	117	459	...	...
Colorado	259	44	259	44	143	26	116	18	...	...
Connecticut	71	532	71	532	26	324	45	208	...	...
Delaware	17	123	17	123	5	4	12	119	...	...
District of Columbia	16	122	16	122	14	112	2	10	...	...
Florida	684	87	684	87	301	19	383	68	...	...
Georgia	443	601	443	601	74	373	369	228	...	...
Hawaii	8	148	8	148	2	10	6	138	...	...
Idaho	23	186	23	186	10	159	13	27	...	...
Illinois	1,182	187	1,182	187	490	109	692	78	...	...
Indiana	408	809	408	809	173	482	235	327	...	...
Iowa	666	377	666	377	146	113	520	264	...	...
Kansas	614	107	614	107	197	54	417	53	...	...
Kentucky	342	440	342	440	91	257	251	183	...	...
Louisiana	248	512	173	432	62	259	111	173	75	80
Maine	44	269	44	269	23	157	21	112	...	...
Maryland	112	676	112	676	47	412	65	264	...	...
Massachusetts	152	873	152	873	91	641	61	232	...	...
Michigan	341	1,425	341	1,425	206	1,139	135	286	...	...
Minnesota	742	27	742	27	229	15	513	12	...	...
Mississippi	184	468	184	468	49	217	135	251	...	...
Missouri	687	235	687	235	172	79	515	156	...	...
Montana	151	13	151	13	100	9	51	4	...	...
Nebraska	446	69	446	69	131	39	315	30	...	...
Nevada	8	99	8	99	5	84	3	15	...	...
New Hampshire	80	92	80	92	49	76	31	16	...	...
New Jersey	223	1,286	223	1,286	151	1,095	72	191	...	...
New Mexico	75	182	75	182	41	111	34	71	...	...
New York	294	2,951	294	2,951	224	2,778	70	[1] 73	...	...
North Carolina	90	1,494	90	1,494	27	742	63	752	...	...
North Dakota	169	78	169	78	47	18	122	60	...	...
Ohio	500	1,565	500	1,565	333	1,309	167	256	...	...
Oklahoma	451	91	451	91	208	57	243	34	...	...
Oregon	48	409	48	409	8	285	40	124	...	...
Pennsylvania	412	2,111	412	2,111	274	1,487	138	624	...	...
Rhode Island	16	208	16	208	5	114	11	94	...	...
South Carolina	91	569	85	568	23	375	62	193	6	1
South Dakota	159	112	159	112	59	79	100	33	...	...
Tennessee	329	682	329	682	85	381	244	301	...	...
Texas	1,292	113	1,281	113	598	29	683	84	11	...
Utah	53	182	53	182	16	130	37	52	...	...
Vermont	36	120	36	120	21	47	15	73	...	...
Virginia	278	1,085	278	1,085	165	824	113	261	...	...
Washington	89	652	89	652	29	537	60	115	...	...
West Virginia	212	25	212	25	127	15	85	10	...	...
Wisconsin	617	319	617	319	160	102	457	217	...	...
Wyoming	71	2	71	2	55	1	16	1	...	...
Other areas:										
American Samoa[2]	...	2	...	2	...	...	...	2	...	...
Guam[2]	1	15	1	15	...	9	1	6	...	...
Puerto Rico[3]	14	214	14	214	1	28	13	192	...	...
Virgin Islands[3]	8	29	8	29	1	22	7	1	...	...

[1] Includes 19 New York City branches of three insured nonmember Puerto Rican banks.

[2] American Samoa and Guam assigned to the San Francisco District for check clearing and collection purposes. All member branches in Guam are branches of California and New York Banks.

[3] Puerto Rico and the Virgin Islands assigned to the New York District for purposes of Regulation J, "Check Clearing and Collection." Member branches in Puerto Rico and all except seven in the Virgin Islands are branches of banks located in California, New York and Pennsylvania. Certain branches of Canadian banks (two in Puerto Rico and five in Virgin Islands) are included above in the table as nonmember banks; and nonmember branches in Puerto Rico include eight branches of Canadian banks.

NOTE.—Includes all commercial banking offices in the United States, Puerto Rico, and the Virgin Islands on which checks are drawn, including 198 banking facilities. Number of banks and branches differs from that in the table on page A-79 of the Aug. 1974 BULLETIN, because this table includes banks in Puerto Rico and the Virgin Islands but excludes banks and trust companies on which no checks are drawn.

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OPERATING POLICIES OF BANK HOLDING COMPANIES—PART II: NONBANKING SUBSIDIARIES, by Robert J. Lawrence. Mar. 1974. 59 pp.

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Staff Economic Studies shown in list below.
(Except for Staff Papers, Staff Economic Studies, and some leading articles, most of the articles reprinted do not exceed 12 pages.)

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HOUSING PRODUCTION AND FINANCE. 3/69.

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INDEX TO STATISTICAL TABLES

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(References are to pages A-4 through A-80 although the prefix "A" is omitted in this index)

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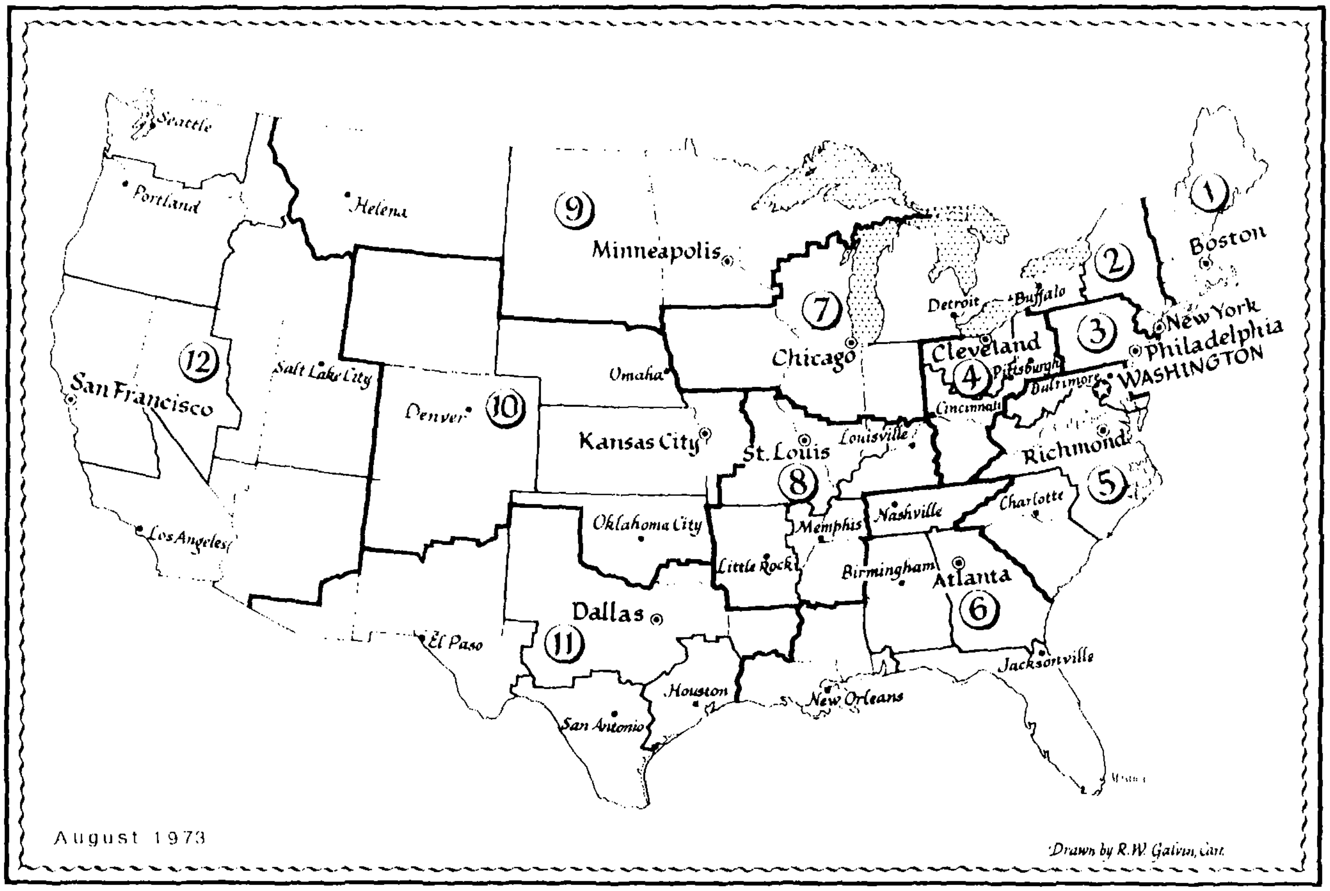
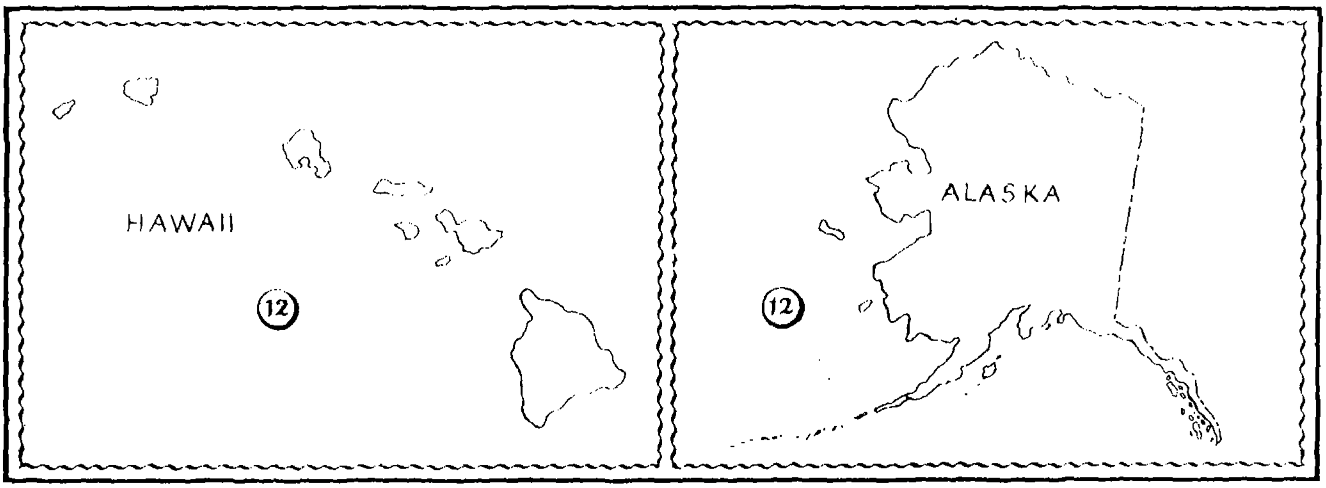


THE FEDERAL RESERVE SYSTEM



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 Facilities